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EXECUTION GUIDE

Skills for the New Normal: Mastering the Virtual Practice



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The COVID-19 pandemic spawned the overuse of the term “new normal.” Humans are adaptive, but we don’t like to change. Over time, much of what changed during quarantine has reverted back to familiar patterns. However, this isn’t the case with virtual meetings. While the pandemic didn’t create an interest in virtual meetings, it massively accelerated the adoption of that technology by the general population and financial professionals.

In this guide, we look at how videoconferencing has become a daily activity for many people. We discuss why clients and advisors are likely to prefer (and maybe require) virtual meetings for the foreseeable future and explore the differences between virtual and face-to-face meetings. We then examine five ways to overcome the challenges of meeting remotely.

Videoconferencing: Old Technology That's Here to Stay

The concept of videoconferencing is 150 years old and is being increasingly used today.

According to Encyclopedia Britannica, the idea of combining voice and visual communication to enable realistic conversations from a distance was first imagined in the 1870s. Shortly after the telephone was patented in the US, an early concept of a combined videophone and wide-screen television, called a telephonoscope, appeared in popular periodicals.¹

As early as 1930, Bell Telephone Laboratories developed a “two-way television-telephone” system. Unfortunately, inventors struggled with compression issues, which made the technology unsuitable for commercial use.²

Twenty years later, Bell Labs produced a prototype capable of transmitting still images every two seconds through multiple telephone lines. In 1964, AT&T’s Picturephone “Mod I” (Model No. 1) was displayed to the public at Disneyland and at the New York World’s Fair.³ The first transcontinental video call between the two venues was made on April 20 of that year—more than 55 years ago.⁴ In July 1970, a more refined version was developed, and the video call service was officially launched the day after the inaugural call between Pittsburgh mayor Peter Flaherty and Alcoa chairman and CEO John Harper.⁵

But by 1973, AT&T recognized that they had overestimated the market and discontinued the Picturephone “Mod II.” It took the computer revolution of the 1980s to catapult interest in videoconferencing. Once the communication components were in place, transmitting video images became practical for personal use. The mobile phone craze helped fuel its popularity, and in 1984 the world saw the first IPO for a videoconferencing company.⁶

Webcams began to appear in the early 1990s on university campuses. Cornell University IT department personnel developed CU-SeeMe videoconferencing software in 1992, and the first commercial webcam, QuickCam, was introduced to the market in August 1994.⁷

The turn of the century led to a plethora of videoconferencing companies, including MSN Messenger (1999),⁸ Skype (2003),⁹ GoToMeeting (2004)¹⁰ and FaceTime (2010).¹¹ In 2011, Eric Yuan left Cisco to start a new company called Saasbee, which became Zoom in January 2013; that year, Zoom had 1 million users.¹²

While that growth seems remarkable, it merely foreshadowed what was to come. The COVID-19 pandemic gave Zoom a huge surge in users. During the week of March 14–21, 2020, compared to the weekly average in the fourth quarter of 2019, Zoom was downloaded 14 times more in the US, 20 times more in the UK and 55 times more in Italy.¹³

1 Wikipedia, “History of Videotelephony,” and Erinn Wolfe, “The History of Video Conferencing from 1870 to Today,” Lifesize.com (May 1, 2019)

2 Ibid.

3 Ibid.

4 Wikipedia, “History of Videotelephony”

5 Ibid.

6 Erinn Wolfe, “The History of Video Conferencing from 1870 to Today,” Lifesize.com (May 1, 2019)

7 “The History of Video Conferencing,” *Business Matters* (January 8, 2015)

8 Jeff Desjardins, “The Evolution of Instant Messaging,” VisualCapitalist.com (November 17, 2016)

9 “A Brief History of Video Conferencing,” ATelephone.com (August 17, 2017)

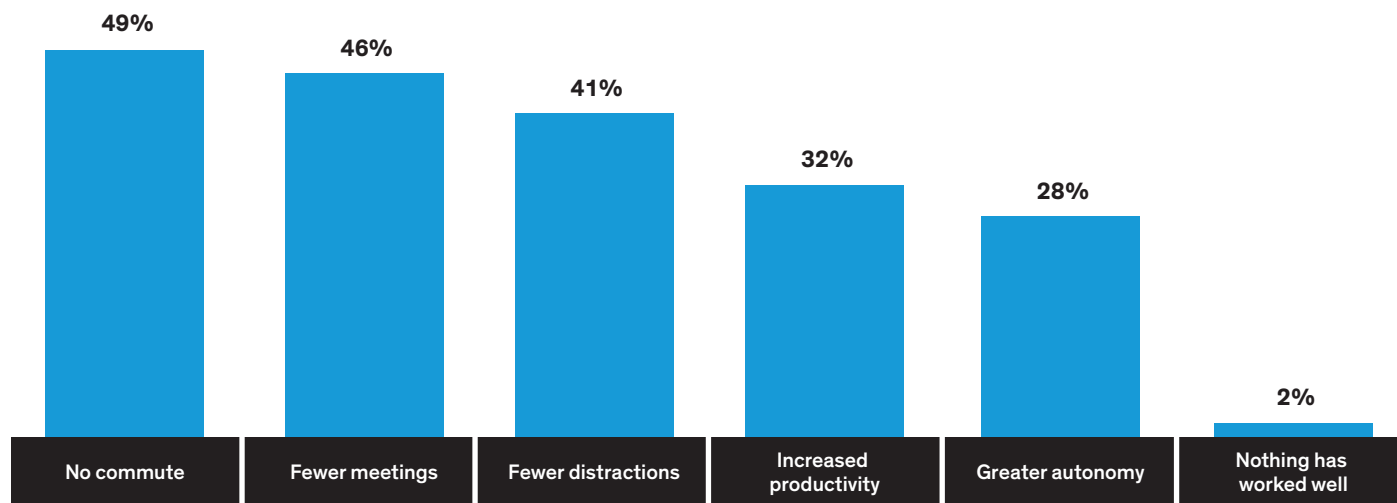
10 “DEMO 2004 Closes with a Sharp Eye on the Future,” *Network World* (January 27, 2005)

11 Mary Meisenzahl, “How to Make Group FaceTime Calls with Up to 32 People While Social Distancing Due to Coronavirus,” *Business Insider* (March 24, 2020)

12 Mansoor Iqbal, “Zoom Revenue and Usage Statistics (2020),” BusinessofApps.com (June 16, 2020)

13 Sarah Perez, “Videoconferencing Apps Saw a Record 62M Downloads During One Week in March,” Techcrunch.com (March 30, 2020)

WHY PEOPLE LIKE WORKING FROM HOME



Source: Harriet Torry, "Many Want to Keep Working from Home," *The Wall Street Journal* (May 28, 2020)

The Future

Did Yuan imagine the explosive growth of virtual meetings? Those 1 million users in 2013 increased tenfold one year later and grew to 40 million users in 2015.¹⁴ Amazing—but fast-forward to December 2019, when there were an estimated 10 million *daily* participants. And Zoom usage kept growing. Yuan stated in a blog that in March 2020, the company was seeing 200 million daily meeting participants. The following month, that figure rose to 300 million.¹⁵

