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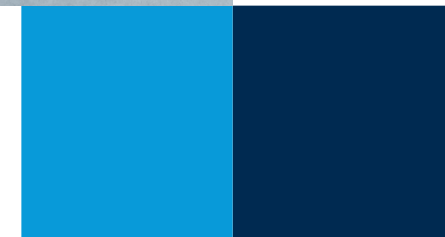
INVESTMENT MANAGEMENT

ADVISOR INSTITUTE

Chasing Positivity[®]

The Charismatic Advisor[®] in Conversation

WORKBOOK



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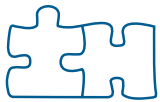
Introduction to the **3 Dynamics** of Chasing Positivity

Inspire intentional outcomes and position yourself as a source of strength in the lives of your clients. The **3 Dynamics** of Chasing Positivity provide a genuine approach for having conversations that will help you break through inertia and inspire action.



1. Communicating Empathically

Starting every conversation from the vantage point of seeking to see the world through the other person's eyes.



2. Collaborating Consciously

Ensuring they feel that their voices are heard and that they are active participants in the decision-making process.



3. Inspiring Action

Using words and phrases to inspire someone to think about why they should make a change or move forward.

By mastering the **3 Dynamics**, you can inspire clients to take action in their best interests and position yourself as a Charismatic Advisor who is a source of strength in their lives.

1 Communicating Empathically

Empathic advisors take the other person's perspective, listen carefully and ask questions out of genuine interest when getting to know someone. Here are two approaches to help you master this dynamic.

Approach 1: Asking the Right Questions

To master this dynamic, focus on intentionally asking questions out of genuine interest when getting to know someone.



QUESTIONS FOR THE SAKE OF ASKING QUESTIONS

This approach may cause the other person to wonder whether you are genuinely interested in getting to know them. Such an approach is unlikely to create a “motivating environment.”

Instead of:

“When do you want to retire?”

“Is your estate plan up to date?”



OR QUESTIONS BASED ON GENUINE INTEREST

This approach entails asking questions to get to know the other person better. Such questions increase the likelihood that the other person sees you as a good listener who truly cares about them.

Ask:

“As you approach retirement, is there anything that concerns you?”

“How, if at all, have your thoughts about your estate plan and the legacy you wish to leave changed?”

Approach 2: Understanding Purpose

One way to demonstrate empathy is to seek to understand the desires that live beneath the goals of your prospects and clients. Gathering this type of information can help you position your financial and investment advice in a way that inspires action.



EXPAND FINANCIAL DISCOVERY TO INCLUDE QUESTIONS ABOUT PURPOSE

Turn the financial planning fact-finding process into a discovery that includes thought provoking questions to uncover the other person's point of view.

Sample Questions

- “Would you please describe your vision of your future?”
- “How would you feel if you realized your vision? What if you didn't? Could you share with me any concerns about achieving it?”
- “What do you hope money will accomplish for you?”



DIAGNOSE REAL-WORLD RISK TOLERANCE

Be doctor-like in your approach with questions that help you more accurately diagnose risk tolerance. Customizing your query based on your client can help you with this.

Example: Working With a Business Owner or Executive

- “How is your business performing?”
- “What opportunities and challenges do you see on the horizon for your business?”

You can use your findings to probe more deeply about implications related to potential tax, deferred compensation and retirement issues facing the client.



LEVERAGE PIVOTAL MOMENTS TO DEEPEN CLIENT RELATIONSHIPS

Life events can open doors to meaningful conversations, as many clients seek empathic guidance during pivotal times in their lives. Asking thoughtful discovery questions during these times can help you better understand purpose and tailor the advice and guidance you offer.

Sample Life Events and Questions

Approaching Retirement

- “Describe the vision you have for your life for the next 5 to 10 years.”
- “How much thought have you given to the concept of retirement?”

Receiving an Inheritance

- “How do you anticipate this gift changing your life?”
- “Describe any concerns you may have about receiving this money.”

Starting or Selling a Business

- “Describe what success looks like for starting (or selling) your business.”
- “What are you most concerned about with the new venture (or sale)?”



BOTTOM LINE

Applying these strategies can help you position advice to inspire others to take actions to help them achieve what matters most in their lives.

Become More Empathic

Evaluate how you build stronger emotional connections with others.

Based on your assessment, use the space provided to identify the approaches you want to master and how you plan to embrace them.

BEFORE THE MEETING

Identify your goals for the meeting.

