



# High-Trust Conversations Are Your Competitive Advantage

**Most financial professionals report that they have no trouble talking to their clients.** They talk to their clients all the time!

But the truth is, it's human nature to judge ourselves as more skillful than we actually are. It's a known cognitive bias that psychologists call *illusory superiority*. It means that we tend to overestimate our positive qualities and underestimate our negative ones.

So while it's true that you know how to have conversations, the question is:

**What's missing from those conversations?**

For financial professionals, firm owners, and teams committed to excellence—and to top performance year after year—the answer is surprisingly simple: people don't just want conversations about facts, numbers, and market knowledge.

**They want to know that you listen, and that you care.**

Few financial professionals know how to have this kind of conversation.

I'm talking about a conversation where you listen deeply, ask questions about what really matters, and make people - whether it's your clients or your team - feel safe, understood, and heard.

This means one thing: When you have the skills to masterfully lead a make-or-break conversation, you gain a **powerful competitive advantage** over those who stick to the facts.



## The Three Levels of Conversation

There are different 'levels' of conversation - Informational, Positional, and Transformational. All three levels are valid and necessary. More than three and a half decades of research tells us that most conversations occur on the first two levels. But if you are committed to extraordinary customer service and record-busting team performance, you've got to know how to lead conversations at the third level - the level of transformation.

### LEVEL 1 Informational

Informational conversations are transactional and fact based.

At this level, a financial professional says:

"How much is in your 401(k)?"  
"How much debt do you have?"

These very personal questions are asked prematurely, before there is real trust.

### LEVEL 2 Positional

Positional conversations seek to influence your client to see it your way, because you are the expert.

At this level, a financial professional says:

"Given what you have told me, this is the best solution."  
"This is what I recommend. You agree, right?"

There is very little emotional connection at this level, as your client takes you for a test drive and adopts a 'let's see where this goes' attitude.

There is minimum trust at this level.

# 3

## LEVEL 3 Transformational

Transformational conversations are co-creative and create a deeper connection between you and your client.

At this level, a financial professional says:

“How does that impact you?”

“I’m curious - what does this mean to you?”

At this level, a financial professional leads the conversation in a way that allows the client to give voice to what financial decisions mean to her, and they co-create a personalized course of action together—as partners.



## Let's Look at the Science

According to neuroscience, conversations cause chemical reactions in our brains. When you have a conversation, you cause the release of neurochemicals in the brain of the person you're talking to. These neurochemicals impact their psychological and physiological response to you.

In **conversations where someone perceives a threat**, their limbic system kicks in. This is the part of the brain that's in charge of our **fear response**. When the limbic system goes into action, it's all about self-protection. The brain releases neurochemicals like cortisol, the body's main stress hormone.

Cortisol boosts our ability to react to a threat - fight, flee, freeze, or appease. And that can be helpful, when we find ourselves being chased by a tiger or in a dark alley in a rough part of town. But if cortisol floods your client's brain in a conversation, it turns off their ability to trust you. Or think critically. Or problem solve.

Now, as a financial professional, think back to all the times you've talked with clients about **sensitive topics that are emotionally charged** -- money, life milestones, big choices, difficult situations.

Maybe you've even noticed a client 'shut down' in front of you (or agree with everything you said, only to not follow through), even though you were clear!

That's the neurochemicals in their brain telling them it's not safe and they need to go into protection mode.

Bottom line: **Most financial professionals have conversations that often trigger a fear or stress response in the other person**, causing that person to shut down, withdraw, fail to follow through, or walk away.

**So how can you avoid this?**

## The Chemistry of Conversations

We've seen how a conversation can trigger a client's protective flight-or-flight response.

Now, let's take look at what's going on for the financial professional who knows how to lead a conversation that begets trust, seeks to understand the world through his client's point of view, and treats his client as a partner in the co-creation of the strategy.

