The Bullish Thinking Guide for Managers

HOW TO SAVE YOUR ADVISORS AND GROW YOUR BOTTOM LINE

Alden Cass
Brian F. Shaw
Sydney LeBlanc

WILEY

John Wiley & Sons, Inc.

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To the memory of my grandparents, Elizabeth and Adolph Mezei, who gave me the gift of a college education, and fostered the development of my strong work ethic and passion for life.—Alden Cass

To our families, friends, and colleagues who inspired us to take this rewarding journey, and who continue to remind us of what is meaningful at the end of our long days.—Brian F. Shaw, Sydney LeBlanc

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Preface

WHY WE WROTE THIS BOOK

B*ullish Thinking* is designed to help branch managers who are dealing with the numerous challenges of operating a smooth-running office: hiring and retaining top-achieving advisors, staying in compliance, and abiding by the rules and regulations of the business. These challenges are difficult for you as well as for your advisors, and may result in problems of stress, anxiety, and depression. You may be one of the many managers who also work double-duty as watchdog of the branch and your brokers, *and* produce your own book of business.

Bullish Thinking will serve as a personal resource for you in helping you avoid and alleviate your own emotional distress in addition to serving as an educational tool for recognizing symptoms of emotional distress in your advisors. You will read about the problems and learn the solutions that will help your brokers return to the top of their game. The hard-hitting true stories illustrate the threats to their mental health, identify their problems, and discuss the process of getting help. The in-depth case studies and real-life examples we provide exemplify the challenges your brokers face on a daily basis, and how these challenges lead to emotional breakdowns. We'll identify skills and strategies, including *Bullish Thinking* exercises, which teach mastery over the volatility and unpredictability of their jobs. The book also shows you how to help manage and balance your advisors' personal lives while working in this rapidly changing and demanding industry.

This book offers immediate solutions for short- and long-term help. We, authors Dr. Brian F. Shaw, one of the developers of Cognitive-Behavioral Therapy, and Dr. Alden Cass, specialize in working with financial services executives suffering from job burnout and behavioral paralysis, or depression. We offer a variety of ways for individuals to proactively reduce their job stress through proven techniques, including the *Bullish Thinking* strategies, which are an important theme throughout the book.

The Bullish Thinking Guide for Managers underscores the importance of emotional discipline in the face of potential indulgences, emotional highs, and crushing defeats. It also offers information from the landmark broker study,* including the alarming industry statistics, and both Dr. Cass's and Dr. Shaw's warning signals, case studies, treatments, and solutions. *Bullish Thinking* is an easy, practical, and palatable way of teaching the cognitive therapy skills introduced to the world of psychology by Dr. Brian F. Shaw. Dr. Cass pioneered research on brokers' and traders' behavior, and counsels those in distress.

Who Should Read the Book

Branch managers, regional sales managers, offices of supervisory jurisdictions (OSJs), national sales managers, executive managers at retail brokerage firms, owners of small- to mid-sized broker-dealers, and owners of Registered Investment Advisers. Anyone who is in a position of overseeing or supervising securities industry professionals such as financial advisors, stockbrokers, commodities and options traders, financial planners, wealth managers, investment management consultants, wholesalers, and others, will benefit from this book. Managers supervising bank brokers, insurance planners, and professionals working at financial supermarkets, who are in emotional distress on the job, will also be helped by the *Bullish Thinking* strategies and case study solutions.

The bottom line is: If emotional distress is not addressed, there may be adverse or harmful consequences not only to your advisors, but also to your branch office and the firm in general. Here's a case in point: Our research* indicates that "stockbrokers are not utilizing effective coping skills for the purpose of alleviating their work-related stress, and consequently, are developing the debilitating symptoms of burnout, anxiety, and depression. It is our contention that negative personal outcomes will be associated with these mental health concerns, and will consequently lead to negative organizational outcomes such as absenteeism, and a decreased quality of life for

*"Casualties of Wall Street: An Assessment of the Walking Wounded," by Alden Cass, John Lewis, Ed Simco, Catalyst Strategies Group, catsg.com/casualties.asp.

employees and their families. Additionally, if the early warning signs of burnout, depression, and anxiety continue to remain unnoticed by stockbrokers, as well as their employers, their overall productivity and commitment to the organization may wane over time, leading to an increase in turnover. This may cost brokerage houses additional money for training replacement brokers, who will more than likely suffer the same fate as their predecessors."

That being said, we believe that our research, and ongoing experience of working with managers and financial advisors, lends credence to the importance of preventing mental and physical illness from infringing upon the lives of these individuals. Because these illnesses affect them, they will eventually affect you, the branch manager, and the growth of your firm. Costly personal and organizational outcomes may result from ignoring the need for stress management for yourself and your advisors.

