How Advisors Gain Clients’ Trust

By Charles H. Green

Why do we trust someone? Why does someone trust us? What’s the relationship between trust and influence? What can you do (legitimately) to increase trust and influence with clients?

The nature of trust and influence is wide-ranging and complex. This article focuses on a subset of the topic. But yes, an advisor can do a few specific things to significantly—and legitimately—increase his or her trustworthiness, and thereby influence, in the eyes of a client.

Trust and Influence: The Context

We trust our friends more than strangers. We trust people who are like us more than those who are not like us. We trust Amazon to recommend books to us. I trust a stranger to buy paintings from on eBay, but that doesn’t mean I’d introduce my daughter to him. I lock my car door in some neighborhoods but not in others. I trust a stranger to watch my radio at the beach for three minutes but not for 30. I trust that a used-car salesman will be in it for himself—so I don’t trust him. I don’t trust my neighbor enough to share certain personal information—but I may entrust that same information to a stranger sitting next to me on a long plane flight. Trust takes time, except when we make snap judgments.

In other words, trust is complicated. But for these purposes, we can focus on one aspect of trust—direct interpersonal trust, the kind of trust we are talking about when we call someone a “trusted advisor,” whether a lawyer, accountant, or investment management consultant. Here we can describe trust in three ways:

1. The components of trust—the trust equation
2. The trust creation process—creating trust in interactions
3. The trust principles—the beliefs that underlie trustworthy behavior

As we explore trust, I’ll also look at influence and its relationship to trust. Along the way, I’ll include some helpful tips for investment management consultants.

The Trust Equation

When we say we trust someone, we typically use “trust” as a synonym for a set of factors. Those factors can broadly be grouped into four categories—credibility, reliability, intimacy, and low self-orientation.

Credibility typically refers to words or concepts: “I believe her, what she says makes sense, she has credentials, she looks me in the eye, she has degrees from good schools. I trust what she says about ...”

Reliability typically refers to actions: “I can depend on him to do what he says he’ll do. He is reliable, predictable, and consistent. If he says he’ll bring the report, I don’t need to bring it myself, I trust him to do it.”

Intimacy refers to safety: “I can share this information with her. She’ll know whether to laugh—or not. She’ll know with whom to share it, and what to do in cases I haven’t thought of. She knows what it means to me. I trust her with this ...”

Self-orientation refers to the focus of interest of the advisor: “I trust that he actually cares about me. He pays attention to me, has my best interests at heart. He’s trying to find the right solution for me, not just for him. He listens. He cares. I trust him.”

Those four factors—credibility, reliability, intimacy, self-orientation—can be arrayed in the trust equation, a measure of the trustworthiness of the would-be advisor:

$$TQ = \frac{C + R + I}{S}$$

Note that self-orientation, being the sole factor in the denominator, has three times the weight of the other variables, and that its effect is inverse: that is, an advisor’s high self-orientation lowers trustworthiness, and an advisor’s low self-orientation increases it.

Note that the trust equation doesn’t tell us much about how to create trust; it just labels the various categories that constitute trust. To look at trust creation we need to look at personal interactions. Trust is created primarily through human interactions.

Creating Trust

Most trust of the interpersonal type we are talking about happens in personal interactions. Even credibility is determined less by Web sites and credentials than it is by the strong impressions we rapidly form upon meeting someone. It’s no surprise, then, that most trust creation happens in the most common form of interaction—conversation.

There are plenty of models for conversations; here’s one (see figure 1).

Engage open respectfully with a subject that is of interest to the client

Listen to what is important to the client

Frame the true root issue in terms on which you can both agree

Envision jointly an alternative state of affairs

Commit jointly to constructive action going forward
Whatever model you prefer, two guaranteed pitfalls are the following:
1. Not listening deeply enough to the client. Listening means complete focus, on emotional as well as rational dimensions, to whatever it is that is important to the client.
2. Jumping ahead too quickly to the solution.
These two pitfalls show up over and over again in most technical, consultative industries, and investment management consulting fits squarely into that pattern. The seeds are built into the industry itself and it requires some conscious effort to get it right. Here are three myths of trust conversations that get us into trouble:

**Myth 1. The goal is to get the right answer.** Since second grade, most of us have been taught, rewarded, hired, and incentivized to be the first with the right answer. “Good for you, Johnny, you were the first one with the answer, so you get the gold star.” This is especially true for people in intangible services that demand high levels of ability for abstract thinking.

Unfortunately for us, when it comes to persuading human beings of the rightness of something, being first with the right answer doesn’t count for much. In fact, if you are too right too soon, it just irritates people, because people want to be understood before they will accept your advice. The goal is not to get the right answer; it is to make the client feel understood. See the next point.

**Myth 2. The biggest influence factor is our competence.** Professor Robert Cialdini has spent his career researching influence, and he will tell you that the number-one factor is reciprocity: If you do X for me, I will do Y for you. Rational argument doesn’t even make it onto his list. In business, reciprocity happens in listening: if you listen to me, I will listen to you.

Thomas Friedman explains his success as a Jewish journalist in an Arab world: “My secret is simple—it is to be a good listener. Never underestimate just how much people want to be heard. Once you have given them the respect of listening to them, they will then hear you.”

Marriage researcher John Gottman says, “You have to let your partner know that you fully understand and empathize with the dilemma before you suggest a solution.

Paradoxically, it is not what we hear by listening that is important; it is the act of listening itself that influences whether they take our advice.

**Myth 3. The client means what they say about what they want.** Professional services guru David Maister says, “The problem is never what the client said it was in the first meeting.”

This is not because clients are dishonest, ignorant, or stupid. It is because they don’t want to appear ignorant or to feel out of control. You will rarely hear a client say, “I’m not sure what my problem is, but you seem nice and maybe you can help me.” Instead, they state the problem and demand proof of your competence.

