



Communicating With Empathy

• • •
Orion Practice Management



Dr. Daniel Crosby
Chief Behavioral Officer

0263-OAS-2/9/2022



What Clients Want in an Advisor



91%

Someone who
“gets me”



71%

Someone with whom
I share values

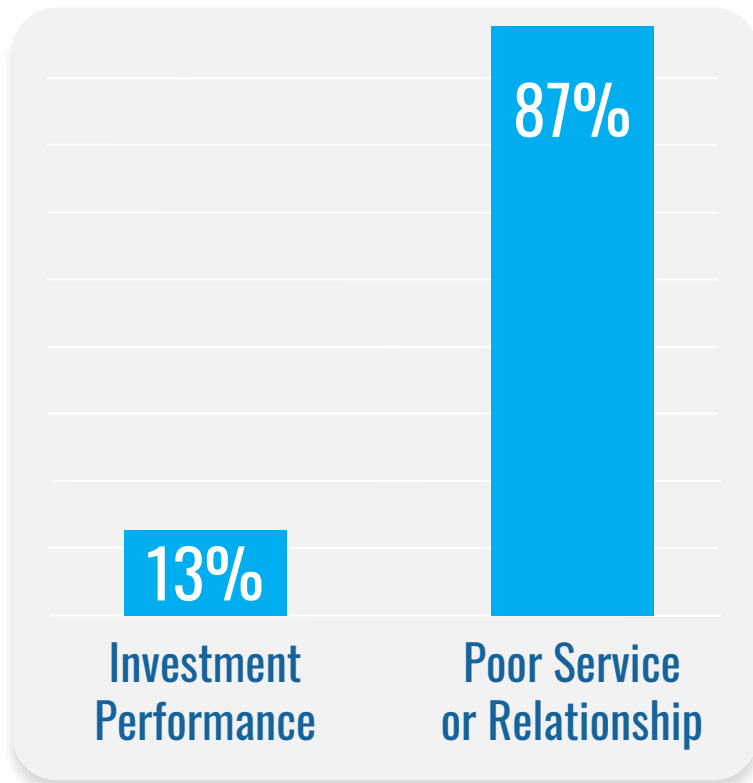


70%

Someone who meets
with me socially

What Causes Clients to Leave?

...