The goal of the book is to generate awareness and a better understanding of clinical depression, which is nothing to be ashamed of, and to help everyone connected to the financial services industry recognize the emotional and physical signs of this potentially devastating illness.

ALDEN CASS
BRIAN F. SHAW
SYDNEY LEBLANC

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A labor of love, a team of dedicated professionals breathed life into this book and watched over it until it became a reality. We would like to thank this group of individuals for their tireless work and exceptional guidance throughout the entire process. Special thanks go to Marnie Shaw, a dedicated rookie in this business, for her wisdom and guidance. Thank you to Miriam and Renny Cass for teaching the values of persistence, courage, and love; and to Joe Santoro and Al Bergman for taking a chance. We would also like to thank Diane Bartoli of Artist Literary Group and Lorin Rees of the Helen Rees Agency for their initial input and feedback when the book was still a concept. Our deep appreciation goes out to our team at John Wiley & Sons: Editorial Director Pamela van Giessen, for believing in the project; Associate Editor Jennifer MacDonald, Editorial Assistant Kate Wood, and Senior Production Editor Mary Daniello, for their excellent direction and handling of our manuscripts and for making our project a reality. Thanks to Mary Welsch for hours of transcribing and proofreading, making our chapters flow smoothly. Thank you Gil, Ernie, and Montgomery, for the silent comfort you brought to us.

Our most important thanks goes to our readers, the hard-working advisors and managers, who face each day not knowing which stresses and problems will meet them head on, but who nonetheless, accept the challenges with fierce determination. We hope you find this book meaningful and that it will help you through periods of emotional distress, guiding you back to better productivity, more happiness, and a clear balance in your personal and professional life. Thank you for allowing us to know you, work with you, and help you.

A. C.
B. F. S.
S. L.

About the Authors

Dr. Alden Cass is a licensed clinical psychologist and performance enhancement coach in New York City. He is the President of Catalyst Strategies Group, a team of psychologists and performance coaches specializing in coaching financial services executives to become more productive and disciplined during market downturns and other stressful times. He works with both individual advisors and teams to overcome their skill deficits and to hone their strengths. He has been a consultant for branch managers on Wall Street to help improve the performance and problematic behaviors of the branches' top producers. Dr. Cass conducted the nation's first clinical investigation in 25 years on the mental health of Wall Street stockbrokers. His astonishing findings were presented at both international and national research conventions and have received a tremendous amount of attention from the business and financial trade media.

Dr. Cass teamed up with the Securities Industry Association after the World Trade Center attacks of September 11, 2001, to create a symposium that targeted the coping skills of Wall Street executives. He presented his "Bullish Thinking" paradigm to executives to help them deal with depression, burnout, and grief. He later developed "Bullish Thinking and Subtle Sales Training" workshops presented at three Investment Management Consultant Association Conferences (IMCA), at the Money Management Institute (MMI), the London Bullion Market Association Convention, and the Wall Street Branch Managers meeting, held at the Federal Reserve Bank in New York City.

Dr. Cass's coaching and profiling services are currently being used by various mutual funds as a value-added service that is delivered to the top broker-dealers nationwide. Dr. Cass sits on the board of the National Association of Investment Professionals and is a Research Committee member of the Financial Services Policy Institute. He is on the advisory board for a not-for-profit charity called FM World Charities, which focuses on preventative medicine initiatives for those less fortunate. He writes two weekly columns for The Street.com, a monthly Internet column called "The Mental Edge" for *Trader Monthly,* and a bimonthly column for *On Wall Street* magazine.

In his practice, he has spearheaded a campaign to support the wives and significant others of high-powered executives through his new weekly group, "The Wall Street Wives Club," and has developed a "Divorced Male Executive Support Group." He has also initiated a new research project focusing on empowering female investors while helping advisors understand how to cater to this existing target population.

Dr. Brian F. Shaw is one of the originators of applied cognitive-behavioral psychology for clinical practice, the performance of elite athletes, creativity, health promotion, and coping with significant illness. He is an expert on how the mind works, how it gets derailed, and how to get it back on track. More important, he understands how people refresh their thinking to gain new perspectives on their life, their world, and their future.

He is the principal of BFS Consulting, a sports and entertainment consulting firm based in Toronto, Canada. As one of the developers of Cognitive-Behavioral Therapy (CBT), a psychological treatment for depression, anxiety, and substance abuse, Dr. Shaw has adapted this technology to help those suffering from serious medical illness (cancer, heart disease, eating disorders, pain syndromes, and transplantation). Over the past 15 years, he has taken this research and adapted it to the everyday world, where people strive for health and peace of mind.