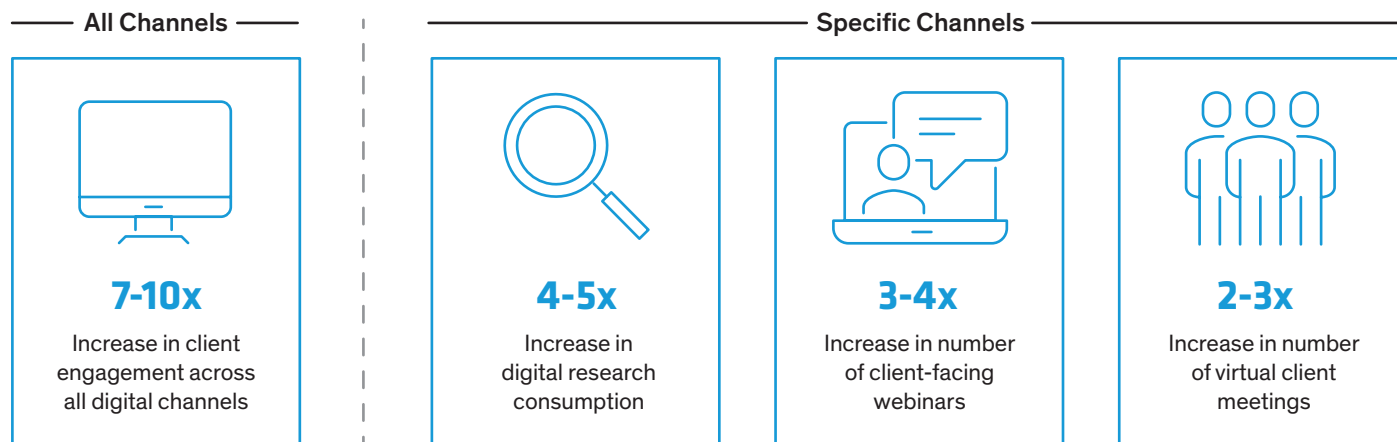
These data support what we know anecdotally: there has been a huge increase in the number of people using technology to work remotely and stay socially connected during the COVID-19 pandemic. But will videoconferencing continue now that quarantine and shelter-in-place restrictions have been removed and companies are starting to reopen their offices?

A small part of the answer will depend on whether people like working from home, and a larger part will depend on what clients and prospects think. Let's look at what we know so far.

¹⁴ Mansoor Iqbal, "Zoom Revenue and Usage Statistics (2020)," *BusinessofApps.com* (June 16, 2020)

¹⁵ Ibid.

DIGITAL ENGAGEMENT FOR SELECTED WEALTH MANAGERS IN 1Q: 2020



Source: Kai Upadek and Christian Edelmann, "Wealth Management: After the Storm," OliverWyman.com

Working from Home

According to a May 2020 survey reported in *The Wall Street Journal*, there are some advantages to working from home. Many people appreciate less commuting, fewer meetings and fewer distractions.

Wealth managers are increasing their digital engagement. According to the Oliver Wyman joint wealth-management report with Morgan Stanley for 2020, high-net-worth clients were expected to "lose

more than a year of growth versus pre-COVID-19 forecasts before rebounding to growth in 2021." The writers outlined three imperatives for management teams, one of which is to "adapt to the new normal: implement the advice delivery model of the future with the RM [relationship manager] remaining at the center of client relationships but supported with strong digital capabilities." The report ended by stating, "Without the benefit of near-term growth to offset declining margins and operating inefficiencies, wealth managers need to act now to position their business for the 'new normal.'"¹⁶

¹⁶ Kai Upadek and Christian Edelmann, "Wealth Management: After the Storm," OliverWyman.com

Advantages of Virtual Meetings

In our opinion, since advisors and clients are using videoconferencing technology and have climbed the learning curve, communicating through video will become something we take for granted.

10 Reasons Why Clients Will Require Virtual Meetings

We believe that the fascination with virtual meetings is here to stay because of the ways in which *a virtual meeting works better than a live interaction*. And because we already use the internet in our daily lives, it won't take long for people to become accustomed to virtual meetings. Here are 10 reasons why virtual meetings are likely to remain part of the future.

1. Virtual Meetings Allow for a More Efficient Use of Time

Since the salesperson doesn't need to travel to the client, a virtual meeting can be set up at any time that's convenient for the client. In addition, the duration of the meeting can be managed for greater convenience.

2. The Client or Prospect Controls the Access of the Salesperson

The client or prospect controls his own availability. While this is also true with in-person meetings, virtual meetings take accessibility to a new level. It's easier to schedule a meeting at odd hours when you don't need to be face-to-face.

3. The Salesperson Is Forced to Make the Conversation Relevant

The limits of the communication channel force the sales professional to be prepared for the conversation. Just as we can hang up on unsolicited telephone calls, the client or prospect has more freedom to end a conversation in a virtual meeting than in an in-person appointment. Clients will exit a meeting if it isn't serving a valuable purpose.

4. The Client Controls the Duration of the Meeting

It's easier to enforce start and end times during a virtual meeting. There are social mores that inhibit many people from asking a salesperson who has overstayed his welcome to leave. There is no such inhibition in a virtual meeting, which increases the client's feelings of control over her time and attention.

5. The Client Controls the Focus of the Presentation

Virtual meetings must have a defined goal or purpose. Because there are fewer inhibitions in a virtual conversation, the prospect or client has more flexibility about keeping the meeting focused on the original intent and his needs and preferences.

6. Less Social Obligation Equals More Freedom

When humans aren't face-to-face, our instinctive social responsibility is reduced. Think about driving: Do you express your anger to other motorists in ways you never would face-to-face? Virtual meetings seem less real to our human instincts, which means the client or prospect feels fewer social obligations, more freedom and less need to adapt to the social situation the salesperson is creating.

7. The Client Can Multitask and Pay Attention to Other Issues

During in-person meetings, the client or prospect is held hostage by the salesperson's agenda and can feel that valuable time has been wasted. In a virtual meeting, the client can stay engaged or pay attention to emails, texts, news feeds and social media. This is very appealing to someone who feels like she doesn't have enough time.

8. Virtual Meetings Contain Higher-Quality Information and Illustrations

Because our normal social instincts are reduced in a virtual meeting, the salesperson must shift from a relationship-based conversation to a message-based presentation. Therefore, the quality and structure of information as well as the impact of illustrations become much more important, and the client or prospect gets a better-prepared and higher-quality communication than he would receive in a live interaction.

Why Clients Will Require Virtual Meetings

1. Virtual meetings allow for a more efficient use of time
2. The client or prospect controls the access of the salesperson
3. The salesperson is forced to make the conversation relevant
4. The client controls the duration of the meeting
5. The client controls the focus of the presentation
6. Less social obligation equals more freedom
7. The client can multitask and pay attention to other issues
8. Virtual meetings contain higher-quality information and illustrations
9. The salesperson must be well prepared
10. Meetings can be recorded and reviewed

9. The Salesperson Must Be Well Prepared

Live meetings can be approached with a spontaneous “Let’s see how the conversation flows” mentality. Social obligations and nonverbal cues give the sales professional plenty of feedback with which to navigate a discussion. In virtual meetings, this feedback is drastically reduced. Therefore, the prudent sales professional comes to these meetings well prepared.

10. Meetings Can Be Recorded and Reviewed

Virtual meetings can be easily recorded, which allows the client or prospect to replay the meeting as often as desired to ensure that she missed nothing. Memorializing a meeting means that the client doesn’t have to pay close attention.

Remember that the key to understanding the appeal of virtual meetings for clients and prospects is the appeal of having *greater control* over the conversation. Thus, clients and prospects are likely to prefer virtual meetings over live meetings for the foreseeable future. This will be especially true for busy professionals and business owners, who put a premium on their time but still need to stay informed.

10 Reasons Why Virtual Meetings Will Make You Efficient

So, clients are going to require virtual meetings. How will sales professionals and Financial Advisors (FAs) react? What we’ve seen throughout the COVID-19 pandemic is that salespeople have craved a return to business as usual and the chance to get face-to-face with clients. But we believe that the efficiencies of virtual meetings will turn them into a key resource for managing a successful business model. Here are 10 reasons why they will make you efficient.

1. More Efficient Use of Time

Even with a small territory, time is wasted when you travel to a meeting. Instead, use those hours talking to clients. Virtual meetings allow you to focus on each engagement and use the time between meetings productively.

2. Higher-Quality Meetings/Talk Only to Engaged Clients and Prospects

Normal social instincts lead people to accept meetings they don’t want. Virtual meetings are easier to decline because there are fewer social obligations. Being told “no” allows you to move on to a more positively engaged opportunity rather than waste time on a disinterested party.