- Do not do this today Can do this better Consistently do this well

Prepare a list of open-ended questions to lead a discussion with genuine interest.

- Do not do this today Can do this better Consistently do this well

Shift your mindset to focus exclusively on the other person.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Ask better questions to convey genuine interest. Minimize distractions in order to be able to focus exclusively on the prospect, client or team member.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Before each meeting, prepare three or four open-ended questions that align with meeting goals and foster positive emotions. Embrace daily meditation to help increase overall focus.

DURING THE MEETING

Avoid making assumptions without proper discovery.

- Do not do this today
- Can do this better
- Consistently do this well

Validate what you hear even if you don't agree.

- Do not do this today
- Can do this better
- Consistently do this well

Avoid making judgmental comments.

- Do not do this today
- Can do this better
- Consistently do this well

Listen more than you speak.

- Do not do this today
- Can do this better
- Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Practice active listening—acknowledge what I heard the other person say. Take breaks when speaking to ask the other person if he or she has questions. Allow others to express their points of view throughout the discussion.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Validate what I hear even if I don't agree. Speak less—spend more time listening.

AFTER THE MEETING

Reflect on how you may have been perceived.

- Do not do this today
- Can do this better
- Consistently do this well

Make note of ways you might refine your approach going forward.

- Do not do this today
- Can do this better
- Consistently do this well

Send a note to client/prospect that details agreed-upon next steps.

- Do not do this today
- Can do this better
- Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Consider how the client would describe the meeting and how he or she would describe me when they left the meeting.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Candidly assess what went well in the meeting while also identifying areas for improvement. Specify ways to better engage based on areas identified for improvement.

2 Collaborating Consciously

Effective collaborators practice active listening so others will feel that their opinions matter and they are part of the decision-making process. Here are two approaches to help you master this dynamic:

Approach 1: Listen with Intentionality

Listening with intentionality requires that you “leave yourself behind” and focus on seeing the world through the eyes of the other person.

FIRST: PRACTICE ACTIVE LISTENING

The most effective collaborators are often the best listeners. They are able to listen with intentional intensity because they constantly work on improving these skills.

Listening with intentionality by “leaving yourself behind” is a function of whose voice you’re hearing. Be in the moment with the other person, and work hard to not let that inner voice distract you.

A “catch-and-release” approach might help. Try catching or acknowledging intruding thoughts and then letting them go.



Example: “I get paid to listen, not to speak”

When your client is speaking, you may be thinking “Oh, I have the answer. After all, I’m the expert in the room. I’m paid to formulate solutions.”

Instead, try to catch that thought and release it. “I get paid to listen, not to speak” will resonate more than “I get paid to have solutions.” Follow that response with your next insightful question.

SECOND: ENGAGE CLIENTS BASED ON THEIR COPING STRATEGIES

Humans are complex. At the risk of oversimplification, Dr. Robert Brooks and David Richman have identified three coping strategies that clients may follow during volatile markets and significant life events, characterized as the dragon, the ostrich and the owl.



Dragons

Dragons can make you feel anxious if you have not yet figured out how best to manage their combative behaviors, lessening the likelihood you can help minimize their inertia.

- Places others on the defensive.
- Prone to expressing anger and sarcasm.
- Displays a confrontational demeanor, sometimes in a muted fashion.

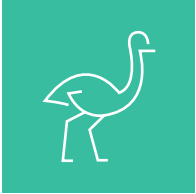
Strategies to Engage a Dragon

Seek to make the dragon an active participant in managing his/her portfolio. Empathize with the dragon, knowing that your empathy does not imply an apology or agreement.

Sample Conversation During Times of Financial Uncertainty

"I know you're angry and disappointed. Remember, the decisions we made about your investment portfolio were based on the best information we had at that time. Many people are upset in this kind of volatile market."

"It's important to realize that going forward, updated information will provide new choices that we can make about your investments. We can review this information together and consider what modifications might make sense."



Ostrich

A lack of contact does not mean the client isn't worried about his/her portfolio. Taking such a stance will only intensify client frustration and anxiety.

- Uses denial to deal with financial anxiety.
- May not open financial statements or check on his/her portfolio(s) for extended periods.
- Unlikely to contact you when his/her anxiety is high.
- Likely to put off responding to your calls or emails.

Strategies to Engage an Ostrich

The ostrich uses denial as a shield. If you attempt to remove this shield too quickly without addressing the ostrich's underlying feelings, the ostrich will build an even stronger shield.

