A Peek Inside the Minds of Your Clients –
How People Think and Decide about Their Money

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AboutPeople

Somewhere, in a hundred references, hidden deep in the dust of ancient psychology texts are truths and skills that help the astute to read minds. A technique from a psychologist in France, a practice from a shogun in China, an observation from a physician in America – when assembled, they represent a body of knowledge that allows advisors to decipher the way people think and make decisions – about their money.

By definition, an advisor gives advice, but in order for that advice to be relevant, the advisor must possess accurate knowledge about the client. Sounds simple, but it's actually rare. The reason is, this knowledge cannot be collected in a traditional needs analysis or risk assessment. It requires a skill set that is not taught to advisors.

Who has these skills? The answer may surprise you – the skills are normally reserved for advanced Clinical Hypnotherapists. Why? Because Clinical Hypnotherapists are trained to operate on multiple levels at once. For example: 1) listen and watch for patterns; 2) build rapport; 3) develop trust; 4) build an expectation of positive results; 5) decipher the client's mental structure; and 6) recognize the words and phrases that can motivate that client. With all that going on at one time, the therapist gains rapid results. The advisor who uses these skills has a far better chance of collecting the personal and subconscious information required to begin giving highly relevant advice – in the way the client needs it delivered. The client, then, can actually get the results he or she wants.

As a Clinical Hypnotherapist, part of my job is to help people achieve their goals, while making sure my work is congruent with how their minds work. The irony is, people regularly expose how their minds work, but very few people are trained to recognize it.

To understand how a client thinks, we begin looking at the client's Mental Filters. These sixty filters define how people think and make decisions. Let's look at two of the most important ones:

Filter one - Procedures. Half the population relies on procedures to make their decisions, while the other half does not.

Picture an advisor and a prospect talking. They actually agree but you'd never know it. The advisor structures his communication in procedures. He tells lots of stories and explains the chronological sequences of events involved. This prospect doesn't think in procedures. In fact, for him, listening to a procedural presentation is like standing in a long line for a broken elevator. Feeling constricted, the prospect begins mentally deleting everything the advisor says. He gets bored then nervous and looks for a way out.

When the prospect speaks, he says, "There's just so much I need to take care of at once. My kids are getting to college age, so I need that. And, oh, the mortgage, can you do something about it? Did I mention . . ." Hearing that randomized list, the advisor keeps trying to put it all into a logical process. But he can't follow the non-procedural conversation, perceiving it as erratic. The advisor grows increasingly uncomfortable. Ultimately, the communication fails between these two people and they part company.

Later, the prospect thinks, "I couldn't wait to get out of there!" The advisor wonders what went wrong. They simply speak the same language differently. They subconsciously structure their thoughts differently. And, the difference causes them to filter out each other's words. Could they do a better job of communicating if there is a next time? Absolutely.

Let's say, I ask you why you did something specific, for example, "Why did you make your most recent investment?" There are only two answers. If you give me your answer in the form of a chronology, that indicates that you rely on procedures (in the context of investing). "Well, Michael, I had read in *Money* magazine about a hot indexed mutual fund. Then, I started asking my friends about it. Next, one of them . . ." See the story unfolding? A story is a chronology, and a chronology is a procedure.

Once I recognize chronology, I need to make an appropriate shift and speak to you in a procedural structure. I might say, "Richard, here's the right way for us to start working together. First, we have a conversation and get to know each other. Second, we'll make an appointment to explore the right options. Third, you decide which direction you want to go. We'll open your account at that time. Finally, we'll get together in six months for lunch and celebrate – on me."

See the chronology? That's one of the most important clues into how Richard thinks. In that scenario, Michael simply spoke in Richard's own "language structure." Hear a story? Speak in procedures.

Why is this important? As you get farther away from how the client structures his thinking, the more of your words he will filter out. They get deleted, generalized or distorted into oblivion, along with your credibility. That's simply the way our minds work. We carry a maze in our heads that looks for things to eliminate. In order to gain access, you simply need to learn the key, and that's just a matter of listening and adapting.