3. More Impactful Communication

Virtual meetings require the content to be delivered graphically and the information to flow seamlessly. While it may be more work up front, a well-prepared presentation is likely to have more impact than a poorly formulated or spontaneous sales pitch.

4. More Frequent Contacts

A virtual meeting is usually shorter than a face-to-face discussion because there’s less small talk at the beginning and end. Since each meeting takes less time, you can have more conversations. Combining greater frequency, higher-quality information and shorter dialogues yields better results.

5. No Travel Delays

Virtual meetings can be rescheduled easily when plans change. This can be done without disrupting an entire day, which is especially valuable for sales professionals who have large territories or busy schedules.

6. Quality of Relationship Is Less Central

In financial services, managing relationships is key to creating a robust practice and revenue stream. Once you have established a critical mass of strong and reliable relationships, they take a lot of time and attention. Virtual meetings diminish the role of the relationship and increase the role of the message. This makes meetings with new clients or prospects feel similar to meetings with more established relationships.

7. Greater Consistency of Messaging

Live encounters provide so many variables and uncertainties that the message can be inconsistent from one meeting to the next. With virtual meetings, the delivery relies on the prepared presentation. Therefore, the message is standardized and more consistent.

8. Easier to Integrate and Standardize Best Practices

Face-to-face meetings are fluid, leave room for personal style and fluctuate in terms of levels of preparedness because they are inconsistent among presenters. A virtual meeting can be recorded, reviewed and improved over time. Plus, one speaker can more easily learn from another.

9. Client Management and Engagement from Anywhere

Virtual meetings allow the presenter to make contact and manage relationships from anywhere. This provides flexibility about when to meet and where to work from. Much has been written about the downside of the “always-on” society, and there are negative implications of being reachable 24-7. Nevertheless, virtual meetings allow you to attend a meeting regardless of where you’re working from.

10. More Opportunity to Use Visual Illustrations

The visual processing centers of the brain are more powerful than the parts that manage other information. Complex ideas are more easily understood when well-crafted illustrations are used. In a face-to-face meeting, a picture on a piece of paper forces a shift from the interpersonal conversation and can be seen as a prop or distraction. However, graphics are expected and appreciated during a virtual meeting.

Why Virtual Meetings Will Make You Efficient

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| 1. | More efficient use of time |
| 2. | Higher-quality meetings/talk only to engaged clients and prospects |
| 3. | More impactful communication |
| 4. | More frequent contacts |
| 5. | No travel delays |
| 6. | Quality of relationship is less central |
| 7. | Greater consistency of messaging |
| 8. | Easier to integrate and standardize best practices |
| 9. | Client management and engagement from anywhere |
| 10. | More opportunity to use visual illustrations |

Virtual vs. Face-to-Face Meetings

Even with the efficiencies, it's obvious that a digital interaction isn't the same as a live connection. All of us have become absorbed in a good movie or a well-produced television show, but we still know intuitively that these are not real experiences.

Face-to-Face Meetings

As powerful and helpful as virtual meetings are, they're fundamentally different than face-to-face encounters. Understanding how these two types of meetings are different helps us advance our skills for conducting virtual meetings and better equips us to get the most out of the tool.

Face-to-face meetings activate thousands of years of social obligation. In simple terms, they're real to us, while virtual meetings have the characteristic of being almost real. This is because so much of communication is experienced through nonverbal cues. It's much easier to establish rapport with someone when we are close to and facing that person because of our instinct to match and pace him. Matching and pacing are instinctive signals that tell the other person, "I am a friend; I'm with you; there is no danger here." These signals, which have evolved over thousands of years of human beings living and working together, represent a huge amount of important communication that doesn't translate well in virtual meetings.

As a result of these instinctive responses, the face-to-face meeting presents much more of an opportunity for the salesperson to influence the decisions of the other person. The client or prospect feels an instinctive social obligation to agree to the meeting, pay full attention, and respond positively to any proposals or requests. Live meetings allow the presenter to activate instincts in the listener that give the presenter more control over the potential outcome of the meeting. In this way, the relationship skills and interpersonal style of the salesperson are very important during a face-to-face meeting and can make all the difference in the results achieved.

Virtual Meetings Require a Different Approach

Virtual meetings, in contrast, significantly reduce the role of social instincts. This reduction starts with the channel itself. When a conversation takes place through a virtual channel, natural responses don't get activated. Even with increasingly larger screens, a two-dimensional image impedes the full experience of being present with another human being because it limits the ability to see nonverbal cues.

In addition, the poor audio quality diminishes the instinctive reactions of a face-to-face encounter. For example, small speakers in our devices tend to flatten the richness of the spoken word, making it nearly impossible to pick up on the nuances of vocal tone and pacing. With so many of the usual nonverbal signals missing, the experiences of the presenter and the listener are lacking; virtual meetings are profoundly less real.

There are important implications for managing virtual meetings, as well as other areas of life where we encounter human beings without the safety of our social obligations. An important example is the phenomenon of road rage, where the normal emotional constraints that we all practice in live encounters are reduced by the virtual anonymity of being in a car. All those other people on the road seem less real, which can liberate varying levels of intolerance and even violence. Most of us behave at least somewhat differently in traffic than we would at a dinner table filled with strangers.

Altogether, this limited to nonexistent social context means that the message and visuals are very important.

10 Reasons Why Virtual Meetings Are Much Harder

It's clear that face-to-face encounters are inherently different from virtual meetings, largely because they eliminate many of the social obligations that deeply influence interpersonal behaviors. Experience with conducting virtual meetings in a variety of contexts has revealed that they are typically harder to manage than live meetings. Here are 10 reasons why.

1. The Client Has Greater Control Over the Engagement

By virtue of not being in the same room, the listener feels great freedom to disengage from the meeting and to check emails or texts or multitask in some way.

2. The Client Has Less Social Obligation and Constraint

Separation liberates us from some of the social norms we've grown up with. This can manifest in something as simple as not paying attention or displaying rude behavior. In addition, the client feels much more comfortable disagreeing, ignoring important information or even cutting the meeting short.

3. Distractions Are Harder to Manage

It's one thing to ask a spouse, friend or child to put down a cell phone. Think twice before asking a client or prospect.

4. Screen and Sound Quality Are Limited

As we discussed, monitors, no matter how large, and low-quality speakers diminish what we see and hear.

5. Rapport and Nonverbal Communication Are Significantly Diminished

A face on a screen diminishes the rapport that builds from being close to another person and makes it difficult to see subtle nonverbal cues or changes in body language. Plus, it's much harder to match and pace someone on a screen than when they are close by, full-scale and three-dimensional.

6. The Presenter and the Listener Have Difficulty Staying in Sync

The previous challenges show that, overall, it's harder to stay in sync. Most of us have experienced a time when the listener was trying to speak and couldn't interrupt the presenter who was going on and on.

7. The Quality of the Message Becomes More Important

Because our normal social instincts are reduced, the focus must be on the message. While it takes more preparatory work, the quality and structure of the information as well as the illustrations become much more important.

8. Mastery of the Technology and Presentation Skills Is Needed

While the skills you need to close a new business deal or manage assets are completely different from those needed to run a virtual meeting, looking disorganized or inept is sure to hurt your overall credibility.

Why Virtual Meetings Are Much Harder

1. The client has greater control over the engagement
2. The client has less social obligation and constraint
3. Distractions are harder to manage
4. Screen and sound quality are limited
5. Rapport and nonverbal communication are significantly diminished
6. The presenter and the listener have difficulty staying in sync
7. The quality of the message becomes more important
8. Mastery of the technology and presentation skills is needed
9. Meetings are shorter and require tighter presentation
10. More energy is necessary from both presenter and listener

9. Meetings Are Shorter and Require Tighter Presentation

Because there is limited or no small talk at the beginning or end, most virtual meetings are shorter and more direct.

10. More Energy Is Necessary from Both Presenter and Listener

In a virtual meeting, the presenter must work hard to stay focused on the story he is telling while trying to look for subtle nonverbal cues from the listener. The listener also needs to stay focused and absorb the information that is coming from a talking head on a small screen over poor-quality speakers.

