



OLD NORTH STATE TRUST, LLC

How to Listen Effectively and Serve Your Clients Better

In a recent article about so-called “behavioral finance,” we talked about the importance of getting to truly know our clients and to understand their goals, hopes and dreams. That got us thinking about the value of listening, and how important a skill it is in any business, not just financial advising.

We have heard a number of entrepreneurs tell us how they started a business that involves doing something they love, but then they say how much they hate sales. Often, it turns out, what they hate is the stereotype of the fast-talking, high-pressure salesman we’ve all seen caricatured in books and movies. This idea of how to sell misses an essential point. Whether you are proposing an investment security or selling a used car, the sales process should always start with careful listening.

Until a business person understands a prospect’s real needs, the details of the product or service are beside the point. Often it turns out that the product we thought we were selling isn’t right for a particular customer – but something else, which neither of us had thought of before, would be perfect. And how can we find out what that potential customer needs? We have to listen.

The most important tip we can offer about listening is that you don’t learn anything while you’re talking. It is so important to hear out your clients, to let them say what’s on their minds, before you launch into your description of what you, or your product, can do for them.

That goes beyond just keeping quiet while the speaker is talking. Have you ever gotten the sense that someone you’re talking with is so busy planning what he’ll say next that he isn’t really paying attention to what you’re telling him? Don’t fall into that trap! Keep your focus on what you’re hearing. Take notes, if necessary, but maintain eye contact. Ask questions to clarify, if need be, but don’t interrupt.

What about those people who ramble? If you let them just talk, they’ll be all over the map and have a hard time getting to the point.

But, in many cases, it’s everything else that’s on their mind that is the point. Especially in our profession, understanding what’s important to the client’s life, and about their family or about their business, is the only way we can give them good advice about their finances, investments and estates.

Not only do we have to be able to listen to what our clients are saying. We also have to pay attention to what they aren’t saying! If the client carefully avoids a certain topic, that doesn’t necessarily mean it isn’t important. Often the opposite is true.

Something else we have to do is to translate a client’s conversation for the benefit of other advisors, or for the client’s family. We have had clients ask us to talk with their children

for them and explain what the parent couldn't or didn't want to tell them directly. On the subject of translating, in a technical field like financial advising, we need to be sensitive to how well a client understands complex documents or market data. When it's our turn to talk, we can be helpful in interpreting those all-important details.

A very useful piece of advice that was written recently is to focus on the point you didn't quite catch and ask the speaker to explain it further. "I want to be sure I understand this completely because it's clearly very important," is a very useful all-purpose statement in cases like this.

Good listening is hard work. But it's essential, and it's a skill that anyone can learn. And it pays off in deep, valuable, and lasting relationships.

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