

Book Review

Communication Essentials for Financial Planners: Strategies and Techniques

Dana Carney, M.S.

Goetz, Joseph W. and Grable, John E. (2017). *Communication Essentials for Financial Planners: Strategies and Techniques*. 206 pp., \$50.00, ISBN: 9781119350781.

Communication Essentials for Financial Planners: Strategies and Techniques provides priceless techniques and tools for improving financial planning practices. Written by Joseph Goetz and John Grable, professors at the University of Georgia, this book sets out to accomplish two main goals for its readers. First, “to help aspiring financial planners develop core competencies related to interpersonal communication techniques” and second, “to provide tools and techniques to those already working in the profession to gain mastery of the interpersonal communication process” (p. xxvii).

The book begins by explaining the theoretical framework for the later chapters, emphasizing the impacts communication theories have made on applied communication in the financial planning profession. Most notably are the processes of encoding and decoding, as well as feedback from clients throughout these processes. The authors state, “Feedback from a client is the primary way in which a financial planner will know if his or her words and behaviors are making sense.” After all, as the authors point out, the whole purpose of financial planning “is to provide information to clients in such a way that a client is willing to take action” (p. 14).

One technique offered to prompt clients towards action is having an appropriate office environment. The authors provide multiple diagrams of differing office environments, and explanations of the impacts they can have on clients, whether beneficial or detrimental. Differing office environments can produce varying psychological processes that can lead to physiological changes, namely stress. The authors later go on to detail that some amount of stress provides action initiation, whereas too little or too much stress can be detrimental to the financial planning process.

The authors create a dichotomy for all clients seeking financial planning services, stating that clients typically fall into the category of seeking transactional financial planning or relational financial planning. At the most polar ends of these categories, clients engaging in transactional financial planning will only have interest in the product or service being delivered with little to no care for who is delivering it, while clients engaging in relational financial planning have the most interest in their relationship with their planner, especially in regards to trust. The focus of the book is mostly centered towards relational financial planning clients, as the authors state “the path to building a practice based on trusting and committed relationships, rather than transactions, is built on the foundation of communication skills” (p. 40).

From this, the authors go on to describe a multitude of communication skills, namely active listening and the “next step” of questioning, as well as the overarching concepts of nondirective and directive communication. Most interestingly, the authors note the impact active listening can have on financial planners – exhaustion. Active listening is described in detail, being broken down into three components: paying attention to the client through listening micro skills, paying attention to what is heard through attending, and understanding what is heard through interpreting.

Throughout the whole book two main points are made clear. First, the authors want these concepts and techniques to be practical and employable, providing a multitude of real-life examples and scripts to show how the techniques sound in practice. Second, the authors challenge our natural apprehension to change and self-criticism. Habits are easily formed; something as simple as note taking can and must be challenged to provide the optimal service to clients.

The authors detail how different communication techniques are best used at varying points in the financial planning process. For example, a nondirective communication technique, such as clarifying, is best used towards the beginning and exploratory stage of the financial planning process, while directive communication techniques, such as reframing, are best used towards the implementation stage of the financial planning process. In addition to the scripts and real-life examples provided, this component adds great insight into when to employ the various communication techniques presented throughout the book.

Another aspect of note is the book’s exploration into cultural norms. By exploring cultural norms, the authors provide unique examples and a resource for common activities that may be culturally insensitive – everything from shaking hands to nose-blowing practices and how they are received in varying regions of the world. The book continues on to discuss trust building and the “selling” component of financial planning. These topics are discussed in general terms, citing research and theory into the best practices for each, as well as the pros and cons of various methods.

The authors maintain that communication techniques should never be used for manipulation, but to help clients achieve their best financial future. The techniques outlined in this book provide a multitude of starting points to help clients in this manner. All in all, the

book is a great resource guide and introductory book for those in any client-facing position to begin delving into the world of improved communication.