There are many ways, large and small, in which virtual meetings are harder to manage effectively than face-to-face meetings. But it appears that clients and prospects will eventually prefer these types of meetings, which means all of us need to increase our skills at holding virtual meetings.

How Can We Overcome These Hurdles?

With these limits and challenges in mind, let's discuss five ways in which sales professionals and FAs can become equipped to get the most out of virtual meetings.

- Prepare better
- Design and deliver a better message
- Use better visuals
- Engage and set up the meeting better
- Manage the flow of the meeting better

Prepare Better

During a virtual meeting, the sales professional can't take advantage of subtle cues to read the other person more accurately.

Answer These Six Questions Before the Meeting

As we have seen, there are many ways in which the virtual meeting limits the influence and impact of the presenter. To overcome these limits, prepare for each meeting ahead of time so that the content of the meeting can be targeted more accurately to the point of need of the listener. By entering the meeting with a clear sense of what you're trying to accomplish, knowing what response you want from the other person and thinking about what you need to do to stimulate that response, you will increase your chances of success. A good way to prepare is to answer these six questions about the other person and the purpose of the meeting before you start the interaction.

1. Who Is My Target, and What Do They Care About?

Without feedback from nonverbal cues, much of the interpersonal connection that we rely upon to develop rapport in a face-to-face meeting is missing. To increase your ability to connect quickly with the other person, research him and try to reference that information during the meeting. If possible, learn what's motivating him to talk with you. Understanding his business processes and personal value system can go a long way to creating a sense of "I get you" in a virtual meeting that would be impossible to accomplish without thinking about it beforehand.

2. What Do They Know That They Need, and What Do They Need but Don't Know Yet?

Too often, sales professionals focus their efforts on solving obvious needs instead of less apparent issues. If your client or prospect knows that she needs something and if the motivation to solve that problem is intense enough, she will look for a solution. If the motivation isn't that intense or the problem isn't perceived to be that big, there will likely be limited energy to respond to your sales pitch, even if she is aware that she has a need. If you can organize your efforts around solving a need that the other person has but she doesn't yet know she has or doesn't yet understand the implications of, you're much more likely to create intense motivation to take action.

3. What's in It for Them if They Listen to Me?

As a sales professional, you get rewarded if the other person follows your recommendations. Unfortunately, we aren't always as sensitive to whether or not the client will get as substantial a benefit from the sale. Your virtual presentation will be stronger if you are clear from

the beginning of and throughout the meeting about exactly how and to what extent the other person will benefit from taking the action you're recommending. Answering this question also helps you avoid meetings you shouldn't engage in; if there's little or no benefit for the other person to follow your recommendation, you shouldn't waste your time and relationship capital by having the meeting.

4. What Might Get in the Way of Them Responding?

This is another way to ensure your message is delivered to the actual point of client or prospect need. In many cases, there may be practical barriers that would prevent the other person from following your recommendations. By asking this question, you prime your brain to explore possible reasons why this person might not be able to respond to your offer. This also prepares you to deal with any obvious resistance to your message that may be associated with your product or service.

5. What Do I Want to Happen as a Result of the Meeting?

With virtual meetings, it's easy to believe that you have accomplished something just by completing the presentation without the other person exiting the engagement. Unfortunately, simply completing a meeting is not a meaningful desired outcome. Too often, sales professionals expend time, effort and energy making a strong presentation but fail to indicate clearly what they want the listener to do. There's no reason to have a meeting that doesn't lead to an outcome for both you and the client or prospect. You will be better prepared to manage the meeting if you know exactly what you want to happen as a result of having the interaction.

6. What Will I Close for as a Next Step?

To ensure that you and your client or prospect benefit from the meeting, you should know what you intend to offer her at the close and what next steps you want her to take. This helps you design your messaging and illustrations and keeps you focused throughout the meeting on why you're presenting and what you want the other person to do as a result.

By investing meaningful time examining thorough answers to these questions, you will be better prepared to navigate the nuances of the virtual meeting, stay relevant to the other person, and ensure that your message hits home and motivates action. It's important that you never forget that the purpose of any meeting is to inspire an action that leads to a benefit for both you and the person you are working with.

Design and Deliver a Better Message

To design a better message, let's think about how people make sense of the world.

The Brain as a Predicting Machine

Research tells us that we organize our thoughts by perceiving, processing and storing events. Events can be actual experiences *or they can be experiences described by another person*. If the description is rich enough to register as informative, the brain can use that material for the future. In this way, the brain is constantly updating the database from which it will make predictions.

The brain uses the same information-gathering process to take in new information about the present moment. Instantaneously, the brain filters all previous experiences to see which are similar to the current situation. These historical records are sorted out and a few relevant scenarios are retrieved that appear to fit the current situation most accurately.

Then, using the previous experiences that have been stored in its memory, the brain processes these scenarios into a prediction about how the current event is likely to unfold. The final step is to generate a motivation to take action based on the prediction that was made. Therefore, when designing your message, it's important to provide descriptions of events so that clients or prospects can imagine the future and decide on appropriate action.

Stories Provide Learning Without the Pain of Experience

For thousands of years, our earliest ancestors gathered together and told stories. Most often, the older members of the group would use stories to teach important lessons to the younger members. Storytelling was a way of sharing experiences so that younger members of the clan could benefit from senior members' skills and experiences.

Your presentation fulfills the same role. Think of yourself as a storyteller. By telling a well-formed story that provides insights about how the markets operate and then connecting those insights to guiding principles that inform decisions, your message provides the client's brain with painless learning that it can use to create predictions and to inform future behavior. In a sense, this type of message allows you to share your wisdom as a professional so that your clients don't have to learn the hard way. Another by-product of

crafting an effective and impactful message is that it positions you as the wise sage who possesses powerful and valuable knowledge: i.e., "Are you great at what you do?"

In order for your message to fulfill this role, it must be structured as a story with a beginning, a middle and an end describing a series of events that are meaningfully linked together. Too often, sales professionals and FAs make their presentations into a series of lists, numbers or descriptions of key indicators. When this happens, clients and prospects have great difficulty understanding the meaning of the information and knowing how to apply it to their own situation. Such presentations are frustrating and boring.

A good story describes events in a way that is understandable and that links them together over time: it's the links between events that equip the brain to make predictions from virtual experiences that connect to the real world.

Eight Guiding Principles for Effective Messaging

With these observations in mind, let's consider eight guiding principles to ensure that your message delivers the maximum desired impact on your audience.

1. Tell a Story

This is the most basic guidance: an effective message has a beginning, a middle and an end that connect each specific part of the message to the information that precedes it and follows it. Each step of the story must make sense, and the entire story must connect to create a larger, more comprehensive message.

2. Follow a Structure

To ensure that your story makes sense to the listener, organize the order in which you present the information. The order can change depending on what you're trying to accomplish, but a structure helps you sort out the data and decide what to include. In this way, a structure operates like a filter that allows only the most relevant information through to the final message.

3. Define Your Desired Outcome

The structure of your story and the specific content you include will be heavily influenced by what you want the story to accomplish. This is your desired outcome: the reason you're going to the effort to tell a story. Before you set out to create your message, determine which outcome you desire.

4. Make It Visual

The human brain is organized around processing visual information. Our primitive ancestors had limited tools at their disposal by which to stimulate visual images in the minds of their listeners. They had to rely on the quality of their voice, hand gestures, body movements and their listeners' imaginations to create the mental images that brought the story to life.

Today we have many tools that are designed to translate concepts and information into visual imagery. To the extent possible, your story should move from one visual to the next and should contain the fewest words needed to make those visuals understandable.

5. Reveal the Mechanisms

In his book *Principles*, hedge fund manager and author Ray Dalio tells us, "I believe that everything that happens comes about because of cause-effect relationships that repeat and evolve over time." Revealing the cause-effect mechanisms that are understood provides clients and prospects with some of the insights they need to know about the direction in which things are likely to go and what actions are best taken.

