

## *A Relevant Question: Does 'The Cloud' Always Have a Silver Lining?*

Mark Twain once quipped, "Buy land, they're not making it anymore."

Land's real and tangible. We occupy our little piece of geography every day.

But...**there's a new land: the Cloud.**

"The Cloud is about how you do computing, not where you do computing." explains Paul Maritz, a Silicon Valley thought leader.

We have difficulty understanding this new land, this "Cloudland."

**It's not real. It's not tangible. Nevertheless, it plays an integral role in many of our daily activities** through our use of smart devices, computers and digital connections, now known as IOT (Internet of Things).

We've been told the Cloud is just a simpler way to represent those huge data warehouses that have become the new "missile silos" of modern life, replete with state-of-the-art, high-end security, requiring access similar to a bank vault or a nuclear power plant.

**Clouds are here in a big way** with big, bold, invisible vistas and millisecond access to data employing high-speed 4G internet connections, making it very easy to communicate ideas, watch streaming video, and buy stuff. Lots of stuff!

**The big aggregators, such as Amazon and Google, are at the ready** to take our digital orders and ship us goods, services, information or experiences.

**It's Cloudlandia! The new land! Mark Twain didn't see this one coming!**

**Meanwhile, we still live here on good old Terra Firma.**

**Mainlandia.**

Cloudlandia. Mainlandia. Dean Jackson – entrepreneur, internet marketing guru and coach to real estate agents – coined those words. Early on, Jackson focused on **what happens when Cloudlandia meets Mainlandia** in marketing, sales and delivery of a variety of products and services to real people in the real world in real tangible ways.

With the addition of the digital Cloud, we have added a quite literal "shape-shifter" to access, process and consume information. **The Cloud has become a mainstay of the way we operate.**

In any restaurant or urban setting, you will notice at least one person or group of people staring at their smart devices, accessing some internet site, primarily in the Cloud, then consuming information through social media, email, gaming, texting, apps, portals or other forms of data acquisition.

Picture a little Cloud over each of their heads. They're off in another world, oblivious to their fellow companions, who are inches away in their own little Cloud-happy digital worlds.

To be sure, they are still physically present at any restaurant in Mainlandia. The food arrives, the thinking-bubbles pop, and they eat. – Although the

most digitally addictive consume their entire meal while merrily brain dancing through the Cloud.

In hindsight, it probably would have been easier to stay home and order a pizza through Grubhub, DoorDash or Uber Eats.

Let's say it's home-delivery pizza night at your house. You pick up your smart device, pop open your favorite food-delivery application, and order your favorite pizza from your favorite pizza emporium.

The application informs you to expect your piping hot pizza pie in 30 minutes. You check the app to see the progress of your delivery. You're notified the delivery will arrive in one minute and, sure enough, there's a knock at the door. You receive the pizza, thank the delivery person, and sit right down to eat since the Cloud "delivered" payment with your tip automatically via your credit card on file.

**Food delivery has been around for decades. Cloudlandia has turned it into a virtual at-home restaurant experience.**

Obviously, we can't eat pizza digitally. The cloud handed off to the land at the front door. We're still in Mainlandia.

**But now – let's add a twist.**

A young couple is having their first child. It suddenly occurs to them that, with their new bundle of joy, they have no Will in place. Who's going to raise Baldrick if both of them die in some horrible accident?

Wills, through traditional Mainlandia attorneys, can be expensive, and they know all their disposable income currently goes towards diapers, clothes, baby food, and so forth. So they jump onto LegalZoom, Rocket Lawyer, LegalShield or some other legal Cloud service. After 15 minutes of struggling to complete the online input forms, they print off their brand new Wills. They can now run over to the bank and have them notarized. A few

dollars, a few minutes, and the Cloud comes to the rescue. Yay!

Hopefully all's in good order, provided no special legal issues or hidden subtleties specific to their situation are missed.

How about this next one? The couple invests their first dollars in an online brokerage account through a "Robo-advisor." This is basically a Cloud-based program that provides digital financial advice based on mathematical rules and algorithmic calculations. The intent: to achieve the asset allocation and diversification needed to meet self-assessed risk tolerance and goals for the money being invested. The cost is less than twenty basis points (2/10th of 1%). Wow!

What's the twist?

First off, **this is not like ordering a pizza – something tangible, familiar and easily consumed. Legal and financial matters are often quite complex and intangible.** They generally are carefully noodled through by accessing the higher functioning limbic part of our brains. Most everyone eats pizza, including the family dog, if given the chance. But drafting legal documents and devising multigenerational financial preparedness are quite another menu.

**It's the coaching about how to think about something complex that matters.** Without this critical component, one can get blindsided. Envision your 16 year old driving your car just after passing a driving test...on a busy highway, at night, in the middle of a sudden snowstorm. Our child may have spent hours driving both on the road (Mainlandia) and digitally (Cloudlandia). Yet Mainlandia, in that sudden whiteout, is the reality! Frankly, it requires a lot of physical driving experience before one can ensure mastery over dangerous road conditions.