Dr. Shaw has developed a cognitive behavioral approach to help individuals in the financial sector manage the demands of a career in their high stress industry. He has counseled brokers, securities litigators, traders, and others on Wall Street for more than 20 years.

He developed, with Bruce Ferguson at the Hospital for Sick Children in Toronto, Canada, a province-wide initiative to help children and youth with mental health and addiction. This work has affected mental health, juvenile justice, and educational approaches to children and youth.

In sports, Dr. Shaw is well known for his work as the co-director of the NHL/NHLPA Substance Abuse and Behavioral Health Program. He also co-directs the behavioral health program for Major League Soccer (MLS/MLSPA). He is responsible for the educational program for all NHL and MLS players. Dr. Shaw is the psychologist for the Toronto Blue Jays and several other professional and Olympic-level athletes. He was recently a featured speaker at the player development forum hosted by the NBA, NFL, and the NHL on the topic "Managing Anxiety in Athletes" and at the 2007 seminar hosted by the Los Angeles Police Department (LAPD) on "Teen Addiction."

Scientifically, Dr. Shaw is one of the 50 highest-impact authors in psychology. He is the author, with Paul Ritvo and Jane Irvine, of *Addiction and Recovery for Dummies* (Wiley, 2004) and *Cognitive Therapy of Depression* (Guilford, 1979, with Aaron Beck, John Rush, and Gary Emery).

He is a professor at the University of Toronto. Dr. Shaw received his Ph.D. in clinical psychology at the University of Western Ontario in 1975 following a B.S. degree at the University of Toronto.

Sydney LeBlanc is a 30-year financial services industry veteran, journalist, author, and publisher. She was the co-founder and editor-in-chief of *Registered Representative* magazine, the nation's first trade magazine for stockbrokers, in 1976. Later, as editor-in-chief, she led the development of *Securities Industry Management* magazine, the first publication for branch managers.

Sydney helped launch and promote the Institute for Certified Investment Management Consultants (now IMCA) in the mid-1980s. A writer for such industry organizations as the Money Management Institute, International Association of Advisors in Philanthropy, and Success Continuing Education, LLC, she is also a writing coach and marketing consultant for industry trainers, financial advisors, broker-dealers, and money managers. Sydney is the author of *Legacy: The History of Separately Managed Accounts; Wealth Management Teams; Independent Business Ownership;* and the co-author of *Streetwise Investor; The Wealth Factor; The World of Money Management; Happily Ever After; Stop and Think;* and *PR Savvy for the Financial Professional.*

She is the recipient of several awards for her work, including the Ozzie Award for Excellence in Design, the *FOLIO:* Magazine Editorial Excellence Award for *Securities Industry Management* magazine, the 2007 Managed Accounts Pioneer award from the Money Management Institute, and First Place for Signed Editorial from the American Society of Business Press Editors. Her articles have appeared in *On Wall Street, Broker/Dealer, Financial Advisor, Global Investing,* and *Research* magazines, among others.

Co-director of Fisher LeBlanc Group, a financial publishing, marketing, and communications firm, she is also the managed accounts editor for *Financial Advisor* magazine and consulting editor for *Senior Consultant News Journal.* Sydney is an officer and board member of the Washington, D.C.–based Wealth Advisor Institute and is actively involved on the Marketing and Communications committee. She is also on the board of the National Association of Investment Professionals and is a research committee member of the Financial Services Policy Institute.

The Bullish Thinking Guide for Managers

INTRODUCTION

Wall Street's Walking Wounded

Are your high-achieving producers depressed or anxious? Does it matter if your highest achievers are the most troubled? It does when it begins to affect your branch's bottom line and the morale and behaviors of others in the office. Would you be shocked to learn that an astounding 23 percent of the stockbrokers and financial advisors who participated in a landmark study* (by Dr. Alden Cass) had clinically significant symptoms of depression? Not only that, but the most significant finding of the study was that *brokers who were making the most money were the most dysfunctional when it came to their mental health.*

Million-dollar producers were the most dysfunctional? How could that be? They are at the top of their games, successful in their careers, and have earned the respect of their colleagues. It is difficult to comprehend that your superstars could let anything get them down or get in their way of their success. While all of this may be true, behind the scenes many of these individuals have the heavy burden of battling their demons in silence out of the fear of appearing weak. Think about this: Your high achievers are living and working in a fiercely competitive environment. They constantly struggle to win and keep clients, while trying to differentiate themselves from their competition. The market is a major concern for many, especially your transaction-oriented brokers or traders. Industry regulations continue to tighten and morph into complicated rules almost impossible to decipher and faithfully follow.

*Alden Cass, John Lewis, Ed Simco, "Casualties of Wall Street: An Assessment of the Walking Wounded." See Appendix A.