Referrals by Satisfaction



Moderately Satisfied

0.1 / year



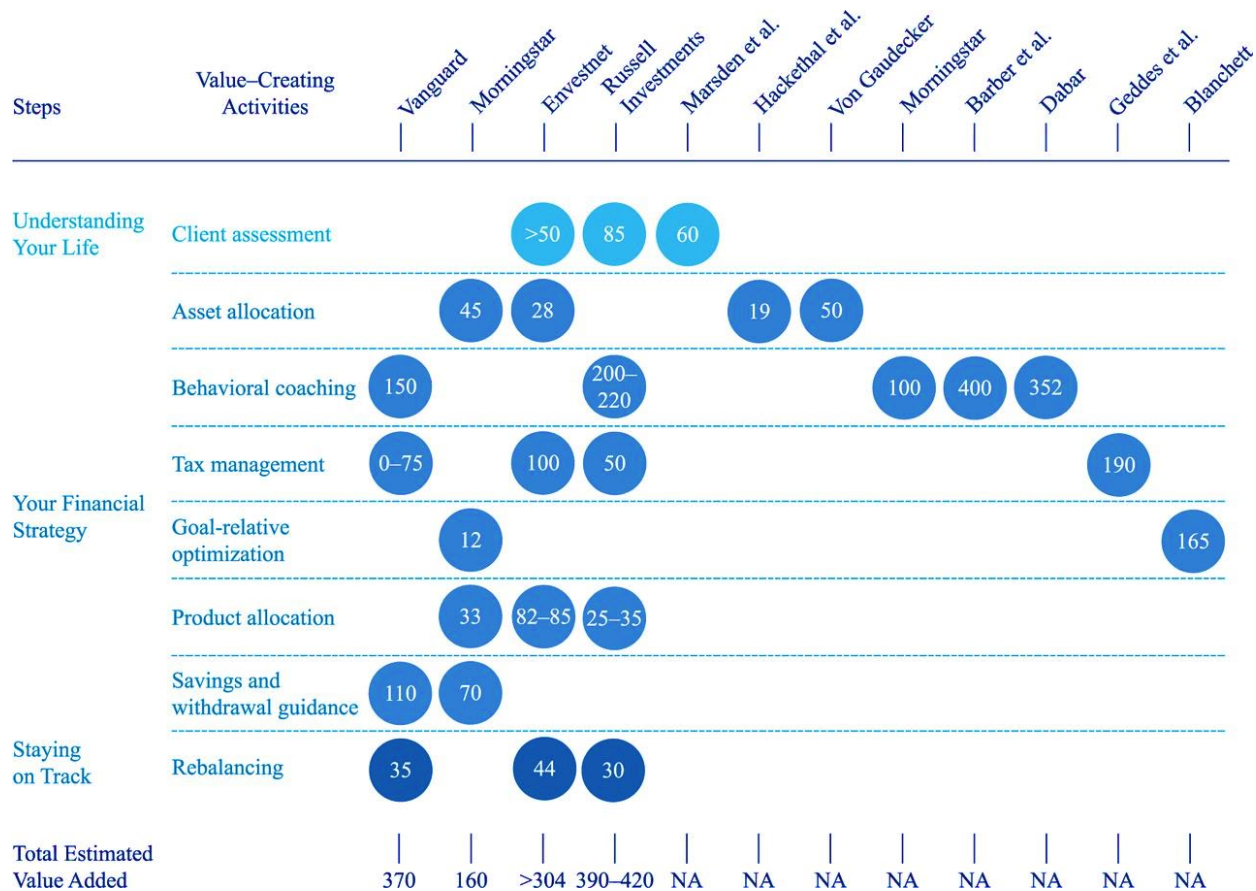
Satisfied

2.1 / year



Very Satisfied

11.8 / year



Old School vs. New School



Old School

- Asset Allocation (35 bps)
- Tax Management (62 bps)
- Product Allocation (49 bps)
- Rebalancing (36 bps)

VS.

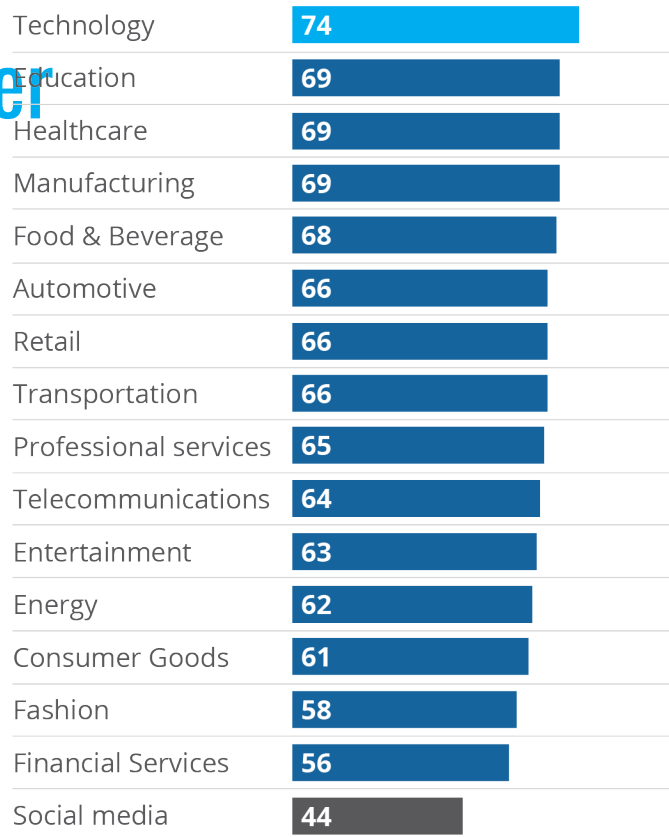
New School

- Client Assessment (65 bps)
- Behavioral Coaching (244 bps)
- Goal Optimization (89 bps)
- Savings + Withdrawal Guidance (90 bps)

The Edelman Trust Barometer 2022



Trust in Industry Sectors





**64% of Financial Planning Clients Report They Feel
They Have Nobody to Talk to About Their Money,
Including Their Advisor.**



