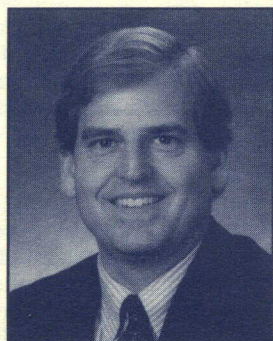




MDP - Evolution or Revolution

The answer lies in how you (pro/re) act!

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What exactly is MDP and what's all the commotion? A Multi-Disciplinary Practice is an association of varied professionals who have joined together with the objective of providing the client with an integrated and comprehensive solution to their financial problems and share in the commissions and fees. It is not a new concept but one that has been developing over a relatively short period of time. The major debate has been over objectivity. There are those who argue that MDPs create a "conflict of interest" and the potential compromise of "professional ethics." Having spent over three decades advising clients in all aspects of their financial lives, I cannot agree, rather I have come to the following conclusions:

Wealth often has relatively little to do with money. We all have known clients who are financially wealthy, but personally and socially bankrupt. I believe that there is a concept of "3 Dimensional Wealth™" (personal, financial and social) that should be part of our consulting. This requires our relationship with clients to go to a deeper level. It requires our advice to go beyond the traditional boundaries. I believe that it requires a MDP approach.

The day of the sole practitioner is dead. Is it possible to operate as a sole practitioner in today's competitive environment and still have a life? As a one man band, you are responsible for all aspects of running your business; prospecting, positioning, pre-approach, fact-finding, analysis, solution presentation, and obtaining referrals – not to mention, public relations, advertising, accounting, continuing education, business development and strategic planning. Does

that leave any time to go to your son's little league game? Does it leave any time for community service? Perhaps as a "niche" player you can survive for a while, but you will eventually be so personally and professionally handicapped that you will not be able to compete with the MDP.

There is a difference between a specialty and a specialist. Specialty vs. specialist - are we just splitting hairs? While it may sound like semantics, the difference is so great that it can be life or death for the professional advisor. An advisor with a specialty is able to provide a vast array of services, but emphasizes one area that provides a competitive edge. On the other hand, an advisor who is a specialist provides only one aspect in the financial planning process. With the rapidly changing nature of the financial services industry, a specialist might well find himself or herself "out of the market," not by design but simply by default. As the future is often as clear as mud, a multi-talented advisor who is part of a multi-disciplinary practice will have a greater chance of survival.

Values are more important than value. If all that we do as financial professionals is to help improve a client's *net worth* and not their *self worth*, then we operate myopically. The big picture requires advisors to look beyond the numbers. I have learned that by helping someone in their financial life, I can help in their personal life (with their relationship with their spouse and their children) as well as their social life. If as a practitioner, we are too enveloped in "making a living", we fail in our quest to help our clients in "making a life." I believe that a "values based" MDP is the formula for success for professionals, as well as for clients.

The only replacement for education is ignorance. Obtaining only the necessary licensing is not enough. Designations and credentials are not just "window dressing" for your business card. In fact, as a member of a MDP you will be required by your associates to be the best professional you can be. There are no excuses, not even age — as I believe — the man who ceases to learn, ceases to live. Education will allow you to go beyond a career where you simply

survive, to a career where you will thrive.

MDP is not a fad. Unlike sales and marketing gimmicks, the MDP is a comprehensive system for providing solutions to a client's problems. My experience has proven that clients are looking for a unified approach to their finances. They desire to build a long-term relationship with a team of professionals who work together. The MDP is the solution whose time has come.

The best way to predict the future is to create it. Perhaps you could just let the MDP evolve and react to the developments as they occur. But if this is a trend that will survive, then we must begin to create our own Multi-Disciplinary Practices *today*. I have made my decision to be proactive in the creation of a MDP at Diefendorf Capital Planning Associates. Over the past two years, we have re-structured our organization, which includes the creation of our own independent broker dealer, a key building block for a successful MDP.

There is a price tag for everything; A price tag to be reactive and a price tag to be proactive. Bertram Russell once said, "Most men would rather die than think. Many do." Start now to develop a strategic plan for yourself, as your career path is up to you.

For additional information on these concepts, see the Academy of Multidisciplinary Practice, founded by Robert Esperti and Renno Peterson, 800 741 4358 or www.MDPacademy.com

Roey is the CEO of Diefendorf Capital Planning Associates. Following his graduation from Deerfield Academy and Bucknell University, he went on to obtain a Master's Degree in Insurance from Georgia State University, with a major in Estate Planning and a minor in Pension Planning. As an industry leader, Roey has co-authored two books: Wealth: Enhancement & Preservation - 1995 and 21st Century Wealth - 2000. He is currently working on his third book, "3 Dimensional Wealth™"