

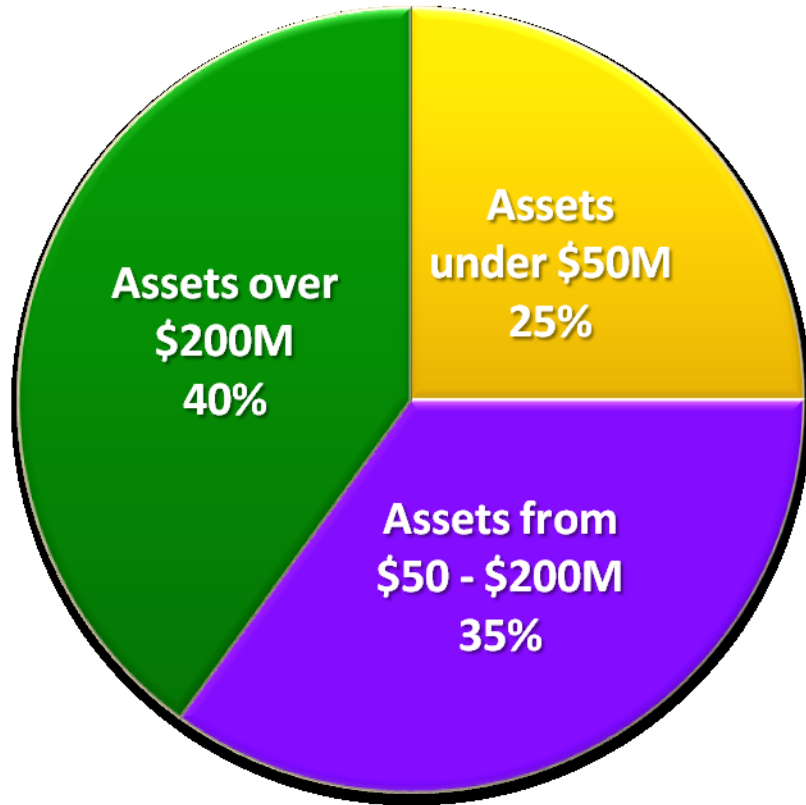


Understanding Clients **THE FIVE SECRETS**

*For the FPA Denver
September, 2017*

Presented By
Beverly D. Flaxington
The Human Behavior Coach®

What Do Clients Want?



**Institute for Private Investors
Survey to Member Firms**

**293 private investor members
representing 650 individuals**

Survey Said...

The **top three things** clients asked for:

Listen and be more attentive

Be more honest and open

Use less sales talk

People Issues!



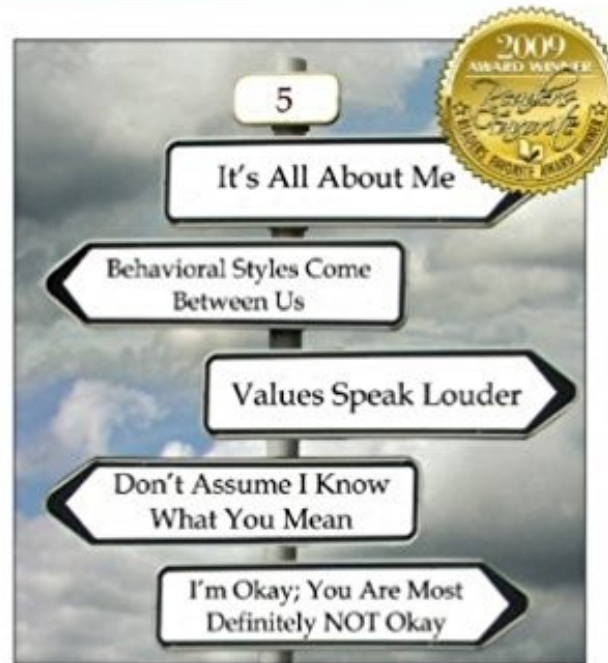
- ❏ Not returns
- ❏ Not quantitative
- ❏ Not investment focused

