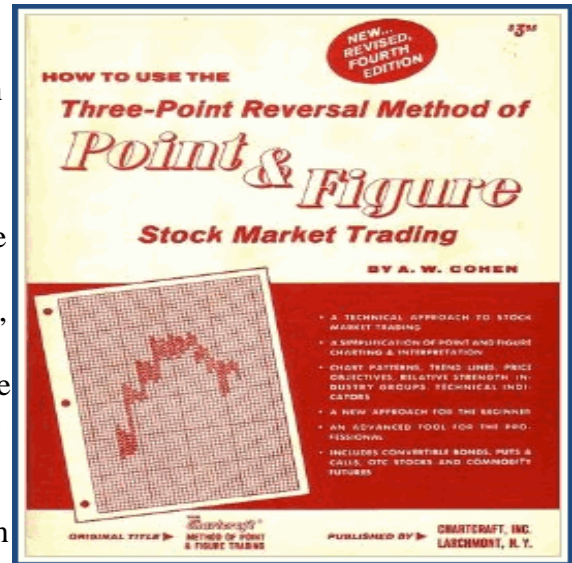


DWA Prospecting: If it ain't broke, It will be

If you've ever experienced an epiphany in life, on any level, the story I'd like to share with you will resonate. If you've not, it will perhaps resonate even more powerfully ... as it has with me. I personally experienced such a moment more than 30 years ago in reading the first page of a book by A.W. Cohen titled, "The Three Point Reversal Method of Point & Figure Charting". The environment was as pedestrian as it could have been, lying in bed and opening a book that a colleague had demanded I read. But as unassuming as that experience began, it ended up being the very moment that markets immediately made sense to me, and that the course of my life would change irrevocably. By this point I had been a registered broker at the reputable Merrill, Lynch, Pierce, Fenner and Smith for many years and was starting a new chapter as head of options strategy at Wheat First. With that on my resume I can say with clarity that up to that point I knew nothing about how markets worked.



Sure, I knew how orders were placed, how derivatives were priced, and how to sell my firm's research. Back then a broker could carve out a nice living with nothing more than that to offer. I had a degree in economics and a closet full of three-piece suits, but if you asked me what I really knew about how prices changed in the market, the answer was "nothing". And then I read one page of a book that is long since out of print and immediately the clouds cleared and markets were reduced to what they have always been; a simple battle between supply and demand. This was my epiphany in life and what ultimately led to the founding of Dorsey, Wright and Associates as, first and foremost, an education company tasked with spreading the very basic principles of how prices are discovered in the markets that matter to us, and how advisors can take control of their own practice by embracing this understanding.

That was my awakening and any of you with a little grey in your hair have probably heard me share the elongated version of that story at some point over the past 27 years, but it leads me to the story of one of the many great professionals I've been blessed with having as part of the DWA team over the years. Bo Parrish is a portfolio consultant for us and has spent the last year traveling through the portion of the country that is particularly receptive to his Tennessee dialect, helping advisors get their arms around the many tools & products we are able to support these days at DWA. He has walked in your shoes as a broker, and has also struggled as we all have at some point as a person. He too came about an epiphany in life that is important for you to hear about, and which I am thankful he has willingly shared with all of you below. I can't promise this story will help you do business today, but I can promise there are a few of you out there that will be better off in this business as a result. And that's good enough for me, because I can tell you that you never know where your life epiphany will come from.

– Tom Dorsey
Founder of Dorsey, Wright & Associates, LLC

If it ain't broke, It will be

Nothing in life lasts forever. Change happens and can be the difference in thriving and merely surviving. The majority of people in the world today are creatures of habit. We are attracted to what is familiar and establish routines to protect against uncertainty. We seek personal comfort and avoid anything that could potentially interrupt the status quo. The problem with this mindset is that it can easily lead to mediocrity and obscurity. We rob ourselves of potential greatness due to fear of the unknown. We do what is necessary to get by rather than taking chances that could lead to breakthroughs. Unfortunately we cannot change the fact that our lives will change. The opportunity comes with our perception of and reaction to change. It is not a temporary convenience but a blessing in disguise. If we could bring ourselves to see beyond the initial inconvenience and focus on the possibilities, the trajectory of most of our lives would be drastically different. I am confident that we would experience more innovation, healthier lifestyles complete with collaboration and a better sense of overall well-being. Here's the thing though, you have to be willing to get uncomfortable and act against your instinct to even give yourself a chance to be great. That's right; the best version of you waits on the other side of change. As a survivor of a near death experience, I can tell you that life is so much sweeter on the other side of change.

