



Chapter ONE

The Birth of Financial DNA

Most of us in today's busy and turbulent world are on a discovery journey, searching perhaps more than ever before for the meaning of life and our place in the world. In one way or another, we are all asking the same questions:

- What should I be doing to achieve a successful life?
- With whom should I have relationships?
- How can I make a better contribution?
- What are the activities I should be participating in?
- How can I have more money?

In the end, many of us are simply looking for a quality life that stems from how we integrate all of life's choices—including our financial decisions. For some, this is more about finding the magic money-making formula that will be sustainable for the rest of their lives, and for others the

priority is finding their life purpose. I believe a quality life means successfully integrating finances into a balanced life, and in so doing, having the courage to live according to your unique design, in harmony, and without regret.

Even if you can find answers to all of the above questions, then your actions are often determined by whether you have enough money, or rather your perception of what is enough money. For many of us, the perceptions of money trigger powerful energies that drive positive and negative behavior which can get in the way of making optimal wealth creation decisions. The confusion and stress can even block us from seeing our real financial needs and goals.

Further, I am sure many of you are stuck with a lot of misconceptions from society, the financial world, the education system, and your families about successfully creating wealth. I know because I was there, too.

This book is dedicated to giving you a new perspective for thinking about financial matters and then practically demonstrating a fresh approach for you to find the right direction to pursue the goal of creating a quality life for yourself.

The Success Formula: Understanding Your Unique Financial Personality Code

“Wealth comes in many forms, and is not limited to greenbacks or the numbers in a bank account. Health is wealth. The love and support of friends and family is wealth. Knowledge is wealth. The service that others offer, the products we use—all are forms of wealth. Defining our wealth on the basis of bank

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account numbers alone creates an artificial experience of poverty. It is artificial because every day one lives and is supported by the universe. This is cause for thanksgiving."

—John G. Boldt

So why do some people appear to achieve success and everything they want in life, while others fall short? What sets people apart?

Success requires a superior and objective understanding of who you are so that you can communicate effectively for aligned relationships with others. Then with this greater knowledge of yourself you can develop your life purpose to set the boundaries for your life and hence be equipped to consistently make committed financial decisions. This is the surest path to achieving your goals and fulfilling needs (see Figure 1.1). To begin the journey to a quality life, you need to gain a greater understanding of your unique financial personality code—your Financial DNA.

Discovering our Financial DNA is important because we are all uniquely wired to make financial decisions. Life is not linear. How we each get to our goals will vary because our financial personalities are unique. What works for someone else might not be right for you.

Many of the traditional self-help programs and investment books prescribe a one-size-fits-all approach to success and prosperity. This book is about helping you discover your own unique formula based on how you are wired. It will also show you how to use a disciplined process to link that formula to the quality of your life. I sincerely believe this will provide you with greater peace of mind and long-term success.



Figure 1.1 Accelerate Your Quality of Life

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What will be outlined for you in this book is the Financial DNA Discovery Process I formally began to develop in 1999. Since then, many clients and advisors around the world have participated in the process. Some have been as young as 18; some as old as 80. It is never too early nor too late to discover your own financial behavior and learn to make better decisions for your life. Certainly, at any time you are making a major life or financial decision, knowing your Financial DNA will be a foundational first step.

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I am sure the concepts behind how and why we make our financial decisions are somewhat mysterious and rather daunting for many to think about, let alone pursue. But they don't have to be. My goal is to show you how we have cracked the code of Financial DNA and how you can adopt a user-friendly framework to decode and then understand your own financial behavior more easily.

Your attitude toward money and wealth creation, and ultimately a quality life, will depend on your relationship with yourself and others. The starting point to discovering your money and wealth attitudes is to understand who you are, and then the environment, values, and education that have shaped you.

I've heard people say, "Oh, I don't care about money." What they usually mean is that they don't care much about personal possessions. They think that caring about money is greedy, materialistic. Nevertheless, in all likelihood they do care about security, education, health care, retirement, free time—all of which are tied to money.

Differences between family members are not always about money as such, although the emotional forces that are triggered by the perceptions money creates will expose differences. For couples and families, understanding and having buy-in to the source of similarities and differences is significant, and this means that understanding the behavioral styles of each family member is important. Otherwise the risk is that each person will work around the other, resulting in financial decisions that are not aligned.

So the Financial DNA approach that I recommend involves addressing personal understanding before starting on the money issues. Getting this right will pay off in the long term. Understanding yourself will have positive

benefits for all aspects of your life, including helping you better understand others and gaining clarity about the financial issues you have.