6. Explain the Implications

Revealing the mechanisms of what is behind movements in the capital markets or portfolio performance or how your services are different isn't enough to satisfy the brain. You also need to explain the implications of those mechanisms as they will likely unfold in the future. As a professional, you can provide a richer source of ideas, cause-effect relationships and historical dynamics to help a client or prospect make informed decisions.

7. Include the Timeless Principles of Investing

Your story should also include two or three important principles for investing. These principles will be determined by the current market conditions and the desired outcome of the message.

8. KISS (Keep It Short and Simple)

Finally, your story must be kept manageable. Define your desired outcome, select the mechanisms you want to reveal and the implications you want to explain, and choose two or three principles that you want to provide. That's plenty of material to weave into a short but meaningful story.

Eight Guiding Principles for Effective Messaging

1. Tell a story
2. Follow a structure
3. Define your desired outcome
4. Make it visual
5. Reveal the mechanisms
6. Explain the implications
7. Include the timeless principles of investing
8. KISS (keep it short and simple)

A Story Structure for Increasing Confidence

Often when humans experience down markets, volatility or even a pandemic, our job as professionals is to decrease emotional reactivity, provide reassurance and stimulate feelings of confidence in clients and prospects. You can reduce anxiety by telling a story that reveals that you have gathered information, understand the mechanisms of the market, have predicted its trajectory and have taken appropriate action. Instead of the client or prospect having to figure out what to do to take care of a problem, your story explains that you have already taken care of it or that your services can do so in the future.

This allows you to answer two questions in many clients' and prospects' minds—"Are you great at what you do?" and "Do I have reason to believe that the future I want is the future I will get?"—so that their emotional concerns can be satisfied. Here are seven questions your story should answer.

1. What Is the Current Situation?

The story starts with several observations of current conditions. This creates a shared agreement about the issues that exist in the present moment.

2. How Did We Get Here?

The cause-effect mechanisms that led to the current situation are revealed and explained. This part of the story shows the client or prospect that you have a deep understanding of the markets and that you're paying attention to the processes that are unfolding.

3. Does History Offer Any Perspective?

When it comes to investing, most clients don't have a thorough appreciation of the information available from the past. Looking at what has happened historically illustrates a richer framework of information for the client or prospect to use and allows you to provide better patterns of data that will inform the future.

4. Have There Been Any Reactions in the Markets or Attempts to Remedy?

Depending on the attributes of the current situation, various institutions (like the US Federal Reserve) may have reacted with strategies designed to affect the trajectory of the markets. There may also have been subtle (and not-so-subtle) reactions within various subsets of the markets that will impact outcomes. These forces are worth noting, especially if they inform the strategy that you will use to navigate current market conditions.

5. What Is Likely to Happen Next?

This is the ultimate question: What does the future hold and what action should I take? Respect the impossibility of accurately predicting the markets, and don't provide highly detailed predictions that could be misunderstood as calling the market. Instead, make general observations of how the market is likely to behave that provide enough information upon which to decide on a course of action.

6. What Can We Do to Protect Ourselves or Take Advantage of This?

Depending on the current conditions and recent responses, there may be dangers or opportunities ahead that require appropriate action. Based on what you anticipate will happen next and what you believe is the best course of action for the listener to take, that action may be protective or opportunistic.

7. What Action Do We Recommend/Have We Already Taken?

Here is where you bring closure to the story. In some cases, the story is designed to reveal your strategy, confirm your wisdom, and reassure the client that all is well and that, despite market dynamics, the future is still bright. In other cases, you may be telling the story so that the client will agree with the strategy you're planning to use. Or you may be showcasing your skills in order to get a prospect to join your firm. In all cases, the purpose of the story is to confirm your professional knowledge and give the listener confidence about the future.

A Story Structure for Increasing Confidence

1. What is the current situation?
2. How did we get here?
3. Does history offer any perspective?
4. Have there been any reactions in the markets or attempts to remedy?
5. What is likely to happen next?
6. What can we do to protect ourselves or take advantage of this?
7. What action do we recommend/have we already taken?

Use Better Visuals

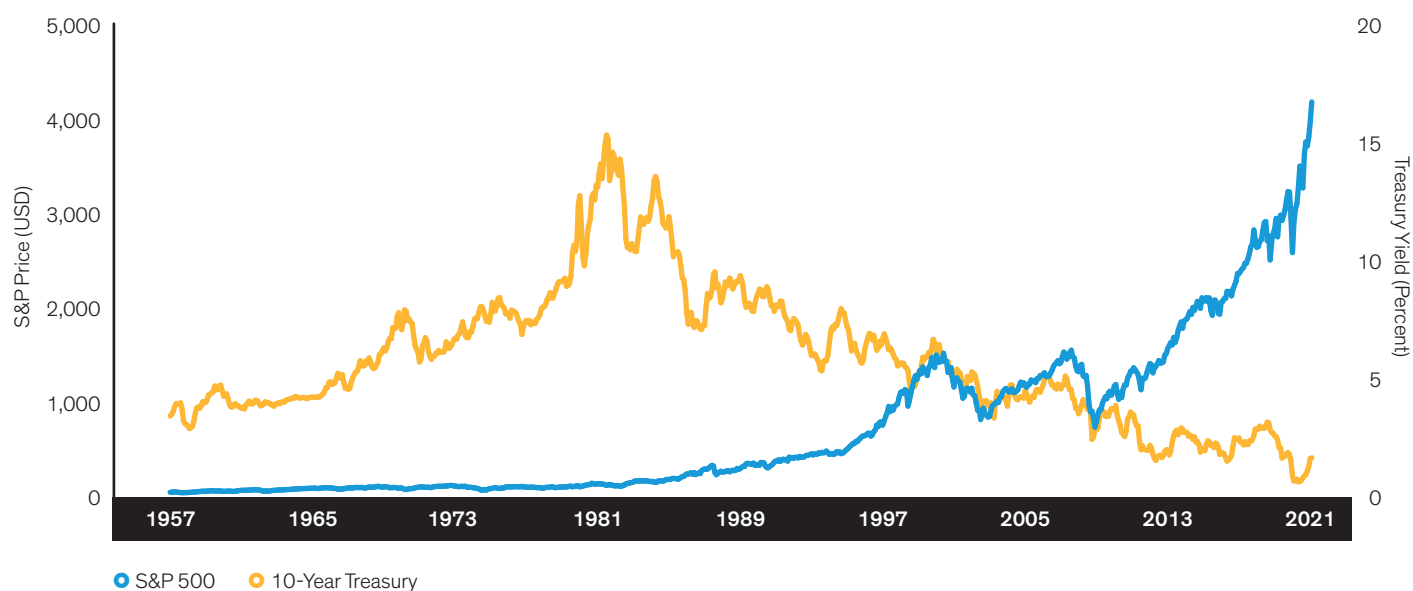
Another dimension of creating impactful messaging concerns the use of visuals.

A Picture Is Worth a Thousand Words

For the ancient storyteller, words and gestures had to suffice to make each element of the story come to life. Our primitive ancestors didn't have the benefit of television, movies or PowerPoint. The storyteller's words were sufficient to activate imaginations. Today, we have talented visual artists, actors and animators who construct meaningful visuals that tell key parts of a story.

In virtual meetings, sales professionals and FAs have to consider the best way to tell a story visually. Even a graphic as simple as a single line on an XY plot can show an important part of a story. You can certainly include the source data for the graphic when necessary, but the primary purpose of a graphic is to activate the client's visual processing, which increases retention of the information dramatically. The information must be useful, and like a progression of steps, it must lead from one piece of data to the next.

KEY VISUAL STRATEGY—THE TIMELINE



Past performance does not guarantee future results. For illustrative purposes only.

An investor generally cannot invest in an index.

As of March 31, 2021 | Source: S&P, US Treasury and AB

The human brain is not just collecting events as it processes experiences; it's creating meanings and building small maps of how the world works. Our brains use visual maps because they include the information of each event and how events combine to create specific outcomes. In a sense, our brains are constantly looking for information to help us make sense of the world. An effective message makes the connections between events easy to decipher.

