



Five Secrets to Effective Communication

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Advisors may think they are excellent communicators, but in my experience many have a lot to learn. Whether they are developing new business, engaging with centers of influence, introducing themselves to new prospects, or simply building existing relationships, five key techniques can improve their communication skills.

Because these techniques are rarely understood, much less used, they are truly the secrets of our profession.

For an advisor or wealth manager, every day may offer opportunities to focus on business numbers and market developments, but – just as importantly – every day is filled with opportunities to either enhance a relationship with strong communication, or ruin it because of a lack thereof.

As we work with advisors and those who support them every day, we are often asked to provide coaching and support on “active listening” and interactive communication. “How does one dig deeper to uncover the real issues?” we are asked. “How does one get a reticent person to open up? How does one know if a prospect or client is lying?” Advisors know they need to deepen their relationships and hone their skills, but often they aren’t sure how to get there.

Improving communication is, luckily for readers of this article, not a difficult task. It takes knowledge and practice – and a willingness to look in the mirror to find your personal biases and preferences. In order to improve communication, we have to first know our filters – and be willing to drop them when we engage with others.

Let’s look at the five secrets of human behavior and uncover ways an advisor can use these “secrets” to truly stand out in a crowded market by excelling at communication:

1. *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. Advisors – like everyone else – have filters that they’ve developed over the years that tell them what’s important and what’s not. Often these filters prevent an advisor from seeing what the prospect or client really needs, so instead the conversation focuses on what the advisor thinks they need. The advisor may not seek to understand or ask the deeper questions, because they think they know. Filters prevent us from really engaging with others because our biases and our focus on “me” get in the way of true engagement with others. Having a sincere desire to put one’s own filter aside and really focus on the other person and what they are saying paints you, the advisor, as the active listener – the advisor who is concerned with the client and not just about pushing what you care about.

2. *Secret number two – “Our different behavioral styles make it difficult to communicate effectively.”* Having trained hundreds of advisors and wealth managers at CFA Institute meetings around the country and working with behavioral style for over a decade, I know that understanding behavioral preferences and approaches – and the impact it has on communication – can allow one to modify style in order to match the communication approach of another. Human beings tend to like people who are like them. If I’m like you, we can communicate much more easily because our styles match. There are four scales of behavior: How we deal with problems, how we interact with people, how we handle structure and work environment and how we approach rules and procedures. Each scale has four factors associated -- tone, pace, words used and body language. Depending on our personal approach, our communication will vary greatly depending on individual style preferences. Learning one’s style and how to match the style of others can be an extremely powerful way to open communication. If you are a slow-thinking advisor, and you need the time to really consider your options before you talk, you’ll experience communication conflict with a client who is a fast thinker and a whirlwind conversationalist. It’s important to know one’s own style, watch the styles of others, and then adapt appropriately. You never want to be “fake,” but communication will not flow if you force your style on someone else – they simply can’t “hear” what you are saying!
3. *Secret number three – “Your values speak more loudly than you do.”* All human beings have values firmly in place and know what they consider important. The challenge in advising others is that an advisor must refrain from coloring choices with their own values; rather, it’s important to learn and truly understand the values of your prospects and clients. Simply selling on “ROI,” for example, can be dangerous if this isn’t one of the top metrics for the client. Again, it’s critically important to listen – to hear what the client reveals as their most important values. Based on research completed by Edward Spranger in the early 1900’s and written in his book called “Types of Men”, there are six core types of values – Utilitarian (Return on Investment) Individualistic (Ego), Social (focus on others), Theoretical (Seeking knowledge), Aesthetic (beauty in the world) and Traditional (religious or family values). People hear everything that’s said, and make most day-to-day decisions, based upon value structure – thinking about what is important. If a client



isn't interested in a utilitarian view – social and traditional are their top two values, say – the “ROI” message will fall on deaf ears. In some cases, we actually dislike people whose values differ from our own. It's important to let the client reveal what they care about before you as an advisor make your “pitch.”

4. *Secret number four – “Don't assume!”* When communicating with another person, all too often people make the mistake of assuming that others understand what they are saying, why they are saying it and why it matters to the listener. In our consulting and coaching with advisors, we often see this. When we are working on helping to craft or refine their marketing story, we will ask the “So What?” about their value statement, branding or positioning, they'll give us data about what they do. But how does what they do benefit the prospect? How does it make an impact on someone's life and solve a problem? Context is critically important in communication – checking for understanding, making clear to someone why the information matters, and taking the time to ensure the receiver understands why you are saying what you are saying. Assuming someone is impressed or swayed by “experience” or “investment process” or a “four-step client engagement approach” is dangerous. Telling them “*what*” is easy; this is what most people default to in communication. Telling them “*why*” is what really good communicators do – the ones who want to be remembered and recognized for what they say!
5. *Secret number five – “I'm okay, but you're not.”* It's not an unusual situation to hear an advisor trying to convince a client of a certain viewpoint or to “change their mind” without really understanding the client and the situation. It's true that many investors make bad decisions and don't think through all they need to – and it frustrates those of us who know better that we can't help them to see the light! But assuming you know best when you really don't know the person's situation – even if they are your client – is not a basis for true engagement. A truly engaged advisor really listens, really focuses on why a client is presenting an issue or problem, and tries to peel back the layers of the onion to get at the underlying concerns. If the advisor only deals with what psychologists call “the presenting problem,” they won't be able to solve the real issue with their clients. An advisor needs to respect the concerns and issues raised by a client before they can offer a solution – this means really “checking her ego at the door” and realizing that, while she is supposed to dispense the appropriate advice regarding investments, she must step back and learn why a client cares about what they do before making a recommendation.

These five secrets hold the key to better communication with clients. People like to do business with people they like – and we all like people who are like us, who take the time to listen to us and who seem to understand us! An emphasis on relational skills and learning about human behavior is necessary and important for investment advisors and wealth managers alike.



Beverly is the author of two books. This article is derived from her latest book -- "Understanding Other People: The Five Secrets to Human Behavior", which may be found at <http://www.understandingotherpeople.com/> or on Amazon.com. Beverly can be reached at 888-580-9473 or by emailing her at Bev@The-Collaborative.com.

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