Observations about Financial Decision-Making Patterns

As an international wealth mentor, I have had the opportunity to observe a range of clients from all over the world with various levels of success in making financial decisions personally and in business. Over the years, I have watched as some clients and investors continuously made good investment decisions, even those decisions that went against the trends of the day. There were other clients and investors, however, who continually made poor decisions that minimized their investment returns. What was worse was that some clients and investors made the same kinds of mistakes time after time. Others repeatedly swung between good and bad decisions, not knowing why. I have seen clients and investors fail to remain committed to investments although they were chosen as part of a long-term plan. This piqued my curiosity, and I set myself on a journey to discover why and how people make financial decisions.

What I found in my research was surprising in its simplicity and logic. Whenever a person seeks financial advice or asks a financial question, there is generally a life question triggering it. In effect, the financial personality is in operation, continuously processing life and financial issues on an integrated basis. Further, what I came to learn is that a primary driver of each person's financial personality is a natural, hard-wired behavioral style that deeply impacts every aspect of how each individual processes life. This is

what prompted me to develop a new model for delivering financial services.

A New Starting Point: A Focus on Human Behavior

Fundamental to my business philosophy of *understanding people before numbers* is the belief that you cannot truly understand people (including yourself) without understanding human behavior. Also, it is my belief that the greatest source of wealth creation is the development of your human capital for which understanding your behavioral talents is key. By adopting a human behavioral approach of this nature, life is able to be put at the center of the financial plan and not money. Hence, through truly understanding yourself first you can get a much greater alignment to a financial strategy tailored specifically for you—one that will lead to success and a quality life.

Every facet of making financial decisions involves some aspect of human behavior. Human behavior is what drives us and is the core of our unique financial personality code. Of course, there are external factors (such as market risks) that need to be addressed in making financial decisions, but most influences are related to human behavior in some way, including our relationships with family members, business associates, and our advisors.

The Science: Building on Years of Work

"All science is concerned with the relationship of cause and effect. Each scientific discovery increases man's ability to predict the consequences of his actions and thus his ability to control future events."

—Lawrence J. Peters

While scientists have spent decades trying to unravel the genetic code, the exploration of financial behavior through the analysis of human actions is a relatively new science. Over the centuries, others have looked to probability, rational decision making, economic and quantitative risk theories, all of which have made up the broad subject of behavioral finance. This work comes mainly from a numbers and markets perspective and rarely takes into account the complexity of people. There have also been a variety of great thinkers and researchers looking at the psychology of people, but most of them have stopped short of financial decision making. Nonetheless, all of this very valuable work has paved the way for the next generation to understand why people think, act, and react to financial issues the way they do.

In the past six years, I have been humbly walking with and in the footsteps of experts from all over the world in the area of human behavior. Their knowledge and support, with my own experience and research added into the mix, brought me to a vision of how the understanding of financial decision making could be brought to a new level. The key was to make the behavioral information objective and easy to understand. People cannot apply what they do not understand.

The Birth of Financial DNA Was No Accident

The power of this new vision prompted me to address the idea of how a systemized program for understanding human behavior could be incorporated into a low-risk system of personal wealth discovery and financial education that anyone could use. In developing a new product, one

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sometimes finds that a formula has been around for a long time, but the right combination of packaging, people, and timing enables it to emerge into everyday life (such as with the telephone moving to the mobile phone). While there had been plenty of personality-type systems developed, little of what I saw satisfactorily provided an accurate, user-friendly, and memorable framework for understanding how or why we make the financial decisions we do. Yet this seemed to me to be a field for which there was universal interest and therefore provided an incredible opportunity to develop a new solution.

I believe with Financial DNA there was a necessary convergence of circumstances, along with my own life, business, and investment experiences that brought me to see how a new program could be successfully developed and brought to market. Why Financial DNA? Why me? By following the process outlined in this book, I found my own Financial DNA—a part of which was becoming a wealth mentor to guide others to find their own Financial DNA and to become more financially empowered. This is my passion and how my talents can best be used, which has now become my life purpose.

Of course there are many strands of my Financial DNA, including my preferred communication style and the structure of my investment portfolio for which there is a comfortable balance between my emotions and rationality. For me, it is the clarity of focusing on my life purpose, knowing how I am uniquely hard-wired to make committed wealth creation decisions for the long term and learning to adapt my communication for building relationships that have drastically improved the quality of my life.

The New Discovery Process

“As a general rule, the most successful people in life are those who have the best information.” —Benjamin Disraeli

Through the Financial DNA Discovery Process I will teach you to own your decisions and to take personal responsibility, first by providing a highly reliable and validated assessment process to objectively predict your financial decision-making behavior. Next I will teach you how to follow that up with carefully structured facilitation programs that will liberate and guide you to consistently make empowered financial decisions aligned to the core of who you are. The facilitation process involves guiding you to identify your unique talents, aptitudes, and preferences, to find your life purpose, to follow a passion with a realistic vision, and to stick with it. The three areas that can cause problems are: (1) the discipline to continually use your unique talents, (2) the commitment to the core values essential to your life purpose, and (3) the right personal, financial, and accountability structure to put around that life purpose, passion, and vision.