I was diagnosed with Crohn's Disease at the age of 13. My life existed in a vicious cycle of fever, weight loss, anemia, stomach pain, chronic dehydration and bone loss. I missed out on life as a carefree teenager and adventurous college student. My days were spent in hospitals and sitting outside classrooms in fear of the next inevitable trip to the bathroom. Surgery was recommended on multiple occasions but I resisted. As devastating as the pain had become, it was familiar and therefore predictable. Surgery was out of the question and I willingly continued on my pathetic path because it had become my routine. I managed to graduate from college on time which was a minor miracle due to the amount of time that I was absent from the classroom. At the age of 22 I started my career as financial advisor with Morgan Keegan. I came out of the rookie development program at the top of my class and was fired up to hit the trail! I had spent my summers during college working as a door to door salesman so I was mentally prepared for the challenge ahead. My focus was on raising assets and developing new client relationships particularly in the first 2 years. Things were going well and my disease was under control. My symptoms were still very much alive but manageable. At the end of my 2 year training program I was ranked first in my class and I was on top of the world!



Just as I was starting to adjust to my improved physical condition, things took a turn for the worse. I remember that fateful night like it was yesterday. I was traveling with one of my clients to a concert in Canada. There were no signs of trouble when I boarded the plane so there was no cause for concern. The flight was uneventful but things took a drastic turn for the worse as soon as we landed. What started as just another stomach ache turned into an emergency situation. First my stomach began to swell, and then I slipped into a coma. Fortunately the family of my client decided to check on me in the hotel room. I was

rushed to the emergency room and was brought to consciousness long enough to hear the doctor deliver my bone-chilling reality: “if we do not operate immediately you will die.” My life as I knew it was over; I no longer had the option of living my routine. I had 2 very simple options: change or die.

My large intestine had ruptured and my body was quickly becoming septic. The bacteria from my digestive tract was seeping into my bloodstream. The doctor had to operate on the spot to prevent that from happening. My surgery lasted over 8 hours. I spent 6 weeks in the ICU both in Canada and in Nashville. It was 3 weeks before I could take in water. My body had been ravaged, absolutely broken down to nothing. I realize now that this was the result of my aversion to change. It didn't have to come to this; all I had to do was listen to the surgeon and embrace the change that surgery would bring. I say again, we are drawn to what is familiar and resist change even to the point (and in my case) of self-destruction. My recovery was long and tedious but I had to learn how to live all over again. I was so close to death that for a moment, I wish that I had died.



Roughly 2 months after my surgery in the spring of 2006, I was visited by a close friend who unknowingly introduced me to my passion. I laid in my bed and listened as my friend relived the triathlon that he competed in the day before. A multisport event that was a race to the finish line. 500 athletes swimming, biking and running on a staged race course. From that very moment my mind was made up...I would become a triathlete! All of a sudden my recovery had a purpose. I quit feeling sorry for myself as I shifted my focus from what was to what could be. Now, I did have a hole in my midsection after being carved up like a Thanksgiving turkey 8 weeks before, but that wouldn't stop me from hoping. My physical strength was improving and I did my best to determine how long I would need to prepare for my first race. I started with walking to the mailbox, and then progressed to a walk around the block. Within a month I was able to jog slowly for 5 minutes at a time. I asked the neighbor if I

could borrow his bike and slowly began to build my endurance there as well. Within 2 months of my friend's visit I was running 2 miles and biking 10. The last piece to master was the swim. I had to be very careful with my swimming due to my large wound with the risk of infection. It had been 4 months since my surgery and my wound was healing nicely so I decided to hit the pool. My first trip was humiliating as I nearly sunk to the bottom. This only fueled my determination and I vowed to get stronger each day. I continued to swim until my endurance was sufficient. I signed up for my first triathlon and was filled with enthusiasm. I had come so far in my training over the last 2 months but more importantly I recognized the victory that came with embracing the challenge my new life brought.