ALL have underlying communication breakdowns


Based Upon Bestselling Book

Understanding Other People: The Five Secrets to Human Behavior

How to stop being frustrated by the actions of others and start taking charge of your own life — and reactions



Beverly D. Flaxington

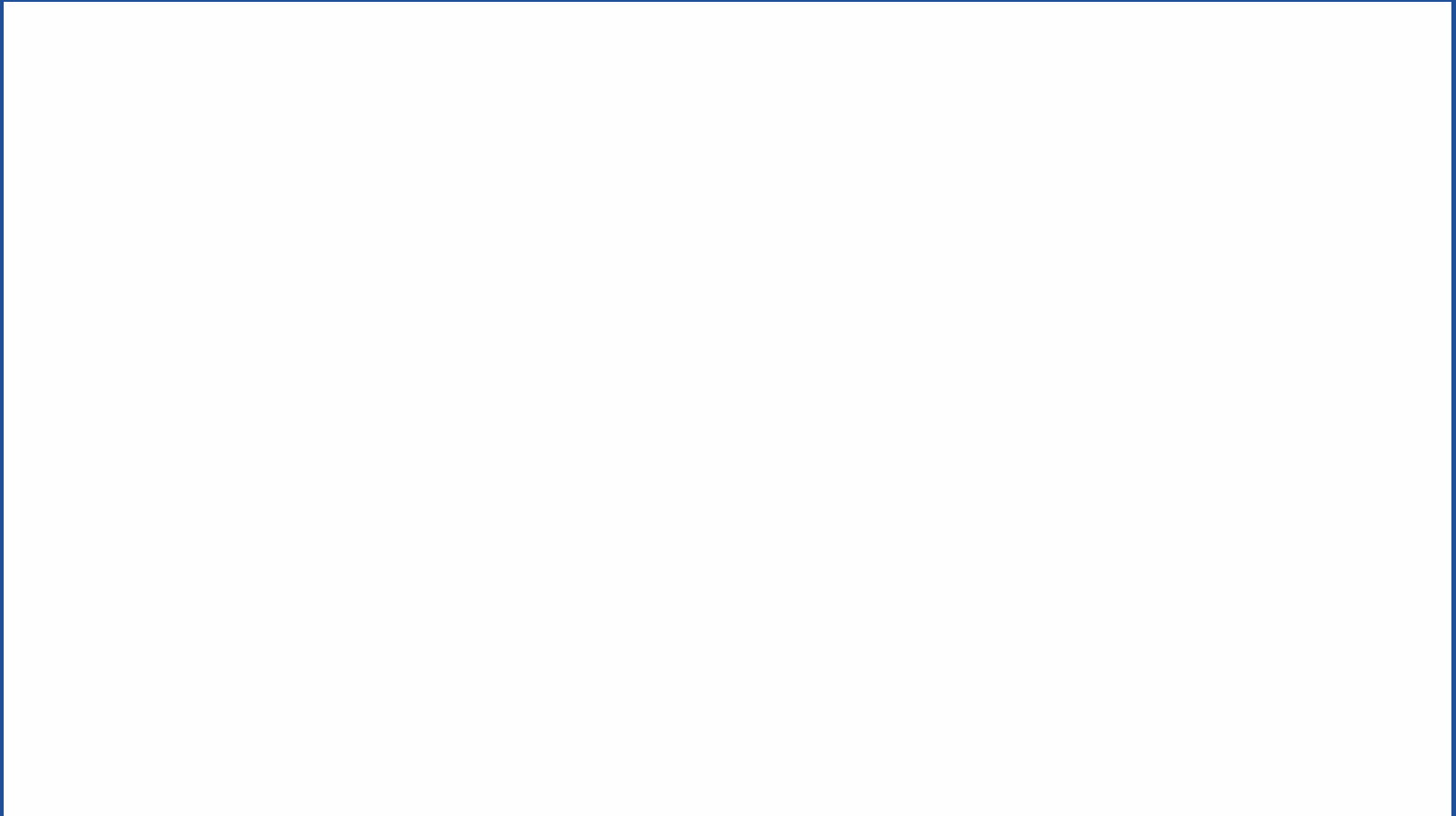
A woman in a dark blazer and light blue turtleneck is pulling on a thick blue rope. A man in a grey blazer, dark shirt, and sunglasses is also pulling on the rope. They are both leaning forward, suggesting a tug-of-war or a metaphorical struggle. The background is a solid, clear blue sky.