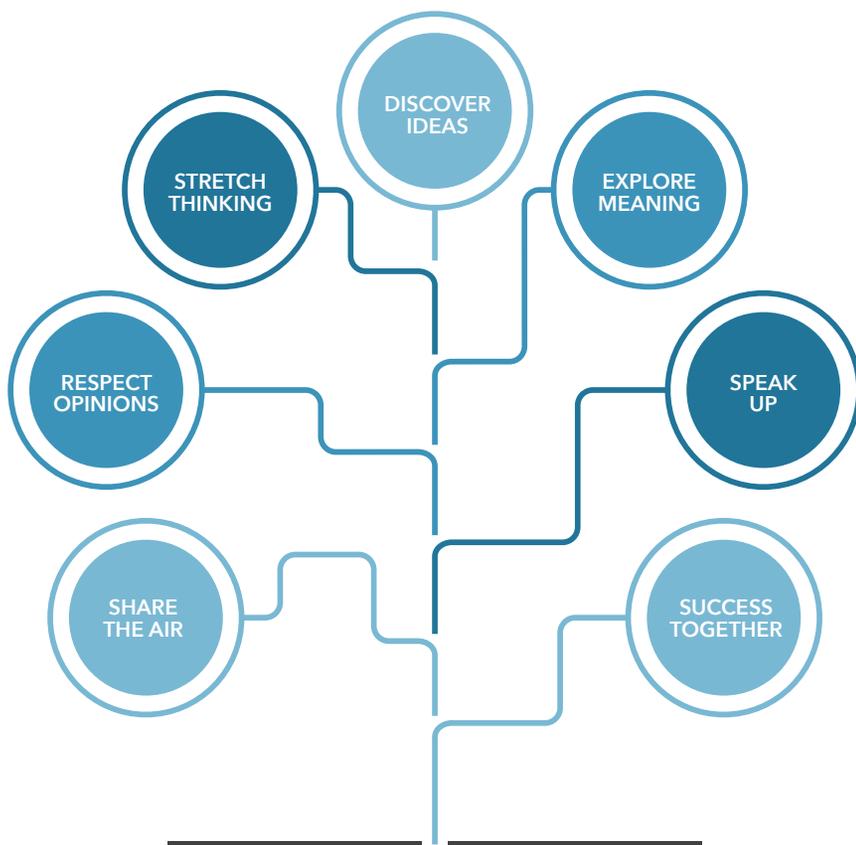
In **conversations where someone feels safe**, their brain releases oxytocin. Oxytocin is a neurotransmitter associated with **social bonding, trust, and attachment**. It also acts as a reliever of stress and anxiety, while promoting a peaceful and calm state of mind.

In this state, the prefrontal cortex is activated. This is the part of the brain that's in charge of **higher order executive function** - our ability to think strategically, plan, reason, and problem solve.

In other words, when you lead conversations in a way that gets someone's oxytocin flowing, you'll not only **build a deep relationship** with them, you'll also **help them think better and make better decisions**.

*So what 'makes or breaks' a Conversation?*

**As a financial professional, you can become your clients' trusted partner in an instant - and you can lose that trust just as quickly. What makes the difference?**



THE CHEMISTRY ●●● OF CONVERSATION

### Share the Air

**Make it:** Ask your client for her point of view. Include her in the conversation by asking for her point of view.

**Break it:** Do most of the talking. Only ask questions that have factual answers.

### Respect Opinions

**Make it:** Ask your client what he thinks. Ask your client what is most challenging for him. Help him think through his options.

**Break it:** Tell your clients what to do. Don't ask for input. Assume you know the right answer.

### Stretch Thinking

**Make it:** Consider the possibilities aloud. Let your client see your thought process. Ask her for her thought process (and don't assume it's the same as yours).

**Break it:** Never ask about what your client aspires to – or what it means to her.

### Discover Ideas

**Make it:** Ask questions that go deeper, like: What impact would this have on you?

**Break it:** Stick to the facts. Decide that talking about feelings is 'soft.'

### Explore Meaning

**Make it:** Ask what a possible course of action means for your client. Get interested about what achieving a financial goal means to him.

**Break it:** Tell someone 'how it is' and expect that to be meaningful for them.

### Speak Up

**Make it:** Make it okay for your client to not agree with you.

**Break it:** Assume everyone looks at the world like you do. Be uninterested in what your client thinks and feels. Dismiss the personal and emotional aspects of financial decision-making.

### Success Together

**Make it:** Ask your client what success looks like for her. Celebrate her milestones and progress with her.

**Break it:** Be too busy to notice what's worth celebrating. Stick to the 'work.'



Mary Schmid, MBA teaches firm owners, high achievers, and their teams how to have a different kind of conversation - by discovering how to listen deeply, ask questions, and make other people feel safe, understood, and heard. Grounded in neuroscience, her *Conversational Edge* curriculum shows you how to lead conversations that beget trust, so you deliver extraordinary client service and outcomes. Mary is an award-winning master coach, professional speaker, and educator. To hire Mary to work with your team or to speak at your next event, go to [www.MarySchmid.com](http://www.MarySchmid.com) or call 612.964.6002