

How to tell what potential clients are thinking

Dan Solin | Buckingham Asset Management | 17 April 2014

I am fascinated by the sophisticated technology used in political debates. Consultants pay focus groups to instantaneously record their reactions as the candidates discuss different issues. How valuable would it be if I had such an insight into the thinking of someone listening to me? If I knew my audience's reactions, I could adjust my presentation accordingly. That goal is now within our grasp.

Insight into what your potential clients are thinking while you are speaking requires a basic knowledge of how the brain processes information. If the information you are providing is not being retained in a person's short- or long-term memory, you won't be successful in converting that person into a client.

Our brains have the capacity to store an enormous amount of information. Those who study neuroscience have calculated that a [a human brain has enough storage capacity to hold three million hours of TV shows](#). That's the good news. The bad news is the brain is selective about the kind of information it will hold in long-term memory. Everything we experience is processed through the sensory register of the brain. The information is then routed to a temporary holding area in short-term memory. Unless our brain perceives the information as meaningful, it gets dumped. How long we retain information in short-term memory varies with the type of information being processed. If we perceive danger, that information is immediately given priority by our short-term memory. However, if we determine that we are no longer in danger, we may forget the incident altogether. These tips offer insight into what potential clients maybe thinking while you present.

"WHEN WILL THIS PRESENTATION END?"

The most likely thought going through a potential client's brain while you are speaking is: "When will this presentation end?" As indicated in a previous article, presenters feel good about themselves. The act of conveying expertise is a form of talking about oneself. A number of studies demonstrate that the areas of the brain that typically respond positively to pleasurable activities show similar activation when we talk about ourselves. Here's the problem: While we are talking about ourselves, the same portions of our prospects' brain that would be activated if they were talking about themselves are now dormant.

When I start presenting, I picture a green light on my forehead, reflecting the activation of the pleasurable areas of my brain. I also picture a red light on the forehead of my listeners. I may feel good about my presentation, but I am not making them feel good. My listeners are experiencing a series of emotions ranging from boredom to negativity.

It's simple to turn the red light to green. All I have to do is ask a question that will permit them to talk about themselves.

"I'M LOST IN A SEA OF NUMBERS"

As investment advisers, we love to inundate prospective clients with data. I call it "doing the data dump." Discussing data serves several purposes. It demonstrates mastery, which we believe will impress the prospect. We also hope it will persuade him or her that our investing philosophy has substance behind it.

But, given the brain processes data unconnected to emotions, it's clear that disseminating large amounts of data accomplishes neither of these goals. It's actually counter productive. Try this experiment. Ask a friend to give you strings of random numbers from zero to nine. Then try to repeat them in sequence. For example, your friend could start with two digits: "seven, four." You would repeat: "seven, four." Then your friend might say: "six, zero, three." You would repeat these numbers. Each time, have your friend increase the number of digits by one. The object is to see how long a series of numbers you can remember. The results of this experiment may surprise you. The average person's short-term memory can hold only seven numbers. The same is true of letters.

Now think about the presentations you give. I'll bet they involve presenting hundreds of data points, often using charts, graphs and even histograms. How likely is it that the brain of the prospect is retaining this information? Data presented without an emotional connection are very unlikely to be retained in short-term memory. Data presented with an emotional connection are far more likely to be retained, understood and evaluated. I'll bet you can remember exactly where you were on September 11, 2001, when terrorists struck the World Trade Center and the Pentagon. The trauma of that event is burned into our long-term memory. Can you remember where you were on September 11, 2012? Probably not, because that data point has no emotional connection. If you are presenting data without an emotional connection, your audience is most likely thinking: "I'm lost in a sea of numbers."

"I FEEL GOOD ABOUT THIS PERSON"

You will see a huge difference in the way people react to your presentation when you switch from presenting raw data to connecting that data to an emotion.

Many years ago, I spoke at a conference for insurance agents. At a dinner with prospects and agents held before my talk, one of the agents dominated the conversation with an extensive recitation of the merits of his insurance offerings. It was clear he had an encyclopedic knowledge and complete mastery of the intricacies of insurance. I spoke with him after the event and asked if that was typical of the way he presented information about insurance to prospects. He said it was and looked at me like I had just asked the dumbest question possible. I asked those who attended the dinner how they reacted to his presentation. The

prevailing response was they had tuned him out shortly after he started reciting data. Information that fails to elicit passion or emotional reaction in the listener probably won't be retained in short-term memory, much less given a coveted spot in long-term memory.

It's sad so many people in the investment advisory and insurance businesses are clueless about the reaction of prospects to overwhelming data. It would be easy to connect their data to an emotional response.

What if the insurance person had attempted to engage the prospects at dinner by simply asking: "What role do you think insurance could play in relieving your anxiety?" I suspect most people are worried they will die, become disabled and leave their families in dire straits. That's a fear that is stored in our memories as vividly as a memory of a traumatic event. If you are an insurance agent and address those fears, you will make a powerful emotional connection.

If you are an investment advisor and ask your prospects what their primary concern is about investing, it's likely they will tell you they fear losing or outliving their money. If you can address that fear, your chances of converting that prospect into a client will likely increase exponentially. When you present data with an emotional connection, the brain of your prospect is most likely thinking: "I feel good about this person."

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