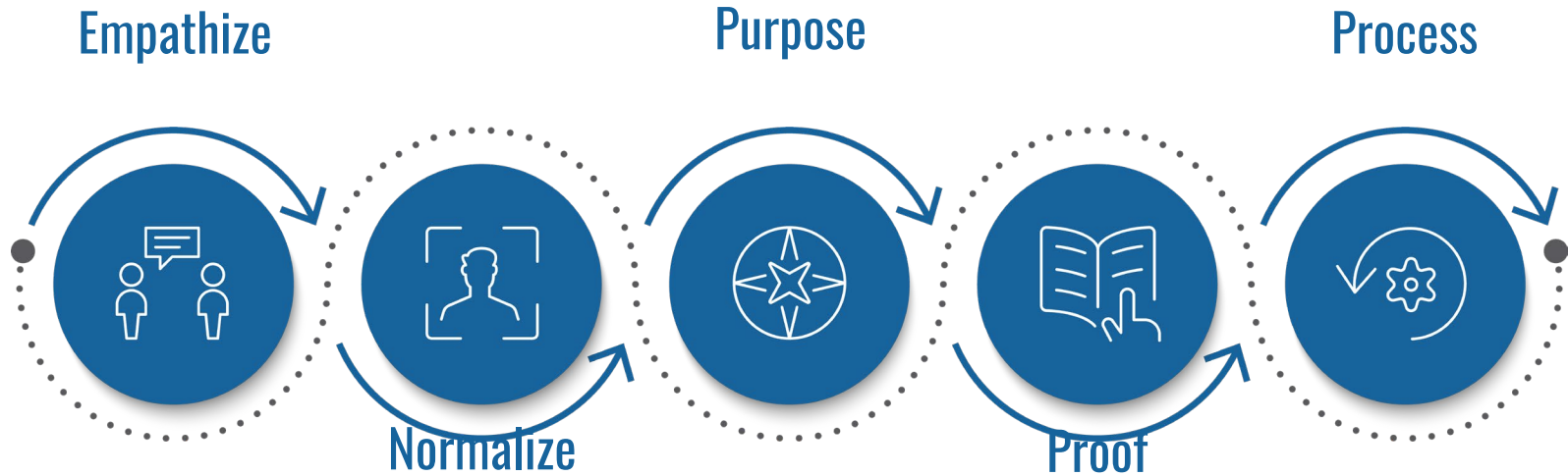


20%

The % of clients getting advice that they follow



The Process





Developing Empathy



Listen



Speaking

Depth



Speed

Curiosity



Judgment

Unsaid



Said



Connection is the Cure





No Behavior is “Irrational” When You
Know Someone’s Story

...

Avoid the Backfire Effect



- Participants become more entrenched (politics, vaccines) after hearing counter-arguments
- Cigarette warning labels cause cravings
- The more a parent hates a toy, the more children love it
- “Romeo and Juliet Effect” - parents’ disapproval heightens status of a love interest







Purpose – Why?

...

*"Excuse me,
I have five pages.
May I use the Xerox
machine?"*

60%

*"Excuse me, I have five
pages. May I use the
Xerox machine because
I'm in a rush?"*

94%

*"Excuse me, I have five
pages. May I use the Xerox
machine because I have
to make some copies?"*

94%





Traditional:

50% liquidations
10% significant changes



Goal-based:

75% no changes
20% minor changes



You Cannot Solve an Emotional Problem at the Intellectual Level



Unforgettable Client Communications



Empathy



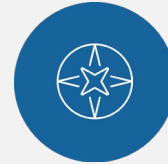
"What I hear
you saying is..."

Normalization



"Which makes
sense because..."

