

# Chapter 1

## Communicate Effectively to Move People to Action

“The most important thing in communication is hearing what isn’t said.”

—Peter Drucker

Growth is impossible without communication and leaders with a growth mindset are great communicators. This means that they are great listeners as well as compelling storytellers. Your ability to master the art of communication is your greatest tool. How do we influence and persuade others? We use our position, authority, experience, skill, and knowledge. All very important to be effective, however this is only half of the equation; this is where many miss the opportunity to be great communicators. They forget, or don’t understand, that just as important is not only what we say, but how, when, and where we say it. Your

gestures, timing, tone, rhythm, and overall body language. Once you truly understand that you are always communicating, not just when you open your mouth, you have a better opportunity to be effective. Focus more energy on how you say it. Our ability to sell ourselves and our ideas is paramount to be successful in wealth management.

### **Listen to Understand**

Leadership is not a monologue—it's a dialogue. It's about asking compelling questions and then listening—really listening—to the answers. Great leaders are intuitive listeners who can quickly size up the emotional needs of others and respond appropriately. They can establish rapport very quickly. They have big antennas in order to identify common interests and are able to make emotional connections. If you have been in the business for some time, I'm sure you are saying to yourself, but of course communication is important, this is basic. Yes, it's basic and yes, everyone knows this. So why do I bring it up in the first chapter? While the majority of managers and advisors agree that communication is critical to the business, I'm amazed by how many are unable to communicate effectively. Our words say one thing and our body language says something different. People don't think before they speak and then it comes out the wrong way. People are misunderstood all the time because the advisor or manager didn't take the time to listen or never learned how to listen actively and intuitively. Today, technology makes it so easy to send a text message or email,

but we are in the people business. I can learn more from looking into someone's eyes after I ask them a question than I can from an exchange of 20 emails. That's why I call communication an art, and that's why I'm suggesting, based on thousands of client meetings and seeing people's personal interactions, that *we can improve*. It's simply the most effective tool. To understand and be understood is a wonderful thing when it happens. It's about mastering the fundamentals.

First, most of the time we make assumptions of what people really mean when we hear them. Everything people say is open for interpretation. For example, if I say to you, "Bob, that's an interesting tie you have on," 99 percent of the time when I make this statement in my workshops, I get the same response, "Thank you." I didn't say I liked the tie; I didn't say I didn't like the tie; therefore what did I say? Nothing. A better response might be, "What do you mean by 'it's an interesting tie'?" If a prospect says, "I'm risk averse," we can't reply by simply saying "Okay." The better response is, "Please tell me more about that," or "What do you mean?" The point is, it's imperative we stop making assumptions or misinterpreting what clients are saying. This can only happen if we slow down a lot. Stop talking and instead peel the onion back by asking follow-up questions.

**Ask yourself:**

- Do I listen when others talk or just focus on my response?
- Am I focused on the speaker or am I thinking about what I need to do next?

- How well am I picking up and listening to what is *not* being said?
- How well am I reading their body language?

“When people talk, listen completely.”

—*Ernest Hemingway*

## Talk to Be Understood

Great leaders communicate clearly, expressing themselves in a way that’s authentic and doesn’t keep people guessing. A leader talks to help people understand the big picture, get inspired, and execute on a shared vision.

The win-win model I follow for an effective meeting includes having a clear vision of the ultimate objective, doing your homework, understanding the purpose of this particular meeting, asking Socratic questions, discovering what you can do for the person you’re meeting with, meeting in a location to foster the most productive atmosphere, and following up on next steps. We both know how many meetings take place every day around the country with a small group or hundreds without a clear objective or action steps or being inspired because the leader was a poor communicator.

### **Consider this:**

- Become a great storyteller. Storytelling has been ingrained in our DNA since the first humans sat around a fire sharing stories. People never forget a good



## ASK

story. Use vivid descriptions, metaphors, and analogies. Evoke powerful emotions. A master storyteller understands his audience, whether it consists of one person or one thousand. The next generation will respond well to visual storytelling.