I won the first triathlon I entered and haven't looked back since! Over the past 7 years I have competed in over 150 endurance events. I have raced in 6 Ironman events on 4 continents including an incredible trip to New Zealand. I have competed in the Half Ironman World Championships 3 times. My greatest achievement came at the beginning of my fourth season when I was named to the Timex Multisport Team. Since 2010 I have attracted global sponsorships with brands including Timex, Trek, PowerBar, Newton Running, and BlueSeventy. These amazing companies allow me to pursue my passion with the best

equipment in the industry. In 2013 I was named to the U.S.A.T. (USA Triathlon) All-American class and I was just noticed by Ironman that my performance last year put me in the top 1% of my age group worldwide! It has been an incredible ride and the 2014 season is less than a month away. I am living my athletic dream and my passion grows each and every day. Triathlon has given new meaning to my life and I never would have known if it were left up to me.

I realize that not everyone can relate to a near death experience, but I do know that we all face change. As an advisor the Lost Decade presented a significant change. Modern Portfolio Theory failed and there were 2 distinct periods in the years 2000 to 2009 that will resonate in the minds of investors forever. Modern Portfolio Theory was the way to manage money for the longest time. For the first 5 years of my career, I did nothing but sell mutual fund pie charts. I listened to my firm preach “buy and hold” and I bought into it. I did well and things were working but unfortunately I had subconsciously adopted the “if it ain’t broke, don’t fix it” mentality. This attitude cost me over half the value of my business when the markets bottomed out in early 2009. The landscape had changed and I could either get on board or become irrelevant. Much like my near death experience I was faced with a change. Rather than resist the need to evolve my investment management practice (like I did my surgery) I embraced it and found success in a new and meaningful way. The “Subprime Meltdown” as we know it today will go down in the records books forever. The critical thing to remember is that something similar will happen again.

The secret to dealing with adversity as I have learned is to expect change. The more appropriate attitude should be “if it ain’t broke, it will be.” Expecting change will force us out of our comfort zones. Anticipating change will cause us to pursue excellence and detest the status quo. The fact of the matter is that there have been 16 periods of bear market declines since The Great Depression. There is no question that the next bear market is coming; the only question is “when.” Let’s consider technology as another example. Consider for a moment what the internet has done to our industry. Our clients have access to the same information and market intelligence we do. Our clients have the ability to execute their own trades and manage their own retirements. We must add value in order to stay relevant.



You are not providing any value to your clients unless you can do something that they cannot do for themselves. The challenge rests firmly on your shoulders; you must determine your worth and find a unique way to serve your clients. The wonderful thing about this predicament is that you do indeed have this capacity to adapt. If you are reading this article, you have found a way to succeed thus far in your business. You have wonderful clients that trust you and rely on your leadership. Your clients are counting on you to exceed their expectations. You cannot afford to settle; you must accept the reality of your current situation and expect change to come. Do not be surprised by it, but take advantage by getting out in front of it. Steve Jobs, former CEO of Apple described the success of his company in a simple yet profound statement: “we tell the customer what they want even before they know it.” So here’s the message that I would like to leave you with:

“What would have to happen over the remainder of your career as a financial advisor for you to retire with a sense of significance?” In other words, your future is up to you and change is going to happen. You cannot live your future in hindsight so embrace and innovate. Find a way to “wow” your clients and retire knowing you poured your heart and soul into your life’s work.

If you think this discussion would be appropriate for an upcoming event that you, or your firm, is hosting, please contact Bo Parrish at (615) 337-2591, or bparrish@dorseywright.com to discuss his availability.