If you are not doing what you enjoy, what you are truly passionate about, you won't be doing it for long. You need purpose and passion to stick with a plan when the going gets tough. If you want to predict how you will behave in the future, you need to know how you behave under pressure. It is when we are under pressure that we are most truly ourselves, for better or worse. This is what the Financial DNA Discovery Process is about. As your financial and professional advisors share in this information, the advice you get will be much better, as well. In the

following chapters, you will see how this process is fully revealed.

The Power of Using Objective Information: Do Not Make Assumptions

“Combine intuition with analysis. You should work with the best analytical and intuitive processes, so that you can refine your mental models and apply them more effectively. Look for ways to combine the best of your head and your heart in making decisions.”

—Power of Impossible Thinking
by Yoram (Jerry) Wind, Colin Crook,
and Robert E. Gunther

The Financial DNA process is born from the philosophical position that we are all uniquely wired, beginning from the time of conception. While it sounds obvious, the point is that no person should be made to feel boxed-in, which can happen easily because people typically make assumptions about one another. In the world of finance and investment, a numbers or transaction approach is typically adopted without really understanding the person inside, resulting in that person effectively having to metaphorically wear a suit that has been incorrectly measured.

Most people just follow their intuition—what they believe they have learned about their own behavior and that of others. Little analysis is done; but we all need both intuition and objective analysis. The Financial DNA Discovery Process is the predictive analysis, which if done up front will enable you to work with your intuition and make your learning about your own behavior and that of others much more powerful.

When people are under pressure, very often their emotions crush their rationality, and the outcome is faulty decisions. We need to objectively understand far more about our financial personalities and how our behavioral styles drive our financial decision making. Most of us, regardless of how successful we are, have some blind spots about ourselves and those that we do not identify may become barriers to our success.

With the new mind-set and structured approach I am advocating with Financial DNA, you will no doubt see things much faster and more accurately than you could possibly otherwise. Ultimately, Financial DNA enables you to make wiser long-term decisions that will shorten your road to success.

Why the Financial DNA Discovery Process?

“Many people climb the ladder of success only to find it leaning against the wrong wall.”
—Stephen Covey

I believe Financial DNA can liberate you to make more empowered decisions for your future. You will ultimately have peace of mind from the greater knowledge Financial DNA brings you and the greater understanding that others with whom you interact will have. The process can first help you to:

- Uncover the rational and emotional stimuli in your decision-making style
- Identify your behavioral predispositions regarding financial decisions

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- Uncover the influences of your environment, values, and education
- Discover your talents, passion, unique gift, and life vision
- Determine your communication terms
- Identify differences with others to build more prosperous and aligned personal, family, and business relationships

The Financial DNA reports are insightful and intended to be motivating and nonthreatening. The information from the reports then can be used to help you build a quality life by facilitating the following outcomes for you:

- Building an effective communication framework
- Developing money clarity and clarity of life purpose
- Developing a road map for the next stage of your life
- Setting a balanced life framework
- Finding your financial comfort zone
- Implementing committed wealth creation strategies
- Reducing stress by living who you are and using your natural talents
- Better managing your time and money
- Pinpointing the right financial decisions
- Reducing costs and losses resulting from poor choices

Everyone who participates in Financial DNA will have a slightly different but equally valuable experience. The

insight provided may liberate you by revealing something that you never knew or by confirming an idea on which you were unsure whether to act. It may confirm that you're on the right path and so give you the confidence to stay there.

About This Book: The Starting Point of Your Journey to Financial Liberation

"A man will become better when you show him what he is like."
—Anton Chekhov

This book is not intended to provide you with all the answers. Deep down you actually already know most of them. However, what it will do is provide you with the framework to bring your master plan to the surface and then start you on a path of building a quality life. Also, it is my objective that advisors will be shown how to introduce and facilitate Financial DNA, providing their clients enhanced financial planning experiences.

I have used real-life case studies throughout. While the people and situations are real, I have fictionalized them to ensure anonymity. The main character of this book is Chris Coddington, a financial advisor who transformed his approach to providing wealth management services through the discovery of his own Financial DNA. We take a deep look at how his Financial DNA and where he is in life today have been shaped and how he has used this self-discovery for creating a quality life for himself and his clients. The principles explained in relation to Chris are equally applicable for any person regardless of vocation or position.

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I also introduce Helen and Tony Jones, who are clients of Chris, to demonstrate how an advisor (or any professional person or coach) can facilitate Financial DNA with an individual client and to show the more complex dynamics of a married couple. You will see how different Helen and Tony are and the potential financial decision-making issues that their differences cause.