- Know how to keep it pithy. Less is often more.
- Note that being a storyteller is different from being a spin doctor. Spin doctors are never credible. Authentic storytellers are more than credible. They are inspiring.

Whether talking or writing, keep it simple. We're all dealing with information overload in a challenging business. Don't make anything more difficult or complicated than it needs to be. Being an effective communicator takes time and practice. It doesn't just happen. Watch great communicators on YouTube or TED Talks. One of the best in the business is Charlie Rose. He does his homework, asks smart questions, and lets the person talk, all of which makes him a great listener and communicator. If you want to be a better communicator,

start paying attention to how you communicate and be determined to improve. If you're not sure, video yourself using your phone. I *guarantee* that you will always find something you can improve on.

## **An Outstanding Communicator**

I have been privileged to work with some exceptional leaders over the years, many of whom are incredibly skilled communicators. Standing out in that phenomenal crowd is the former CEO of UBS, Joe Grano—a friend of mine and one of the best leaders in the business.

Joe came to Paine Webber (now UBS) when performance, morale, and everything else at the company was hitting rock-bottom. He showed his mettle in every situation. In fact, the greater the crisis, the calmer Joe became. He gave you the feeling that everything was going to work out. He always communicated with full transparency and authenticity.

Once, at a chairman's club meeting of about 400 top advisors, he announced a compensation adjustment, telling advisors that if they wanted to earn what they earned last year, they would need to be more productive. Every other CEO or head of a similar group would have been met with a roomful of silence at best or more likely some pretty loud feedback.

Joe received a standing ovation. He is the only person I know who would get that reaction. What was Joe's secret?

He was always honest with people, he did not spin the facts, he cared about you, and he was inspirational. He spoke from his heart and took personal risks to do the right thing.

You knew Joe had your back. In return, people would go through a brick wall for him, including me. He made us feel that we were in this together—we were partners.

I'll give you an even clearer sense of how much Joe cared about people. When my mother died, I was devastated and traumatized. My mother was my mentor and best friend. Joe took the time to talk to me about his own experience with grief and gave me his support and advice. He followed up with a long handwritten letter that was so moving and contained so much compassion that I can honestly say that his words were the only ones that gave me any comfort. Joe had the ability to empathize with people.

Joe is a special person and a great communicator.

### **Sales Meeting: Great Leaders Don't Waste Anyone's Time**

Being prepared and organized leads to efficient communication. Leaders with a growth mindset value their time and the time of others. As a leader, running an efficient meeting directly contributes to your credibility and effectiveness. Every meeting is an opportunity to have an impact. If you just wing it, it will show. That's why only 20 percent of advisors report that meetings are a worthwhile use of their time. Here are some crucial points to consider for creating a well-organized, impactful strategy meeting or sales meeting:

- Always have an agenda. Invest time in preparing for every meeting.
- Spend some time reviewing the minutes from the previous meeting.

- Make appropriate announcements and give a brief introduction of the topics that will be covered during the meeting.
- Give an update of how your office and the market is performing: the good, the bad, and the ugly.
- Regularly schedule meetings and always start and end on time.
- Have handouts and always have a few advisors share their ideas.
- Consider featuring an outside guest speaker every week.
- Ask for feedback after the meeting from the participants.
- Show strong leadership during and after the meeting.
- Be very specific what you want people to do and why.
- Always take the opportunity to recognize the right behavior and the results being achieved.
- Reinforce the culture you are trying to build.

*Important:* Coach your advisors on what they will talk about. Ensure they focus on the key points. Limit each speaker to five minutes.

*Important:* Be sincere and prepare yourself, because the truth can hurt. When you ask for feedback, you will hear the good and bad. I made adjustments to how I ran my meetings all the time. I wanted people to look forward to these meetings, so I knew I had to tailor my presentations to accommodate what worked and eliminate what didn't. I wanted the participants to walk away with a few good actionable ideas from the meeting that they could use not only to grow their book, but also to better service the client.

Don't make the mistake of raising a negative subject because you want to send a message to a few people. That's

a waste of time for the other 48 people in the room. Talk to those few people separately.