Back to our young couple's desire for a Will. Many of the Cloudlandia legal services have State-by-State requirements and instructions on the proper

execution of such documents. But what may be totally missing is whether a Will or Will-based planning is appropriate versus Trust-based planning. That very important detail wasn't asked or answered, and might have resulted in a very different and better approach for protecting baby Baldrick.

How about the financial Robo-advisor? **When money is placed in long-term Stock and Bond investments, anything can occur in the short term.** Our couple is accumulating money in an online brokerage account, using a Robo-advisor, to save money for placing 20 percent down on their first home.

The couple bids on a house, it's accepted, they're under contract, and intending to convert \$50,000 of their investments into cash. Suddenly, the market tanks! The market is down 30 percent, and now \$50,000 becomes \$35,000. The couple can't close on the home, they default on the contract, and lose their escrow money.

The couple failed to understand they were investing in long-term securities, stocks and bonds to meet a short-term need. They couldn't close on their dream.

**“Technology is a useful servant but a dangerous master.” - Christian Lous Lang**

Ah, the Cloud. **Even though increasing numbers of people caution about its digital-based limitations, the world continues to rush to commoditize advances in the Cloud** — from ride-sharing companies such as Uber and Lyft that are destroying taxi companies, to Netflix, Hulu and others taking market share from cable companies and virtually obliterating DVD rental stores.

Ah, the Cloud. So mysterious, dreamlike, ethereal. While really mechanical, not magical — huge computer servers powered by generators, cooled by air conditioners, and warehoused in Mainlandia buildings — the engineering term “the Cloud” has captured our popular imagination.

A far sexier name than just remote data storage.

Seemingly everyone wants to access the Cloud for something today — the one-size-fits-all solution to society's needs and desires. **But while Cloudlandia facilitates some things, it's no match for the experience-based value of Attorneys, Accountants, Wealth Advisors, Doctors and Real Estate Agents** — people trained and seasoned in the complex legal, accounting, investment, health and property domains.

Ah, the Cloud. In poems, songs, books and plays, clouds represent both good and bad: “I'm on cloud 9; there are dark clouds on the horizon.” Then there's Aristophanes's play, “The Clouds,” where clouds are the play's Greek chorus and the playwright's voice, and also a metaphor for the popular philosophical fluff that Aristophanes was skewering.



*“We're not laying you off, Wilson,  
but we are going to store you  
in the cloud for a bit.”*

In her 1969 song “Both Sides Now,” Joni Mitchell sang:

“Bows and flows of angel hair  
And ice cream castles in the air  
And feather canyons everywhere  
I’ve looked at clouds that way.

But now they only block the sun  
They rain and snow on everyone  
So many things I would have done  
But clouds got in my way.”

Ah, the digital Cloud. Today it’s providing a number of great resources to eliminate old-analog style approaches to collecting, organizing, codifying and delivering information.

Over the past 30 years we have watched top-line revenue of businesses in financial services drop by more than 75 percent. Quick and easy access to data, along with integrated digital spreadsheets with automated trading and clearing, have reduced the cost of investment management immensely.

That said, **it’s all the other higher-end functioning, the intangible parts of money, that are still in the realm of human intellect.** Today’s real value is in the financial coaching, intuition and street smarts

gained through many years of experience that we value for our families and ourselves.

### **This is the realm of Mainlandia.**

The single biggest fib in today’s Cloud-using universe? “I have read and agree to the Terms and Conditions.”

Precious few people today — maybe just a handful of data-storage statisticians — fully grasp the digital ether that is the Cloud. While there are concerns about data security, personal privacy and proper encryption, even one sudden thunderstorm or a single faulty electrical plug can still wreak havoc short term.

**While continuing to look up to the clouds for inspiration to make a better world, we nevertheless should keep our feet firmly on the ground,** carefully control and manage our options, take prudent risks, and interact with those Mainlanders who can best help us make smart decisions about complex matters such as money, health, legal and other matters.

A statistician’s wife had twins. He was delighted. He rang the Minister who was also thrilled. “Bring them to Church on Sunday and we’ll baptize them,” said the minister. “No,” replied the statistician. “Baptize one. We’ll keep the other as a control.”



Gary Klaben

*This newsletter is designed to provide our friends and clients with information regarding the various subject matters covered. It is not designed to take the place of legal, accounting, or other professional advice. If expert assistance is required, the services of a competent professional should be sought.*

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2700 Patriot Blvd, Ste 440, Glenview, IL 60026  
316 W. Roosevelt Rd #100, Wheaton, IL 60187  
801 Laurel Oak Drive #403, Naples, FL 34108  
847 441-5644 | Toll Free 800 480-7913 | [CoyleFinancial.com](http://CoyleFinancial.com)