Chris has a brother, Richard Coddington, who is almost polar opposite in behavioral style and financial personality. I explore their lives to see why their differences emerge and how they have both been propelled forward into their very different lives. The family circumstances are significant, especially the role that their mother, Jane Coddington, played.

I will also explore the development of a behavioral-based portfolio for Paul Wilson, another client of Chris Coddington's. This case study will show you the one-client, one-portfolio approach based on the unique financial personality of each person. I have also outlined a family succession situation for the Williams family that exposes family dynamics. Finally, we look at some team dynamic analysis for Chris's team and also how Chris successfully facilitates a difficult client situation in which the partners of Techscape Partners do not understand each other.

The interactions in which these characters are brought together, each demonstrate the powerful impacts of behavior on how people act and relate to each other and, as a consequence, make financial decisions in everyday situations. I am sure you will see some of yourself in these characters. This should provide interesting reflection.

At the end of each chapter is a series of coaching tips that will help you develop your thinking and bring more understanding of who you are and your true motivations for making financial decisions. As you read through the book you will receive more clarity on how to respond to the matters you are asked to reflect on. Also, I introduce some interesting books from other authors whom I have read to give you further guidance in developing a new thought process toward the next stage of your life and how money fits. Some of these books are about personal finances. Some are not. But all are listed to help you navigate the bridge between who you are and your financial decisions.

After reading this book, it is my hope that you will stop viewing financial decisions as just a money matter. I am hoping that you will recognize financial decisions as life decisions for which you need alignment to a life purpose and to make those decisions you must understand how you have been hard-wired. This will enable you to develop much greater insight and to truly integrate your financial decisions with your life journey for an overall quality life.

Your Turn

Take Your Quality Life Pulse—Where Are You?

- Where is your life going well right now?
- What is your greatest strength?
- What is the purpose for your life?
- Do you know your passions?

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- Do you know the meaning of wealth in your life?
- Do you know where your quality life “sweet-spot” is?
- Do you know how to realize your potential?
- What are the best and worst decisions you have made?
- Are your business and family relationships aligned?
- How do you want to be remembered?

Recommended Reading

The Power of Impossible Thinking: Transform the Business of Your Life and the Life of Your Business by Yoram (Jerry) Wind, Colin Crook, and Robert Gunther. This book will motivate and guide you to change your mental models and make smarter decisions based on reality and not on an obsolete model of reality. Hopefully, it will help you get unstuck by seeing things in new ways, which will give you more confidence to take advantage of opportunities and not create perceived barriers. After all, we are all limited by our imagination and how we process our life experiences.

Getting the Most Out of This Book

Taking the Financial DNA profiles is not mandatory to benefit from this book. However, if you know your profile and then read the book you may be even more compelled to take some life review steps.

To participate in the Financial DNA Discovery Process you can start by completing the Financial DNA path profiles (stage 1 of the appraisals) online at

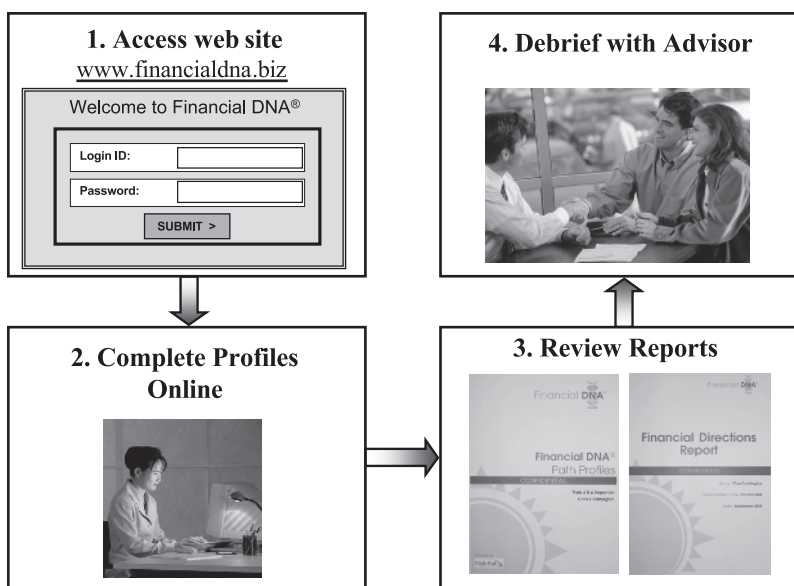


Figure 1.2 Uncover Your Financial DNA®

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www.financialdna.biz. The profiles can be completed online or filled out on paper and submitted to Financial DNA representatives (local or international). The profiles will take around 20 to 30 minutes to complete, and you will get immediate feedback (see Figure 1.2).

I would encourage you to show your Financial DNA to people close to you who will be impacted by the decisions you make. Show it to your spouse or partner, your adult children, financial advisor, and business colleagues. See if they think your profile is an accurate reflection of who you are.