What if the prospect doesn't answer the question with a story? Simply, do two things: 1) make note of the words he uses, and deliver them back to him; 2) avoid using a procedure. In other words, give your information, but do not use the connective words: first, then, next, finally.

All people either subconsciously rely on procedures or avoid procedures. It's essential that you know which approach to use. People who rely on procedures believe the procedure represents the tried-and-true, right way to do something. People who avoid procedures see them as prison. If you use a procedure on them, they can feel confined and believe that you are limiting their options.

Filter two - Standards. Half the population looks to outside sources for appropriate standards. The other half looks to themselves.

Let's say your credentials include CIMA, CFP or something else impressive. You are educated, intelligent and possess a highly respected opinion in financial matters. Logically, you probably feel comfortable sharing it with other people. Is there anything wrong with that? Yes! Giving advice is not a good idea until you discover where that person's standards for "good and appropriate" are set. This is actually simpler than it might seem; there are only two places standards can be set – externally or internally.

How can you learn if a person is External or Internal? Simply ask a specific question to discover this Mental Filter configuration, “Jane, how do you know when your (other advisor) does a good job?” You could replace “other advisor” with beautician, butcher, insurance agent, CPA, psychic, attorney . . .

Jane will answer that question in only one of two ways. Think of the answer in terms of a direction. If the direction is away from herself, that means she looks to external sources to set her standards. If the direction is back to her, that means she looks inside herself.

If Jane looks to other people or data resources for guidance, you can make suggestions to her. In fact, you should make suggestions, because if you don’t make the suggestions, she won’t be able to make a prudent decision. Forced to make one, she would simply guess. We call this kind of person “External,” because she looks to external resources for direction (in a given context).

The opposite is someone who sets her own standards within herself. When you see that, you should not make suggestions, because she doesn’t really care about your opinion. So, to make recommendations would be to show her disrespect. Instead, simply give her an opportunity to make the decision, “Jane, here are the facts and the options. Now, it’s up to you…it’s your choice.” We call this kind of person “Internal” because she looks internally for direction (in a given context).

In my experience, most financial advisors are comfortable giving advice. In other words, the natural inclination is to treat all people as though they are External. Not good. In fact, only half of the people you meet are External. Which means, that if you’re comfortable making recommendations, you could be alienating half of your prospects. As if that were not bad enough, the people in that alienated half are business owners, managers and professionals – people with assets and high incomes.

Here's how other people use Mental Filters. You already know that therapists use Mental Filters to effect more positive rapport, trust and results with their clients. In addition, Southwest Airlines uses this methodology to hire their flight attendants, and IBM uses it in their mentoring program. IBM discovered that the success of a mentoring program is directly related to the quality of the relationships between the mentors and the protégées. And, those relationships have a significantly greater chance of success when the two parties share similar a Mental Filter configuration.

Now, with that in mind, consider for a minute that your presentations are actually interviews to establish mentoring relationships. The more flexible you are at matching someone else's Mental Filters, the more people you will connect with.

When you become good at recognizing the Mental Filters explained here, you will also recognize that you can predict people's behavior. (Wait, it gets better.) When you can recognizing the Mental Filters explained in this article, your prospects will accept guidance and feel motivated by you. When you look for these Mental Filters, you will be reading how your clients think and make decisions about their money. In a way, you'll be reading their minds. And, in the end, you'll actually provide better service because your communication with your clients will be significantly more successful.

Michael Lovas is the author of ten books, mainly on Professional Credibility and Psychological Communication in the financial industry. He currently writes several columns and has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to further their careers and inspire their clients to love them.

Michael also holds the distinction of creating "Credibility Marketing" in 1991 and being a premier trainer of Psychological Selling Skills. His approach is rooted in credibility and integrity. And, the skills he teaches have all been scientifically proven to work. Michael is a credibility coach, speaker and author. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping professional build credibility and relationships with their chosen target markets.

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