“The truth is that we are 98 percent emotional and about two percent rational.”

***Douglas E. Noll, Esq.,
Peacemaker And Mediator Specializing In Difficult
And Intractable Conflicts***

What Are the Five Secrets

-  It's All About ME and My Filters
-  Behavioral Styles Come Between Us
-  Values Speak More Loudly Than Words
-  Don't Assume I Know What You Mean
-  Focus on THEM!



Secret Number One: It's All About ME!



Many advisors make the mistake of talking about their background, their practice, or their approach to investing so much that they lose any focus on the other person. All of their materials and communications are focused on a “me” message.

Do You Know What They Really Mean?



Advisors – like everyone else – have filters that they've developed over the years that tell them what's important and what's not

Filters Get in Our Way



- ☉ Who do your materials talk about?
- ☉ Information isn't data – it's open to interpretation
- ☉ Watch out for “I know what you mean....”

Active Listening



Use lead-in phrases that indicate you understand what you've been hearing

- ☉ “Let’s see if I have this...”
- ☉ “In other words,...”
- ☉ “If I understand you correctly...”
- ☉ “What I hear you saying is...”

Open-Ended Questions

- ❉ “What does success look like to you working with an advisor 1-2 years from now?”
- ❉ “What obstacles might we face in working together?”
- ❉ “What are your top three priorities for this relationship?”
- ❉ “What matters most to you from a communication perspective?”

Focus on “Me”



- ☉ Handwritten notes
- ☉ Birthday wishes – phone calls
- ☉ Ask me my opinion
- ☉ Ask me “why?”

What to Do?



- Be careful using a “me” message – instead, make it about them
- Listen to understand
- Ask probing questions
- Use active and reflective listening

Secret Number Two: Behavioral Styles Come Between



- It's like talking different languages
- We watch what others do
- We react to behavior that differs from our own

How Well We Hear

How much of what we “hear” during communication is from the words used by the speaker?

7%
15%
29%
52%
90%



What We Say

It's not “WHAT” we say but how we say it:

- Body language is 55%
- Tone of voice is 38%
- Words & content are only 7%



Try It!

Turn to the person next to you and say,

“You look **GREAT** today”

Say it sincerely, smile and really mean it!!!

Now, Try This...

Say it again, this time changing your tone to sarcastic while rolling your eyes...

“**YOU** look great today”

Primer on Behavioral Styles

There are 4 different elements:

D – **dominance** (how we handle problems)

I – **influencing** (how we interact with people)

S – **steadiness** (how we handle pace)

C – **compliance** (how we handle procedures)