Try Addressing the Ostrich's Anxiety With This Proactive Two-Step Approach:

1. Lower the shield. Repeatedly stress that you will maintain contact with the ostrich through good and bad markets—even more so when markets become volatile.

Sample Statement

"You can count on me to always stay on top of your investments and in close contact with you during good and bad markets as well as throughout your life's journey."

This type of message helps prepare ostriches for volatility, while informing them you will ensure collaboration at all points of the relationship.

2. Engage in a deeper conversation. Proactively contact the client by phone or email to set up a longer conversation during challenging times. Since you have been preparing the client for potential uncertainty, he/she will be more likely to engage.



Owls

Maintain a collaborative relationship with owls by proactively offering your recommendations and inviting them to be an active participant in financial decisions.

- Remains calm and focused during volatile times.
- Open to working collaboratively and considering advisors' recommendations.
- Comfortable initiating contact.
- Asks pertinent questions to help make final decisions.

How to Engage Owls

Sample Statement

"The past several months remind us that markets fluctuate and can very well move down just as quickly as they move up—sometimes even faster. Before providing my thoughts, how are you faring in today's confusing financial environment?"

HELP DRAGONS AND OSTRICHES BECOME MORE OWL-LIKE

Diffuse dragons and get ostriches to open up by sharing ways you are helping other clients capitalize on market conditions. In hearing how you are helping others, they may become more open to letting you help them.

Sample Statement

"Many of our clients have been open to exploring ways to capitalize on what we currently perceive to be 'mispriced scenarios.' Would you like to explore those possibilities?"



BOTTOM LINE

By understanding your clients' specific coping styles, you can help them during financial uncertainty, reinforce resilience and ensure ongoing productive relationships.

Approach 2: Set a Collaborative Tone

By setting a collaborative tone right out of the gate, effective collaborators ensure that their clients feel like their opinions are being heard

FIRST: Use Powerful Phrases

Effective collaborators realize words matter. Use powerful phrases like the following to set a collaborative tone up front:

“I welcome your comments and questions.”

“If I present any information that’s not clear to you, please let me know.”

“I view our relationship as a partnership.”

“What would you say needs to happen for our work together to be considered a success?”

SECOND: Use Questions That Foster Collaboration

Conscious collaboration starts with the questions you ask—and can lead to newfound opportunities. Let’s consider a potential reframing of three questions designed to help advisors learn more about a client’s or prospect’s attitude toward money:

Original:

“What does money mean to you?”

“Do you think money can make you happy?”

“How much money would you like to have?”

Reframed:

“What shapes your thoughts on the meaning and value of money?”

“Reflecting on your experiences, what do you think about the old adage ‘money can’t buy happiness’?”

“How has recent uncertainty shaped your thinking on how much money you’d like to have for the future?”



BOTTOM LINE

Effective collaborators create motivating environments that inspire action. They practice active listening and set collaborative tones right out of the gate.

Become a Better Collaborator

Evaluate how effectively you collaborate with others. Based on your assessment, use the space provided to identify the approaches you want to master and how you plan to embrace them.

BEFORE THE MEETING

Commit to becoming completely “in the moment” during the conversation.

- Do not do this today Can do this better Consistently do this well

Prepare a list of open-ended questions to lead a discussion with genuine interest.

- Do not do this today Can do this better Consistently do this well

Shift your mindset to focus exclusively on the other person.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Commit to becoming “in the moment.”

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Improve how I engage by:

Increasing direct eye contact in meetings.

Calling each person by name in our discussion.

Offering genuine compliments in meetings to foster positive emotions.

DURING THE MEETING

Use powerful phrases to set a collaborative tone. For example:

- “I welcome your comments and questions.”
- “I view our relationship as a partnership.”
- “What would have to happen for you to consider our relationship a success?”

Do not do this today Can do this better Consistently do this well

Lead discussions with questions to gain insights about the purpose of their wealth beyond goals and objectives.

Do not do this today Can do this better Consistently do this well

Solicit feedback on your recommendations

Do not do this today Can do this better Consistently do this well

When you disagree with someone’s point of view, probe to understand the reasoning behind his/her position.

Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Solicit feedback on my ideas.

Learn more about the reasoning behind someone’s views when they don’t align with mine.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: After sharing an idea or opinion, pause and ask the other person to offer his/her views on what he/she heard. Instead of simply disagreeing with someone’s opinion, ask, “Can you share with me what led to you to feel that way?”

AFTER THE MEETING

Reflect on how you may have been perceived.

- Do not do this today Can do this better Consistently do this well

Make note of ways you might refine your approach going forward.