### **Follow-up: Thank-You Notes Are Magic**

After every meeting, send handwritten notes to the guest speaker and to any advisor who spoke. A simple thank-you note will let them know that they did a nice job and that you appreciate them. It may seem old-school to do this, but it makes a huge impact and impression. It's a personal touch that never goes unnoticed.

### **Winning Hearts and Minds**

How can you coach an advisor on better client connectivity, building trust faster, and establishing rapport if you have not mastered the art of communication?

Since I now make my living as a professional speaker, I'll give you my top pointers:

1. We are in the business of winning hearts and minds. I always start with the emotional side, the heart. I focus on body language and anything that gives me clues into the heart of the person I am speaking with. My antenna is always up, and I'm looking to connect whether it's one-on-one or with a group of 1,000.
2. Develop a level of intimacy that makes each individual in the room feel as if you're speaking directly to him or her. Putting politics aside, Bill Clinton and Oprah Winfrey do this extraordinarily well.
3. Great communicators read their audience carefully to ensure they can connect quickly. Always make sure

you understand who your audience is before you open your mouth. Try not to adjust your message on the fly, but if you need to, be sure to stay on message.

4. I make myself fully transparent and am authentic. Never underestimate how smart your audience is and how fast they can pick up if you're not being honest or authentic.
5. I use my energy to give energy and in return start feeding off that energy. Any strength overextended becomes a weakness. Therefore, don't focus too much energy on trying to be liked. That's an amateur mistake in public speaking. Be yourself and study great public speakers.
6. I go over a presentation in my head many times before I go on stage. I get into a state of flow—in the zone—and nothing gets in my way. I also avoid negative people as much as I can especially before a presentation.
7. Use examples and metaphors to make your point. Tackle complex ideas and deliver them in a simple, understandable way.
8. Start with the end in mind: What do you want people to say about you and your presentation? I like people to say, "Rick was authentic, he didn't spin anything, he was inspiring, he was empowering." Select the words that you want people to say before you start building your presentation.
9. I never start talking about what I don't know well and I never pretend to know something I don't. I'm perfectly fine saying, "I don't know."
10. I never use sarcasm, politics, or religion in my presentations. I'm always respectful of the people in the audience and don't assume to know their background

or personal histories. I never engage in an argument. Because most of the time those people who initiate an argument are victims just trying to prove to others how smart they are. It's a waste of time and it will derail you.

## **Inspiration: Lead by Example**

“You must be the change you want to see in the world.”

—*Mahatma Gandhi*

An effective communicator can inspire people to take action. But of course the best way to inspire people is to speak from the heart with clarity and passion, and then lead by example. Walking the talk is not something we see every day.

Almost anyone can be a peacetime general. It's when times get tough that the mettle of true leadership is revealed. When you're emotionally knocked down, you still need to be seen and heard as a leader and you need to use good judgment and execute tough decisions.

“Great leaders move us. They ignite our passion and inspire the best in us. When we try to explain why they are so effective, we speak of strategy, vision, or powerful ideas. But the reality is much more primal. Great leadership works through the emotions.”

—*Daniel Goleman, Primal Leadership*

### **Ask yourself:**

- How do I perform under stress?
- How well do I communicate our vision?
- How well do I inspire others to achieve their goals?
- What do I need to be inspired?

If you signed up to be a leader, you have signed up to lead the way from the front—to be a role model. That means you have the responsibility to meet or exceed the high standard you'd like to set for your people whether it's three people or 3,000. You're accountable 24/7 and you need to be willing to do whatever you ask others to do. If you tend to avoid client appointments because you have other things to do, I would strongly suggest that you meet with clients on a regular basis. I don't care if you are the CEO of the largest firm in the world. Meeting with clients is a must for anyone in the executive office. No one should hide behind the curtain and make decisions without the firsthand knowledge of the present circumstances that it takes to win a client relationship. I meet with hundreds of senior leaders a year and I often ask them two questions: How often do you meet with clients? and How much time do you spend coaching or mentoring others? Their response gives me many clues into their leadership style.