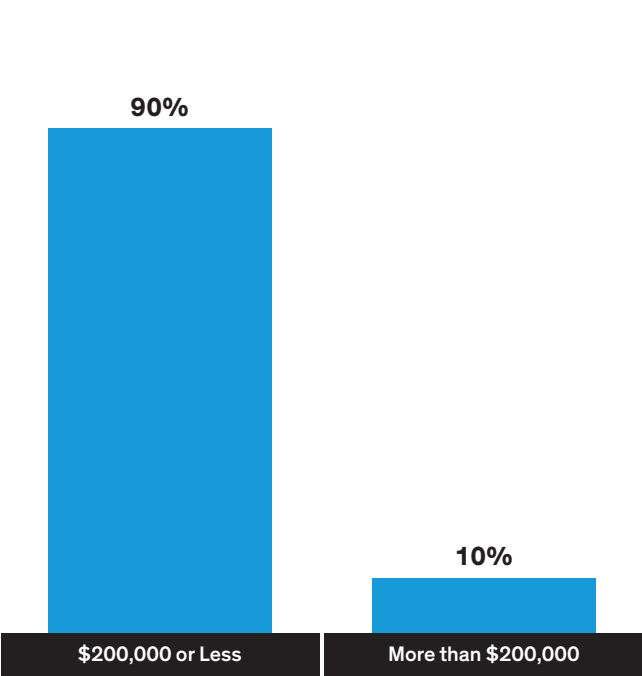
Good Visuals Reveal the Mechanisms, Stimulate Thinking and Explain the Implications

Once you've selected the themes you will be illustrating and explaining, you can begin to consider how best to visualize the information the client or prospect needs to receive. Every picture in your presentation should tell a portion of the story, and the more you can show how a cause produces an effect, the more powerful your presentation will be.

One of the most important types of visual images that you can use is a timeline, which represents a dynamic process unfolding over

time, usually by tracking a single indicator from period to period. An example is a chart of the S&P 500 versus the Treasury yield tracked across several years. Another key visual strategy is the bar chart. This provides clear cues about how to distinguish the magnitude of one idea in comparison to another. You can use tall, skinny rectangles that look very different from one another or wider, more similar bars to minimize the differences. In contrast, strings of numbers or lines of words are symbols of actual values; words and numbers don't exist in nature, so the brain must go through multiple steps of interpretation to understand the difference. For example, the difference between 100,000 and 190,000 is minimal in terms of the actual visualization of the values: the two numbers have the same number of digits, and the visual difference between a 9 and a 0 is quite small. Contrast this with a pile of 100,000 rocks compared to 190,000 rocks, and the difference is enormous. Because the brain is hardwired to use physical size as a key indicator, your message will be emphasized when you present data as close to the original types of information that the brain evolved to process.

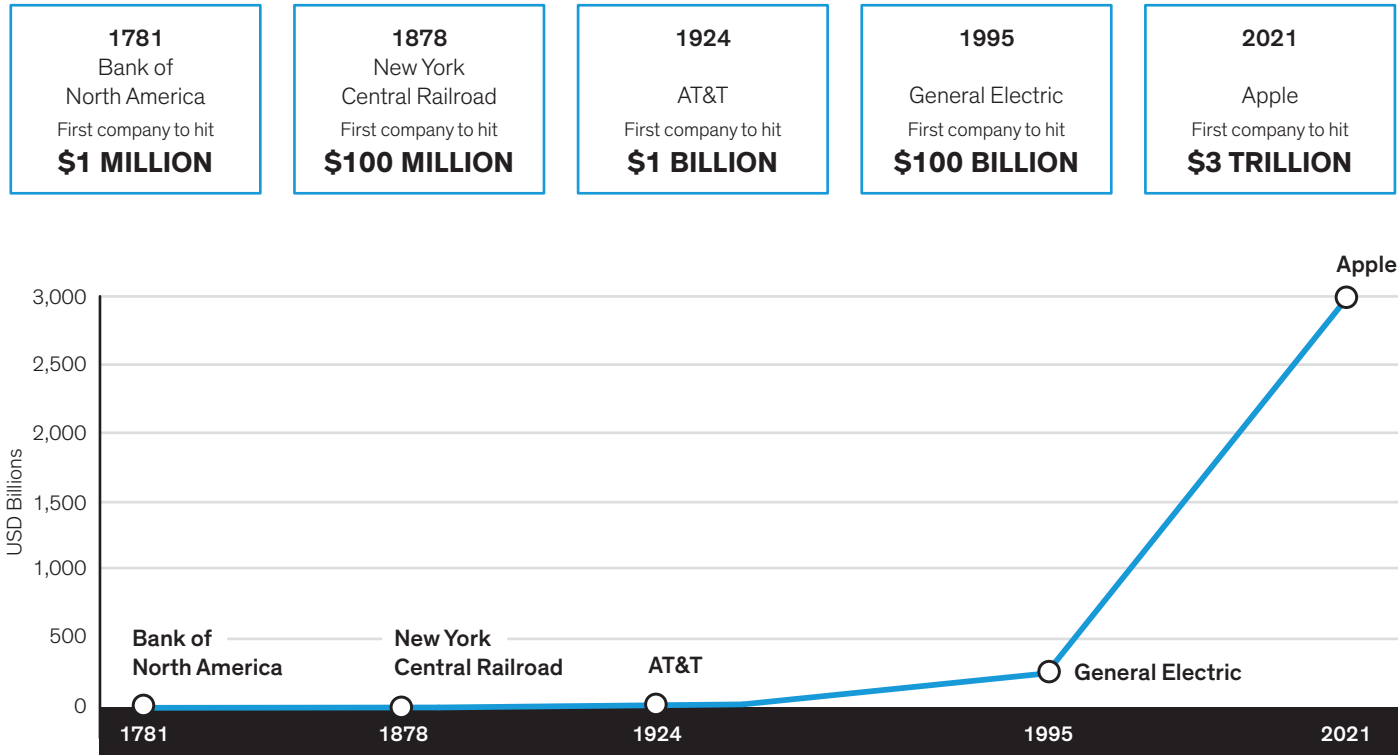
THE BRAIN RECEIVES AND UNDERSTANDS VISUAL COMPARISONS INSTANTLY



For illustrative purposes only.

US Dollars (in 000s)	Percent
≤\$10	41.4
\$11-\$20	11.9
\$21-\$30	7.3
\$31-\$40	5.1
\$41-\$50	3.9
\$51-\$60	3.1
\$61-\$70	2.5
\$71-\$80	2.1
\$81-\$90	1.8
\$91-\$100	1.6
\$101-\$200	9.1
>\$200	10.2

STRATEGY FOR PRESENTING NUMBERS



For illustrative purposes only.

Source: Jeff Desjardins, "Every U.S. Valuation Milestone Since 1781, Including Apple's Ascent to \$1 Trillion," *Visual Capitalist* (August 3, 2018), and Mohammed Hussein, "Visualising Apple's \$3 Trillion Market Valuation," *Al Jazeera* (January 6, 2022)

Avoid Visuals That Require the Brain to Interpret Words or Numbers

Not all visuals are useful. For example, in the display above, look at the square showing the value of \$1 million for the Bank of North America in 1781. This is followed by similar squares showing the growth of what a big company is worth, culminating in Apple being valued at \$3 trillion in 2021. The viewer certainly knows the difference between \$1 million and \$3 trillion.

However, for a person to truly understand how big Apple is as a company, his brain needs to have a better sense of the difference between the two numbers: How much bigger is Apple than the Bank of North America? In the display, the boxes that contain the numbers and words are all the same size; the only difference is in the symbolic value of the number in the display. In contrast, the timeline is a more effective way to show the magnitude of the difference.

Engage and Set Up the Meeting Better

Now that we've crafted our message and created our visuals, it's time to think about setting up the virtual meeting.