Four Categories Per Factor

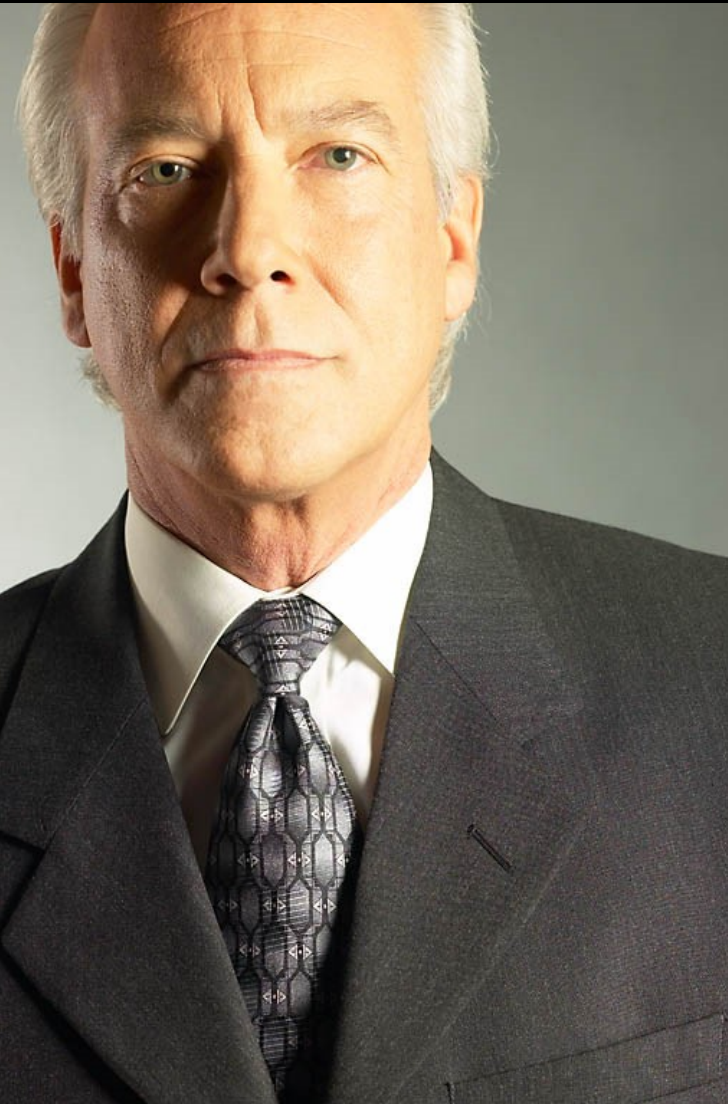
Tone of Voice

Pace of
Speech and
Action

Words Used

Body Language

“D”- Dominance DISC Type



18% of the population is “Core D”

- ☐ Direct, Assertive
- ☐ Not sociable
- ☐ Results-focused

“Bottom line...ME!”

“I” - Influencing DISC Type

28% of the population is “Core I”

- ☉ Outgoing – verbal
- ☉ Animated, warm, friendly
- ☉ Focus on people

“This is fun!”



“S” - Steadiness DISC Type



40% of the population is “Core S”

- ☉ Nice person - can listen for a long time
- ☉ Not hurried or animated
- ☉ Warm and friendly

“I’ll get that done for you”

“C” - Compliance DISC type



14% of the population is “Core C”

- ☐ Not socially oriented - can appear cold
- ☐ Introspective and thoughtful
- ☐ Focus on data and details

“I need more data!”

Behavioral Styles Can Hamper Us!



- ❏ Do you have a difficult client?
- ❏ What is “difficult”?
- ❏ Can you identify the triggers?
- ❏ Teach your staff about triggers

What To Do?



- Become aware of your own communication style
- Practice subtle matching
- Record styles in the CRM



Secret Number Three: Values are Loud!



- What do we care about?
- Values underlie but often aren't readable like behavior
- **Be careful how you convey what's important**

Six Core Values



Utilitarian



Individualistic



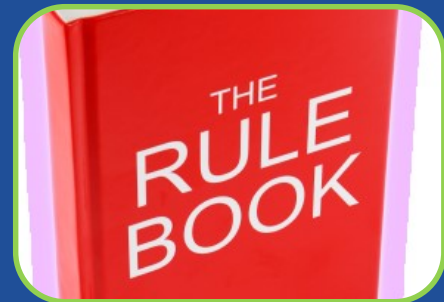
Theoretical



Aesthetic



Social



Traditional

What Really Matters?



- Watch how you convey information – “this is important”, for example is a value statement
- Remember that couples will have different values in many cases
- Ask: How do they spend their time?

What To Do?



- Listen for what's underneath
- Watch your own value judgments
- Convey information taking other values into account

Secret Number Four: Don't Assume



- In communicating context is everything
- Learn to think in terms of “why”
- Others don't know what you know – make it clear!

