



### *The Ingredients of a Philosophy*

Have you every questioned (in your mind) the so-called “expert business coaches,” those individuals who have written numerous books on what you need to do in order to improve your business, yet never seem to have run one themselves? I’ve always tried to find out if these advice givers have done what is called Eating Your Own Cooking or is it theoretically correct but put into practice in the “real world,” it just doesn’t work. In other words...does their guiding philosophy have all the proper ingredients? According to Chef Gordon Ramsay (famed chef of Kitchen Nightmares and Hell’s Kitchen), it is critical that the chef taste every dish before it goes out. He screams (literally) “How do you know the quality of what your serving if it you don’t taste your own meal?”

I bring this up because as professional advice givers, we are constantly cooking up and serving a philosophy for our clients. How we do this is by the following; providing comprehensive financial planning, behavioral financial guidance, goal and multigenerational family planning that not only brings value but real world tools to help improve their financial journey. Now, this may look like a pretty appetizing buffet table we have prepared for our clients, so the question you should ask (I hope you are following this and not just getting hungry) “How do you find out your advisors philosophy?”

The way to find the answer simply is the “low I.Q. approach”...just ask them. Most financial planners- that are planning driven- won’t have a problem explaining, in plain English, their guiding philosophy. If however, during this enlightened exchange, you begin to get a sense of a product push or many jumbled words followed by uuhhhmmm ... make a fast exit and find another planner that has an actual philosophy. The current advice giver has presented you with a market outlook, which is different from a guiding philosophy and will continually change based on what interest rates, unemployment rates, current economy, oil prices, world crisis, currency, gold prices and quarterly earnings are doing now. Although market indicators may have some importance in the short run, in the longer run (which is *the* one you should be focused on) what truly matters is the trusted advice you are receiving from the financial advisor you have chosen to guide your families’ multigenerational legacy.

Over the last few years as the markets volatility spiked to levels that would give any skydiver a few butterflies in the belly, many investors that were confidently committed to the planning process found even they were questioning the soundness of their plan (as

well as the advisors philosophy). Why? As the news outlets- by the minute and even by the second- began telling the public the financial system was near collapse, Wall Street firms were becoming insolvent, banks were closing, auto companies filing for bankruptcy, housing prices plunging and this was moving throughout the world. While the uncertainty mounted- enhanced by a few sessions of the media confusion crew- their emotions almost led many to begin to think with the “this time is different” crowd. To combat their fears, they needed to immediately reference their comprehensive financial plan, to take their mind off the day-to-day noise and back to what should be the focus...the foundation of their longer term financial goals. In addition, a subtle reminder was needed to show the history of these events called bear markets and how they’ve been a normal and natural occurrence of the business cycle. Although these events was one of the more extreme, I urged investors to add to their portfolio of managers, turn off the news, and have faith that capitalism will continue to prevail even in the most uncertain of times as it has repeatedly done throughout history.

If these actions were followed, after adhering to the focused philosophy by their advice giver, they can now hopefully look back over this time and thank him or her for the guidance needed to stay seated at the dinner table- even though the investor may have considered, at the time, hiring a new chef to serve a meal more appetizing.

Disclosures:

Past performance is no guarantee of future results.

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