Engagement Strategy: A Four-Step Process

In today's socially distancing world, we are unlikely to be in the same room with a person and ask, "Do you have time to meet next week?" We're much more likely to try to arrange the meeting via a virtual channel like an email or a phone call. These types of communication lack the social instincts that are automatically activated during face-to-face requests.

Someone you already know feels some social obligations, but when you reach out to a prospect, who perceives you as a stranger, she has more freedom to act and more control over how much engagement she is willing to offer. It's helpful to see the engagement process as comprising four distinct steps, each of which should be managed intentionally. Here's how to improve your influence in the process of engaging and setting up a meeting.

1. Distinguish Between Existing and New Relationships

You already know a lot about existing clients, and this knowledge can be used to stimulate motivation for a meeting. Plan to review the file for each of your clients to refresh your memory about the value system and goals of each person you're working with. Such familiarity will stimulate the social instincts that lead to an agreement to meet.

You will have little or no familiarity with prospects. This puts you at a severe disadvantage and forces you to make the offer as compelling as possible. If you can, do online research or use your personal network to find out information before reaching out. See if someone you know can make an introduction. This activates the social obligations in *their* relationship to you on your behalf and increases the likelihood of a positive response.

2. Expect to Need Several Contacts to Make a Connection

Because there are remnants of social obligation present in an existing working relationship (even when it's now conducted primarily through virtual meetings), a current client will feel some requirements to respond to you via phone or email. The prudent advisor or salesperson expects that it may take several phone calls, several emails or a combination of both to make direct contact with the client, but it's likely that contact will be made and a conversation can be scheduled.

New clients and prospects might be harder to reach and may be unwilling to grant you direct access through a telephone contact. Increasingly, busy people are erecting barriers to such contacts, such as Caller ID and the Do Not Call Registry, which provide further evidence of the lack of social obligation present in virtual contacts in general. It's appropriate to attempt to make direct phone contact with prospective clients, but accept that it's likely to take multiple calls, voice mail messages and/or follow-up emails to establish engagement.

Later, we will look at ways of structuring and delivering a direct phone call, a voice mail and an email, all designed to lead a contact to set up a virtual meeting.

3. Be Careful How You Set Up a Virtual Meeting

For existing clients, there are two ways to set up this meeting. The informal approach grows out of an existing conversation. For example, you might call to check in with a client or make a contact on an existing agenda and then bring up a sales idea that she might be interested in. If she expresses interest, you can then propose a virtual meeting: “Are you in front of your computer right now? May I walk you through a couple of slides on this idea?” For prospects, it’s less likely you will find yourself in a relaxed, interpersonal conversation that sets up the informal approach to a virtual meeting.

Even with a current client, it’s important not to switch from a conversation to a pitch very often, or you may stress the trust in the relationship and stimulate him to think, “I wonder what he’s really calling about this time.” In most cases, you will want to use a formal approach to a meeting by making that the purpose of the contact and to ask permission to present an idea that the prospect will find interesting or important. (For more details, ask to see the AllianceBernstein Advisor Institute’s white paper *Permission to Advise: Skills for the New Normal*.)

4. Remember Your Ultimate Purpose

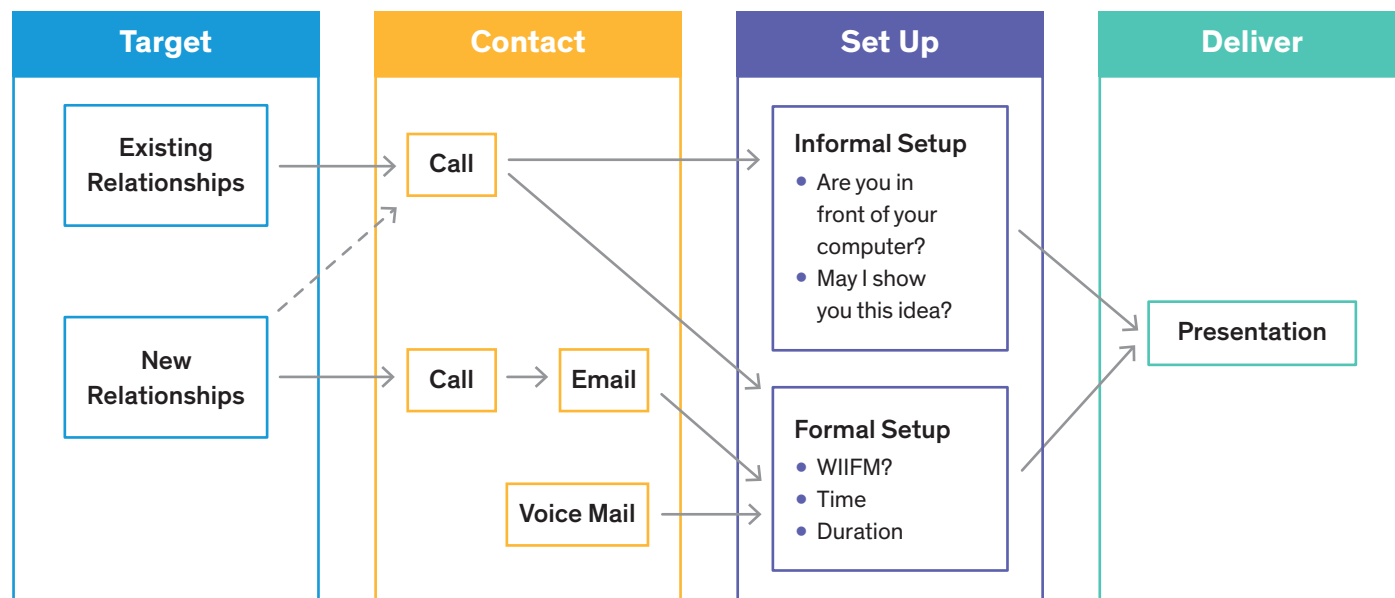
Regardless of how you arrive at the agreement or which type of contact you are talking to, the purpose of the engagement process is to formally present an idea in a virtual meeting.

Setting Up the Virtual Meeting: The Effective Phone Contact

The telephone has become one of the most familiar pieces of technology in use by humans around the world, to the point that most of us take it for granted. Because we use the phone all day, every day to communicate with friends and colleagues, our familiarity can become a detriment to making effective *business* calls. When reaching out to clients and prospects to set up a virtual meeting, you can increase your impact by approaching the call as an intentional communication and following seven simple guidelines.

1. Prepare before you call. Know what you want and how you are going to say it.
2. “What’s in it for me?” (WIIFM?) Appeal to the client’s or prospect’s self-interest.
3. Be brief and businesslike. Avoid chatting until you know the listener’s style.
4. Speak slowly and finish your sentences. Help the listener to understand you.
5. Be very clear about your desired outcome.
6. It’s always helpful to ask permission to advise.
7. You can call back and repeat the offer twice, but refrain from contacting someone a fourth time.

ENGAGEMENT STRATEGY—A FOUR-STEP PROCESS



For illustrative purposes only.

Setting Up the Virtual Meeting: The Effective Voice Mail

The telephone is one of the oldest sales tools in the modern professional's arsenal. Unfortunately, just because we're familiar with a tool doesn't mean we know how to use it efficiently. This is especially true about voice mail. Most people do a terrible job of delivering an effective voice mail message. The following eight principles will help you deliver the most impact possible.