Don't Assume it Matters

- ☉ Watch terminology geared to our industry
- ☉ Connect what you do – to why they care



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"This is gobbledegook. I asked for
mumbo-jumbo."

Remember Everyone's Favorite Radio Station!



WIIFM

What's In It For Me

The Communication Process

**Outgoing
information**

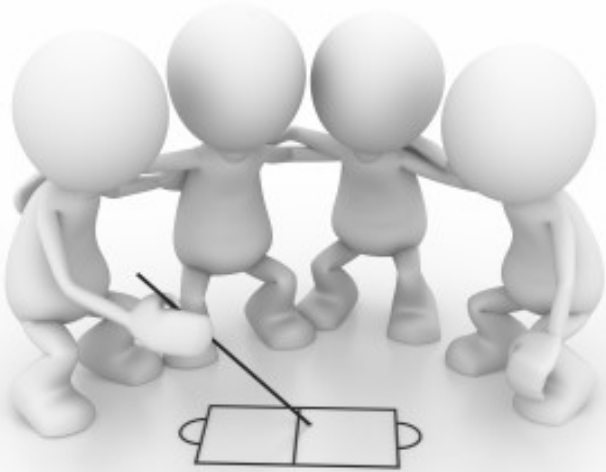
**Interactive
communication**



**I “inform you” –
I don’t ask you
or include you**

**Information flows
two ways – we
are both involved**

Get a Different View



- ❉ Can others understand what you do and why it matters?
- ❉ Does everyone in your firm know the importance of “So what?” language?

What To Do?



- Ask yourself “why?”
- Emphasize communication in your firm and with your clients
- Risk telling too much rather than too little
- Never act on “I think this is what he/she means....”

Secret Number Five: It's About THEM!



- Watch and listen
- Why, “Just ask” for referrals doesn’t work
- Remember: What do they think about? What do they care about?

Adult Learning Principles



Only a small percentage of adult learners gain information by reading!

- ❉ The same message – different mediums
- ❉ Make communication a key part of who you are

Vary Communication, And Do It Often

February 4-8, 2013

InvestmentNews™

The Leading Information Source for Financial Advisers

Finding the best ways to stay in contact

By Liz Skinner

When it comes to communicating with clients, some financial advisers think that more is definitely better.

In fact, in a 2011 survey, "elite" advisers — those making more than \$1 million a year — said that they reached out to their top 20 clients an average of 28 times a year.

Lower-earning advisers didn't come close to that average, according to the survey, which was conducted by CEG Worldwide LLC.

As important as frequent communication is, experts say hitting high numbers alone isn't enough.

Just as important as frequency is finding the right method and style to communicate with clients, based on their preferences.

PRACTICE MANAGEMENT "It's not possible to create a one-size-fits-all strategy for communication with clients," said Deanna Sharpe, associate professor in the personal-finance-planning department in the College of Human Environmental Sciences at the University of Missouri.

Advisers have to know their clients and whether they are "high touch" or "low touch" in terms of the amount and type of contacts each will need in a given year.

"Such differences cannot be captured in a formula that says, 'Touch clients X amount of times per year in Y ways,'" Ms. Sharpe said.

One point everyone agrees on is that a lack of

Continued on Page 30



“...50% of wealthy investors said they wanted to be contacted by their advisor **monthly**, 27% said semiannually and 12% said **weekly**...”

— 2011 Spectrem Group survey

Make it About Them: Concierge



- “Special” events
- Flowers and candy on Valentine’s day
- Tiffany bank at baby’s birth
- Travel brochures for upcoming trips

Make it About Them: Concierge



- Note something you appreciate about them
- Write handwritten notes!

What To Do?



- Determine today to learn more about others
- Become an Interested Observer watching and seeking to understand
- Pursue the facts and data, but don't separate the people element from them!

Commit to Action!



“I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough, we must do.”

Leonardo da Vinci (1452-1519)



Questions?

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