

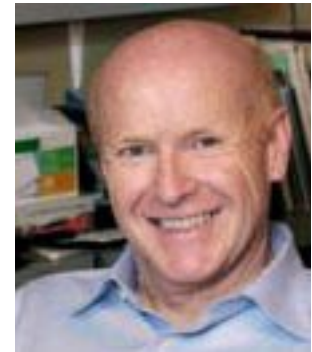
Developing an Optimistic Outlook

By Dan Richards*

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An optimistic outlook is the most important trait advisors can bring to the job. Overcoming a negative mindset is the necessary first step that makes everything else we do possible.

Right now, we need to put explicit strategies in place to stay motivated – for most of us, motivation doesn't happen unless we make it happen.

New research provides ways to keep an optimistic frame of mind.

Dave Kahle, principal with Daco Corporation, has written about the work of Dr. Martin Seligman of the University of Pennsylvania, who ten years ago authored a book called *Learned Optimism: How to change your mind and your life*. Seligman's research showed that we are not born as optimists. Instead,

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we can develop skills to maintaining a positive point of view, even in the face of difficult circumstances.

This article is adapted from the one by Kahle, with his permission. (You can learn more about his sales training and sales development consulting [here](#).)

Seligman began his career as a research psychologist by studying helplessness in dogs. In an early experiment, he put dogs into a cage from which they could not escape and subjected them to mild shocks. After some effort to get out, the dogs would give up trying and lay down. Later, he put them into a cage from which they could easily escape and subjected them to the same mild shocks. The dogs would just lie down and give up - they did not attempt to remove themselves from the irritant. They had learned helplessness and hopelessness.

In subsequent experiments, Seligman found that human beings behaved in much the same way. Put into a room and subjected to irritating noises from which they could not escape, they soon gave up. When put into a room with a mechanism that would turn off the noise, many didn't try to remove the irritant. Like the dogs, they had learned helplessness and hopelessness.

Seligman formulated a thesis he called "learned optimism." His conclusion was that each of us learns to have either a pessimistic or an optimistic outlook. The good news is that this outlook is not set in stone – it can be changed.

Managing self-talk

Seligman's thesis arose from his analysis of people's "explanatory style" – how we explain negative events to ourselves. When something negative happens, as it inevitably will, our response is a function of the extent to which we view the event on these three key dimensions:

Permanent - Pessimists believe negative events will be permanent, while optimists believe that they will be temporary.

Pervasive - Pessimists believe negative events are universal, affecting everything they do. Optimists believe them to be specific and limited to individual circumstances.

Personal - Pessimists believe they are entirely responsible for negative events. Optimists assign at least part of the responsibility to events beyond their control.

Here's how this behavioral perspective works in the everyday life of a financial advisor.

Suppose you're meeting with one of your largest clients. During that meeting, he informs you that he is moving his account because of unsatisfactory performance.



Now that's a negative event if there ever was one!

As you leave the meeting, you think to yourself:

"I blew it here. I should have seen this market coming. None of my clients are happy. I'll probably lose other big accounts too. And I probably won't land that prospect I'm talking to either."

That's a very pessimistic explanation of what happened here. You have explained it in a way that is personal, "I blew it" and "I should have seen this market coming." Your explanation is also permanent and pervasive - "None of my clients are happy."

Stop and analyze how this explanation makes you feel: defeated, dejected, depressed, and submissive. These are not the kinds of feelings you need to bounce back from this setback and get energized for your next client meeting.

Let's revisit the situation, this time offering different explanations. The same event occurs -- you receive bad news from your best account, but this time your response is different:

"This client really misread the situation. No one saw this market coming. The only good thing is other advisors are getting similar news from their clients. I need to focus on talking to some people I know who might be looking at alternatives. In the meantime, I'm going to touch base with my other key clients to check in on how they're feeling and to talk about repositioning their portfolios in light of market opportunities – I need to make sure they see me as being proactive with their accounts. I'm just glad it was only this account and my other clients are hanging in with me."

Your explanation was not personal, permanent, or pervasive, making it more optimistic. How do you feel as a result of this? Not thrilled, of course, but reasonably energized and hopeful – and in a position to move on to do what needs to be done.

See the difference? The event was the same. The only difference was the way you explained it to yourself. One set of explanations was more optimistic, leading to greater energy and hope, while the other was pessimistic, leading to dejection and passivity.

Self-talk to fuel optimism

Seligman isolated optimistic behavior as one of the defining characteristics of successful people. Using his techniques, he predicted elections by analyzing each candidate's explanatory style – generally, the most optimistic candidates win. (Ronald Reagan was the classic example.)



There are dramatic implications for advisors. If you make your explanatory style more optimistic, you'll create more positive energy and hope for yourself, no matter how difficult or negative the circumstances you face. And by presenting a more optimistic outlook, you'll be someone who attracts and works better with existing and prospective clients.

At the core of learned optimism is one powerful principle:

Your thoughts influence your feelings and your actions - and you can choose your thoughts.

Here's how Martin Seligman suggests you do that:

Step 1: Analyze your explanatory habits

The next time you have to deal with a negative event or adversity, stop and observe what you are telling yourself about the event. What do you believe about yourself and the reason why bad things happen? To what degree are your explanations personal, permanent or pervasive?

Step 2: Note the consequences of your explanatory style.

Pessimistic explanations lead to passivity and dejection. Optimistic explanations lead to energy and hope. Which is more likely to help you get through the current tough period?

Step 3: If you find yourself fighting pessimism, try to change the way you think.

Your future success depends on your ability to rise up and meet adversity with renewed energy and optimism. You can do this by choosing to think differently.

Don't just tell yourself "This is the way I am – I can't change." That's simply not the case – Seligman's research says most people struggling with a pessimistic outlook are capable of changing.

Among his suggestions:

Distract your thoughts. When you find yourself thinking negative and pessimistic thoughts, tell yourself to "Stop!" You can even say it out loud. Just "STOP" thinking those things. Shift your thoughts to another topic, perhaps something that brings you pleasure or satisfaction, or something that you're good at.



Dispute your explanations. This is a longer-lasting approach. Argue with yourself and reason your way out of your negative thoughts. Look at the evidence, or suggest alternatives.

Back to our example: *"I blew it here. I should have this seen market coming. None of my clients are happy. I'll probably lose other big accounts too. And I likely won't land that prospect I'm talking to either."*

When you catch yourself thinking defeatist thoughts, argue with yourself by focusing on the facts.

Think *"Wait a minute. It's true I've lost this client, but all advisors are losing clients. What is there to suggest I missed something about the market that other people saw coming? I've been talking to my key clients recently – is there any evidence that they are unhappy? As for that prospect I've been talking to, what signals have I been getting as to whether there is real potential interest there?"*

You've introduced hard evidence to change your thought processes. As a result of thinking differently, you have more energy, more hope and, therefore, more likelihood of success in the future.

Our thoughts and how we anticipate the future are the most important choices we make. You can change your thoughts, you can choose to think differently and you can choose a different set of beliefs.

More than any other decision, the fundamental choice about how you think affects your future success.

[Here is an in-depth New York Times article about Martin Seligman's work on "learned optimism"](#)



Other articles I have written on strategies to keep a positive mindset:

[Ten tips to stay positive](#)

[Steps to boost your resiliency](#)

[Framing events to increase motivation](#)

[The case for long-term optimism](#)

[The last resort for achieving motivation](#)

** Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.strategicimperatives.ca.*

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