

The Key Ingredient to Effective Communication

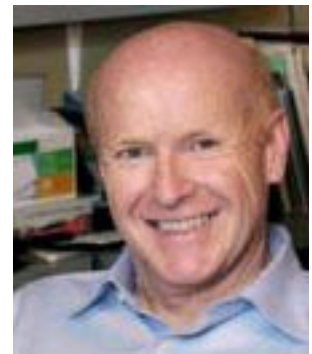
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When it comes to communicating with clients, too often we revert to the habit of using words alone. To maximize the impact of your communication, you need to help others visualize your message.

We're all familiar with the expression that a picture is worth 1,000 words.

And research study after research study demonstrates beyond question that a graphic depiction of a simple point is many times more powerful than explaining it by words alone.



Not only is a graphic illustration of your message more persuasive, it's also much more memorable – it sticks with clients in a way that words alone won't.

Here's a simple example:

In talking to clients about the performance of money managers, you could describe how they've outperformed the market over time.

You could show a chart with returns over 1, 3, 5 and 10 years and since inception.

Or you could show a mountain chart visually demonstrating how \$100 invested in 1954 has grown, as Franklin Templeton Funds did for many years.

Intellectually, we all recognize the power of a well-constructed image ...

You need to integrate a visual element into your communication at three levels.

In conversation

When talking with existing or prospective clients, beforehand identify the one, two or at the very most three key messages you want to convey.



These could relate to the long-term benefits of a balanced portfolio, opportunities in global markets or in niche sectors like emerging markets or high-yield debt, or comparing returns on investment-grade and Government bonds. Your points could focus on market evaluations or economic trends ... or they could talk to tax savings opportunities from spousal loans or pension splitting.

Whatever messages you want to deliver, to do this most effectively you need to prepare simple graphics beforehand that reinforce your key points. This is true when meeting face-to-face – and it's just as true when talking on the phone. If you're talking to a client on the phone, you can email a graphic and ask them to open the file while you're talking.

Between meetings

While using graphics when talking to clients should be a priority, it's just as important in supporting your communication between conversations.

Whether sending newsletters, client updates or quarterly outlooks, you should always try to include at least one graphic to support your key message. When meeting clients, at least the personal interaction keeps them focused – there's growing evidence that in today's short attention span world, text-heavy documents simply don't get read. And even if they do get read, chances are they won't be remembered.

Tapping into the power of video

Of course, charts and graphs to make our point are nothing new.

What is new is the use of video to communicate. Over the past 10 years, online video has exploded ... and is increasingly the communications vehicle of choice on many issues.

One advisor now begins most meetings by sitting down with clients and watching a six-minute video interview – whether it be with a money manager that they own or are planning to recommend, an economist talking about economic trends or a lawyer or accountant on tax planning strategies.

He then talks to clients about the interview they've just seen – and has found the conversations are much shorter and easier. He's ruefully concluded that the experts on the videos often do a better job of selling clients on ideas than he can – partly because clients see them as objective voices with independent credentials and partly because they come across as experts.

Here's another example of the power of video. In the draft year-end letter that appeared on December 13, I included a five minute [video](#) of a Swedish development economist talking about growth trends in the past 200 years. This video makes the case in a way that clients



will remember long after they've forgotten articles and PowerPoint presentations. (To see more videos like this one, go to [here](#)).

All advisors I talk to say they'd like to deliver their messages more persuasively and memorably. If that's your goal too, then make it a priority in 2011 to focus on incorporating visual images into client communication.

Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.strategicimperatives.ca.

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