Purpose

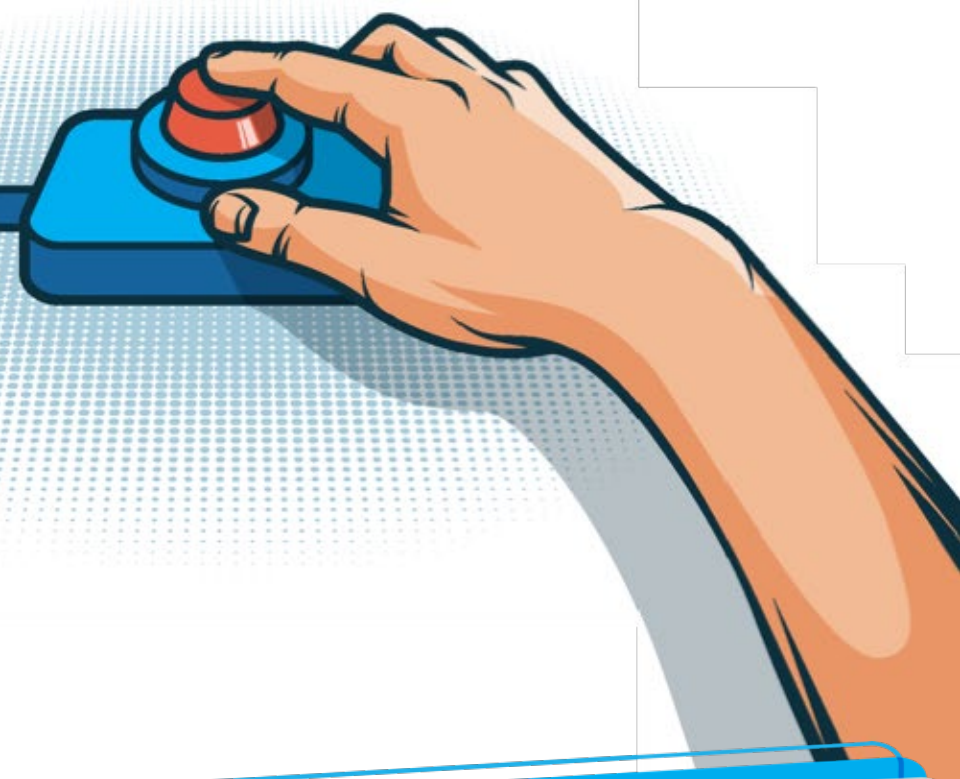


"How does
that impact..."



Proof – What?

...

A comic book style illustration of a hand with a tan complexion pushing a red button. The button is mounted on a blue rectangular base. A thick blue cable extends from the left side of the base across the frame. The background behind the hand and button is a white area with a blue halftone dot pattern. The text 'PUSH! THE BUTTON!' is written in large, bold, red, sans-serif capital letters across the middle of the image.

PUSH!
THE BUTTON!

Proof – Greatest Hits

- There have been 84 corrections since WWII
- Average intrayear drop of 14.7%
- In 19 different countries, the more you trade, the worse you do
- Average bull - 8.3 years, average bear - 1.1 years
- Those with an advisor had 2.97x the wealth because of behavioral control

Unforgettable Client Communications

...

Statistics

Research says...

Experts

Nobel prize winner says...

People like them

Your peers say...

Testimonial

I say...





Process – How?

...



Ask



Guided
Simplicity



Tell

James Clear's Two-Minute Rule

- **Very easy** - Walk ten minutes
- **Moderate** - Walk ten thousand steps
- **Hard** - Run a 5k
- **Very hard** - Run a marathon

Remember:

**A behavior in motion
tends to stay in motion!**

How to Change



**Determine who
you want to be**



**Prove it to yourself
with small wins**

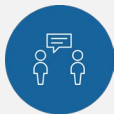


1. Fruits
2. Ink Pen
3. Butter
4. Pencil
5. Box
6. Key Board
7. Ice Cream

Emotional Bookends: Putting It All Together



Empathy



"What I hear you saying is..."

Normalization



"Which makes sense because..."

Purpose



"How does that impact your goal of..."

Proof



"To ensure that you reach (goal), I think that we should consider (research)"

Process



"I know this can be a lot, so let's get the ball rolling by (2 minute goal)"

Purpose



"Thank you so much for your candor, I know that the things we talked about will help you reach (goal)"

Unforgettable Client Communications

- Connection is the cure
- No behavior is irrational if you know the whole story
- Rational appeals don't solve emotional problems
- Facts only matters insofar as they impact purpose



Communication Shapes Behavior.
Behavior Shapes Wealth.
Wealth Changes Lives.

...



Orion.com/Practice-Management

PracticeManagement@orion.com