There's no leadership strategy more powerful or effective than leading by example. How you treat people, how you recognize people, how you react to criticism, how you treat the client—how you act in every situation—are all critical elements that contribute to the effectiveness of your leadership. The bottom line is you should be willing to do anything yourself that you are asking your team to do.

“What you *do* speaks so loudly that I cannot hear what you say.”

—Ralph Waldo Emerson

### **Ask yourself:**

- Do I walk the talk?
- Do I ask people to be punctual—but am habitually late for meetings?

- Do I coach people to listen more effectively and actively, to their clients—but don't listen to my advisors when they talk?
- Do I talk about respect—but am rude to the organization's maintenance staff?
- If someone followed me around with a camera 24 hours a day, would I behave differently?
- Am I telling people what to do or am I showing them?

## **Inspire Others and Yourself**

An inspired leader moves people to action. For me, this is the biggest difference between a good manager and a great manager or an average advisor and an elite advisor. A good manager has a to-do list. A great leader inspires others to take action through their own words and actions. Communication is not just about what we say. In fact, how, why, and where we say it is often more important. Being a genuine, effective, and inspired communicator means you feel good about yourself and you have a healthy balance of confidence, which is naturally inspiring to others.

You cannot inspire others if you're not inspired yourself. Motivation is an external state; inspiration is internal. As you cultivate self-awareness, inspiration becomes your way of life and your way of moving around. As a result, you will gain a clearer sense of your professional and personal purpose.

When you're inspired, you inspire others. People who are inspiring exude positive energy. They don't need to say much: we feel their energy. It affects us in a positive way. The reverse is true when we are around people who are uninspiring. We feel their negative energy and it brings us

down. That's why when an effective leader visits a location he makes an effort to walk around and connect with people. And if a leader doesn't do that, it may mean he doesn't want to hear any complaints or simply believes he has higher priorities. If you're the leader, you have an obligation to connect to your team.

Don't get me wrong: being inspired doesn't mean subsisting on a daily dose of quotes or music or someone to pump you up. There will be times when you don't feel inspired and you aren't able to inspire your people. Don't fake it. There's no need to, and people see right through it, anyway. Because some days you're thrown a curve ball. Because as you know it takes resilience to be able to deal with everything that wealth management throws at you, not to mention life. Today, I'm inspired by people all the time. Nature is my daily inspiration and living with gratitude helps me live a more balanced life.

If you're a professional, the show goes on. Every Sunday when a football player steps onto the field the fans don't care what happened to the player on Saturday. What matters is long-term performance and the core philosophy that underpins it. If you work at getting inspired and staying inspired, you will operate at a more effective level most of the time and you will be able to inspire people around you, through your example, over the long haul. I have had to develop the discipline to inspire others (when I give a presentation) even when I just received bad news about something. Being able to compartmentalize these feelings is important. When people show up from around the country to hear me speak, I need to bring my best

game. They don't care what happened to me one hour before I get on stage. People don't care about *why* you are not fully prepared for a client meeting; they just know that you aren't prepared.

**Consider this:**

- Get inspired: find positive energy for yourself and others because you cannot give away what you don't have.
- Take a class, read a book, and challenge yourself with difficult questions.
- Learn something new. Put yourself out of your comfort zone.

## **Reward Yourself and Your Team**

Inspiring yourself is also about creating the right set of personal and professional challenges that keep you motivated and operating in the optimal zone. You need short- and long-term goals and you must reward yourself when you achieve certain milestones. A reward doesn't have to be an expensive gift; it could be an event or activity or something else. Think of creative and motivational ways to reward yourself or someone you care about at least once a month. When I was a young advisor and I had a successful month or week, I would stop by my favorite florist and buy my mother flowers. She loved flowers, and when I walked into the kitchen to give them to her, the smile on her face lit up the room. Do the same for your team. Great leaders reward themselves and others.

“Leadership is not magnetic personality, that can just as well be a glib tongue. It is not ‘making friends and influencing people,’ that is flattery. Leadership is lifting a person’s vision to higher sights, the raising of a person’s performance to a higher standard, the building of a personality beyond its normal limitations.”

—Peter Drucker, *Management: Tasks, Responsibilities, Practices*