1. Prepare *before* you record. Be ready to leave a voice mail. The time to compose an effective voice mail message is before you call, not when you're leaving the message.
2. Appeal to the receiver's self-interest. Don't leave messages that are primarily designed to accomplish *your* goals. Instead, appeal to the listener's needs or desires. Start with a clearly defined reason for the call that appeals to the self-interest of the other person. Imagine the listener asking, "What's in it for me?"
3. Be brief—no more than five sentences. The voice mail must get on the receiver's mental to-do list before her attention span is exhausted. Start quickly, deliver a message that appeals to her self-interest, articulate the desired outcome of the call and end quickly.
4. Speak slowly and deliberately. The message should be delivered very thoughtfully. Ideally, you should speak half as fast as you normally do and use complete sentences. Avoid running words together, jumping from point to point or trying to convey a lot of information in a short period of time.
5. Finish each sentence. Each sentence should be started and stopped crisply.
6. Pause between sentences. This helps your message sound tightly focused and clear.
7. Script the message, rehearse and eliminate filler words. Write out the voice mail you wish to leave and rehearse the delivery. This will eliminate filler words that serve as placeholders in a sentence while you think of what you want to say. Words and phrases like "um," "you know" and "uh" use up precious time and interrupt the listener's ability to put all the ideas in the sentence together for understanding.
8. Be clear about your desired outcome. Be direct about what you want the other person to do after hearing the message. Without a call to action, you will just be wasting the listener's time. The action could be as simple as asking if the listener would be "willing to schedule an appointment with me when my associate calls." Alternatively, it could be as extensive as "Please return a call to me at your earliest convenience" or "Please email me with your contact information so that I can reach out at a convenient time."

(For more details, ask to see the AB Advisor Institute's white paper *The Science of the Effective Voice Mail*.)

Setting Up the Virtual Meeting: The Effective Email

Back in 1995, when email was a novelty, receiving an email message was a big deal. We all paid attention to our inbox and looked forward to hearing, "You've got mail!" Today, email has become a problem for most people. Instead of looking forward to the next arrival, we dream of cleaning out our inbox and getting caught up. Most of us don't even try anymore.

The unintended consequence is that many emails don't get opened. Because we receive so many emails, busy people create a relevancy filter that keeps extraneous messages out of their awareness and allows only the most important (i.e., most relevant) information through.

Fortunately, science can help us design an email that will penetrate the recipient's relevancy filter, stimulate interest, get the message across and inspire action. Here are nine tips for creating an effective, science-based email.

1. Clearly define the desired outcome of the email. It could be something like:
 - "I will call to find a time that is convenient for us to meet."
 - "My colleague will reach out to you to set up a meeting."
 - "Is there a best time to reach you?"
 - "Let me know by your response a good time for us to meet."
2. Focus on a short subject line. Write something that stimulates interest and/or causes a mystery.
3. Connect the first line of the email with the subject.
4. Provide enough content to stimulate self-interest.
5. Do not provide enough information to *satisfy* self-interest.
6. Focus on the desired outcome of the email: a face-to-face or virtual meeting or a telephone call.
7. Send the same email at least three times and a second email three times.
8. Test at least three different emails with three different groups, and record the results.
9. As an advanced strategy, test the results you get by comparing an email that invites the reader to request a meeting with an email that concludes, "I will reach out to schedule an appointment."

(For more details, ask to see the AB Advisor Institute's white paper *The Science of the Effective Email*.)

Manage the Flow of the Meeting Better

Properly managing the flow of a virtual meeting can help you achieve your ultimate goal of motivating the client or prospect to take action, be it to follow your investment advice, become a client, or refer a friend or relative.

A Story Structure for Stimulating Movement

Now it's time to apply what we have learned to build a message designed to capture attention, activate motivation and direct that motivation toward the solution you are proposing to the client. Here are six steps to take so that you can organize your story and achieve your goal.

1. Introduce a Problem

The first and most necessary step that a message must fulfill is to gain the attention of the client. Start by framing the reason for the presentation as a potential problem that has implications for the listener. The problem galvanizes awareness and urgency: it focuses the brain's attention on the idea that there is potential danger. It's important for the listener to pay attention and understand how this may affect him. You are trying to stimulate the client's or prospect's desire to acquire more information so that he can make a prediction and take the right action.

2. Reveal the Mechanisms

A good story links together several cause-effect mechanisms. For example, you can help the client or prospect make sense of the capital markets as a way to ultimately present an investment idea or explain your services. You can explain how the dynamics in the markets have created the problem. Mechanisms are usually revealed as cause-effect relationships that help us understand how the world functions and enable us to see and understand when those dynamics may be harmful. Such cause-effect relationships are embedded everywhere, especially in the markets, and it's your ability to interpret and understand these dynamics that makes your advice valuable. By revealing the mechanisms involved in the current problem, not only do you activate the rational part of the listener's brain, you earn additional credibility. Select a short list of the most relevant issues—those that immediately inform the action that you want the client or prospect to take.

3. Explain the Implications

This is the most important of the six steps. You've activated the client's or prospect's logic and focused his attention on the problem. Now, show the implications of the mechanisms that make up the problem so that the listener not only understands what is happening but becomes aware of what may happen if the problem is not addressed.

Of course, there are many mechanisms constantly interacting with one another within the markets, creating an incredibly complex challenge for investors. An effective message zooms in on those mechanisms that are most important in the current situation and provides a focal point for attention and enough information to decide on a course of action.

Don't assume that clients or prospects will understand the likely future outcomes of their decisions. If you're planning to offer investment advice, consider saying, "This has happened already; this is likely to happen next." This prepares the brain to take action and to receive guidance for what action to take.

4. Propose a Solution

Next, you need to motivate the client or prospect to take action. The framework for this step is simple: connect the thoughts and feelings that have been activated to a specific action that can be taken. The first half of the six-step messaging structure creates energy, emotions and motivation, while the second half provides direction and guidance for the action that will either protect or benefit the client or prospect. Now is the time to explain how your solution to the problem will protect the client or prospect in the future.

5. Reveal the Mechanisms of the Solution

Now, describe the mechanisms in the product/solution that will solve the problem: “This is what I recommend you do, and this is how it works.” A decision to take action always involves thoughts and feelings. The feelings create the motivation that drives the behaviors, while the thoughts guide what behaviors are best to use in the current situation. Because of this two-part process, an effective message moves back and forth from thoughts to feelings and back to thoughts again in order to galvanize action and then direct it properly.

6. Close for an Action

The final step is a transition from a conversation to an action. A meeting, virtual or in person, is only successful when the listener decides to take action. Knowing how you intend to end the meeting—what action you want the client or prospect to take—helps you achieve the goal. As we discussed, always know what you want by the close of the meeting before you start. What action do you want the other person to take as a result of the message you are delivering?

The Energy in a Powerful Message: Pain as the Primary Motivator

Let’s look deeper into how decisions are made so that we can build a communication strategy. The major challenges an FA faces when working with clients and prospects are to anticipate the activation of mental shortcuts or biases and to design communications that help investors avoid irrational behaviors.

Research tells us that the desire to avoid negative sensations is the primary motivator of all human behavior and activity, even in highly rational professionals. Someone who has experienced an actual loss—or even the potential for loss—feels a great deal of pain. This pain can be in the form of fear or dread, which become the roots of investor behavior and stimulate activity.

For example, fear of going to a dentist can motivate a person to maintain better oral hygiene. In the absence of pain, pleasure can motivate some actions; however, research in behavioral finance has shown that avoiding pain is more than twice as motivating as achieving pleasure. This means that the main task of the FA is to frame an idea so that the primary motivator of behavior, avoiding pain, is activated within the client or prospect. Framing an investment strategy as an attempt to solve a potential problem serves this need and helps the client or prospect understand why the message is valuable. This is especially important at those times when the advisor needs to motivate the investor to take action.

Conclusion

In our modern business landscape, new technologies seem to be emerging every day, and it becomes very difficult to tell which new tools will be truly empowering and which are merely momentary fads. Nearly 150 years of experience have revealed that the virtual meeting is a business tool whose time has arrived and that recent events have only accelerated what appears to be an inevitable trajectory of adoption. As with all big changes, utilizing virtual connectivity with clients and prospects is a good news/bad news scenario. The good news is that when these meetings are conducted properly, clients and prospects will love the quality of messaging, the efficiencies and the control over their time that a virtual meeting provides. The bad news is that virtual meetings are different from live interactions and require a different set of skills. Prudent FAs will accept that there’s a learning curve associated with getting the most out of this powerful resource and that the natural abilities and learned skills that serve advisors well in live meetings need to be adapted and refined in the virtual environment. Ultimately, the best news is that an evolutionary change such as this levels the playing field and allows those advisors who are better equipped to come out ahead.

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