The client doesn’t need an answer to the problem statement or a list of prior clients. The client needs a conversation that allows him to be heard and allows you to offer perspective on this particular issue and not on some other client’s version of the same issue. On a blind date, you don’t want to hear your date talk about past relationships; clients are the same. They want to know your expertise, but they’d rather hear about it as it relates to their own issues.

Good trust conversations are simple to describe, difficult to execute. You need to listen, aim to understand, and offer hypotheses and solutions late in the conversation.

The hard (but key) part of executing this simple task lies within our own heads: the belief that somehow we must control, win, drive, achieve our goal, close, or otherwise force the conversation to our ends. The ultimate paradox is that you achieve more influence if you give up on influence as a goal. Instead, let influence be an outcome of a genuine, client-focused concern. Here are five tips for doing just that:

**Practice cutting short your talk time.** Get in the habit of ending every
Another paradox: The willingness to admit you don’t know something is one of the most trust-enhancing things you can say.

two minutes and saying, “But let me stop talking here, let’s get your take on things.”

Make listening a gift of your attention. Of course, don’t multi-task. But the biggest multi-task demand is not your Blackberry, it’s your need to formulate an answer at the same time you’re supposed to be listening. Let it go. Have the courage to believe that when you’re done listening, you’ll have something to say. Then give your attention like a gift.

Think out loud. The way to free up your mind for listening is to resolve to do your thinking out loud, with your client, in real-time and in the same room. If you can do that, then your client will feel you are being open, transparent, collaborative, and client-focused. The client will see that you are not being manipulative, canned, recorded, or otherwise unfocused.

If you don’t know something, say so. Another paradox: The willingness to admit you don’t know something is one of the most trust-enhancing things you can say. It immediately tells the client that you are committed to truth over spin, that you have the confidence to stand on what you do know, that you are willing to take a risk for the client, and that he or she can believe/trust what you say.

Be yourself; everyone else is taken. None of us is perfect. We all know that about others, but we can forget that others know that about us. People naturally seek to trust, but we also start from a point of some suspicion. People who try to convince us of who or how they are make us suspicious. But when we find people who appear genuine, who are not trying to get us to believe that they are what they think we want them to be (whew!), we then trust them.

Cultivate an attitude of curiosity. Keep a list of 20 questions about your key clients. When you interact, ask one of the 20, then add a new one to your list. Doing that will force you to think; it will drive conversations; you will learn things. But most of all, you will focus on your client, not on yourself. And paradoxically, the best way to achieve trust and influence is to focus on the client’s objectives—not on how well you’re doing at achieving your own.

Trust Principles
There are four trust principles. Remembering them can help you remember specific ideas and generate new trust-based responses to new situations. At an organization level, sharing these four principles can help create a culture and a set of beliefs and behaviors that will increase your clients’ sense of trustworthiness of the firm as well as its individuals. These four trust principles are simple to describe but, again, not so easy to remember and apply. When applied, however, they are powerful.

Principle 1. Client focus for the sake of the client. The term “client focus” has come to mean “focus on the client so that you can figure out what they want and give it to them first so you can make money.” In that sense, a vulture is client-focused.

What I mean is start, and stay with, focus on the client for the sake of the client. If it turns out that you can’t give them what they want, or it’s uneconomical, then you’ll have time to deal with that soon enough. But the ability to constantly lead with client needs for the client’s sake means you will uncover more ideas, explore them with more focus, and develop low self-orientation that will increase your client’s trust and thereby the acceptance of what you finally recommend.

Principle 2. A habit of collaboration. Think of the way you approach proposal writing or staffing. Do you write proposals with the client or away from the client? Do you assign staff opaque or involve the client in staff availability? Those tasks commonly are done unilaterally, not collaboratively. Jointly writing proposals and assigning staff can pose difficulties but can also have enormous upsides.

Principle 3. A medium-to-long-term perspective. Do you think of sales as having an end, a closing, and then a repeated cycle? Then you have a transactional, not a relational, view of the relationship; a one-off perspective. The same is true for contracts, agreements, interactions, and measurements. If you view your client relationships in the short term, or transactionally, you are losing the biggest opportunity to create trust—the sense that your relationship will continue. No human relationship can last long if it always is cast as a series of one-off interactions. Whenever you do something within your client relationship, ask yourself (and your client) whether you would do the same thing again the next 37 times you have this interaction.

If your client insists on dealing transactionally, then perhaps that is a client you are better off giving to your competitor.

Principle 4. A practice of transparency, except where to do so is illegal or injurious to others. Nothing destroys trust more than lying or its close cousin, withholding truth. Keeping something back without clearly communicating why creates suspicions about your motives. And since imaginations far outstrip reality, those suspicions are likely to be harmful. On the other hand, if you can share information, thoughts, feelings, and backup

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data, then you give people the sense that you are being straight with them.

I have suggested in this article that the emotional components of trust are the most critical in determining a client’s level of trust in you. But you don’t actually have to believe that to benefit from these ideas. Unlike technical perfection, there is no upper limit to how good we can become at the emotional side of trust and influence. However relatively important you think that may be, it represents an opportunity to become better at gaining a client’s trust and confidence.

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Endnotes

1 Explore the trust equation further through a free 20-question online self-assessment tool at http://trustedadvisor.com/trustinstitute.trustquotient/m.

2 Robert Cialdini is the W.P. Carey Distinguished Professor of Marketing at Arizona State University and author of Influence: The Psychology of Persuasion (New York: Quill, 1993).

3 Thomas Friedman is a New York Times columnist and author of The World is Flat (New York: Farrar, Straus and Giroux, 2005); his remarks here are from the commencement address at Williams College, 2005.
