



What Would You Sell to the Captain of the Titanic? (Or What Is a Good Financial Advisor's Job Anyway?)

Description

Imagine a salesman went to the Captain of the Titanic a couple of weeks before it sailed and said, "Captain, you need lifeboats. These are the best lifeboats for your ship. They're solid, they're proven, they're easy to maintain, and very low cost. Your ship should have enough lifeboats to carry all the passengers and crew."

What would the Captain probably say?

"My ship is unsinkable. Besides, I already have a couple of lifeboats which we'll never use."

Now, this salesman has a business. He has a family that needs his livelihood. So he asks, "Captain, what do you think you need?"

The Captain then responds that he'd like more Champagne to ensure that they don't run out in first class.

Should the salesman just sell the Champagne and take his profit? Or should he try to convince the Captain he needs the lifeboats, risk losing the sale, and end up with nothing? This is one of the most common dilemmas faced by ethical financial advisors. What would you do?

If you're interested in the lifeboats that actually were on the Titanic you can read about them [here](#).

CATEGORY

1. Financial Planning
2. Wealth Creation & Economic Confidence

POST TAG

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2. downside protection

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