- Do not do this today Can do this better Consistently do this well

Send a note to client/prospect that details agreed-upon next steps.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Reflect on how I may have been perceived.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Candidly assess what went well in the meeting while also identifying areas for improvement. Specify ways to better engage based on areas identified for improvement.

3 Inspiring Action

Communicating empathically and collaborating consciously culminate in the third dynamic—inspiring action. Your ability to inspire action depends on your ability to create motivating environments by using phrases and words rooted in positive psychology.

Approach 1: Words and Phrases to Inspire Action

- Understand them.
- Validate their feelings and thoughts.
- Are genuinely interested in partnering with them.

FAVORITE WORDS AND PHRASES TO HELP INSPIRE ACTION

“We”

Clearly communicates collaboration.

“Imagine”

A low-risk way to visualize the possibilities resulting from your recommendation.

“One small step”

Breaks up long-term goals into smaller, achievable steps.

“Together”

Clearly communicates collaboration.

“We don’t need to be all right or all wrong”

Can inspire partial action for an anxious prospect or client.

“My goal is for us to work together”

Reinforces the notion of collaboration.

WORDS THAT DO NOT INSPIRE ACTION

“Look”

It is tinged with negativity.

“Honestly”

It implies that you were not being honest at other points in the conversation.

“But”

When used in the context of “I agree with you, but ...” – you aren’t really agreeing with the person. Instead, use “and” in place of “but” to inspire action.

Approach 2: Techniques to Inspire Action

Inspiring clients to take action can be challenging, even if the action is in their best interests. Here are two strategies to overcome inertia and create a motivating environment.



IDENTIFY “ISLANDS OF COMPETENCE”

Try to identify your client’s strengths, or “islands of competence,” instead of focusing on weaknesses.

When you invite clients and prospects to discuss their strengths, you are causing them to think about themselves in a positive way.

Positive emotions lead others to become more open and receptive to discussion. The more willing your prospects and clients are to listen to your ideas, the more likely they are to be inspired to move forward with you as their advisor.



EMPLOY THE “JOINING TECHNIQUE”

The joining technique is a two-step process. First, identify and acknowledge one or two priorities, perhaps principles that you share in common with a client or prospect.

Second, explore alternative ways to achieve these priorities or principles moving forward. Acknowledging shared priorities and principles can help the other person feel like you are both on the same page and puts you on a path to generating consensus.



BOTTOM LINE

Including certain words and phrases in your conversations can help you inspire prospects and clients to take action in their best interests.

Inspire Action in Others

Evaluate how effectively you inspire others to take actions that you believe are in their best interests.

Based on your assessment, use the space provided to identify the approaches you want to master and how you plan to embrace them.

FOSTER A MOTIVATING ENVIRONMENT

Lead discussions with questions that help you understand the desires that live beneath the prospect's or client's goals.

- Do not do this today Can do this better Consistently do this well

Advocate for what's most important to them.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Learn more about passions and interests.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: Early in discussions, ask these types of questions:

- “What are you passionate about?”
- “How do you enjoy spending your free time?”
- “What motivates you to dedicate so much energy to your career?”

SHOW HOW YOUR RECOMMENDATIONS ARE LIKELY TO IMPROVE SOMEONE’S LIFE

Solicit feedback on the suggestions and recommendations you make.

- Do not do this today Can do this better Consistently do this well

Position recommendations as enhancements to available alternatives.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Do a better job of framing

recommendations.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: When presenting recommendations,

clearly explain two or three benefits the client

can anticipate by following your suggestions.

Ask the client if they have any questions about

these recommendations.

INTENTIONALLY PREPARE CLIENTS TO COPE WITH SETBACKS

Keep clients up to date regarding the likelihood of achieving their desired financial outcomes.

- Do not do this today Can do this better Consistently do this well

Remind clients how you closely monitor investments, global crosscurrents and potential implications for their financial situations.

- Do not do this today Can do this better Consistently do this well

Recognize the client’s coping style, then adjust your approach for engagement when discussing potential setbacks.

- Do not do this today Can do this better Consistently do this well

LIST THE APPROACHES TO MASTER

SAMPLE: Regularly keep clients up to date on the likelihood of goal achievement.

ACTION ITEMS TO EMBRACE THE APPROACHES

SAMPLE: At least once a year, have a conversation about progress towards goals, possible obstacles that may arise and how obstacles can be addressed.

Conduct additional conversations about goal achievement during times of market disruption, personal setbacks or if new tax legislation is enacted..

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