

NIRI Cleveland

Communications for IR Professionals

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Believe

- Don’t sell if you’re not sold.

- Control the narrative.

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Opening Ceremony

- Huddle
- Make a ceremony out of putting away your cell phone
- Educate the audience
- Seating
- Like the target

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Tell Stories

- Audience tries to determine what plot twists lie ahead instead of facts and logic
  - Building a case results in listeners (mentally) challenging you
- Nested loops
  - Five story lines, make pitch, them close fifth story line first
- Have the characters come alive by speaking directly in the first person, rather than indirectly in the third
- The storyteller should live the story
- Stand to the left of the audience

Storytelling vs. Probability and the Conjunctive Error

- Linda is thirty-one years old, single, outspoken, and very bright. In college she majored in philosophy. While a student she was deeply concerned with discrimination and social justice and participated in antinuclear demonstrations.

Which of the following statements is more probable?

- Linda is a bank teller and is active in the feminist movement.

- Linda is a bank teller.

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Tell Stories

- Build up a limited referral base with the Fort Knox test
  - Compliment the intelligence of your customers
    - “Choosy mothers choose JIF”
- Testable credential - asking customers to test a claim for themselves – Corning Glass
- Testimonials – Relatability is more important than stature; letters are good – voyeurism - address common customer concerns

Bold New Initiatives

- When conveying information of questionable quality, put three presuppositions in a row

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Speaking Tips

- Speak in a low voice
- Better to show anger than sadness
- When you are getting clobbered, slow things down

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Key Words

- Consequences
- Imagine

- The 12 most persuasive words in English are
  - *You, Money, Save, Results, Health, Easy, Love, Discovery, Proven, New, Safety, Guarantee*

- In marketing you might want to add this dozen
  - *Free, Yes, Fast, Why, How, Secrets, Sale, Now, Power, Announcing, Benefits, Solution*

Tips for Communication

- Oversympathizing makes someone's mood seem ridiculous without actually ridiculing it
- By giving advance warning of an emotion, you inoculate your audience from it
  - Delivering good news – no advance warning
  - Delivering bad news – advance warning
- Lobbying for a position
  - Distractions can be good
- Pronouns – he or she consistently; not his/her interchangeably
- $3,625
- When you communicate makes a difference

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Investor Issues

- Discuss pain points, not addressable market
- Results should be discount rate adjusted
- Real Options
  - Risky research projects reduce risk

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Persuasion

- You must get the person to call into question his beliefs rather than push a new belief structure onto him
  - This can be accomplished by asking a lot of questions
    - Questions demand attention
    - Questions prevent drift in attention
      - Speak 100-150 words per minute
      - Comprehend 600 words per minute
    - Even if questions are not answered aloud, they are answered internally

Persuasion

- Simply asking obstetricians in one hospital to explain voluntarily, without sanction, why they decided to perform a cesarean section rather than a natural childbirth, saw cesarean rates drop from nearly 1 to 4 to 1 in 10, avoiding overuse of a serious surgical procedure with no increased danger to mothers or children.

Persuasion

- Ask prospect to list lots of reasons why they like your competitor's product or service
- Recommend requirements
- The most productive arguments use the future tense
- The power of "because"
  - Most effective when events are beyond your control

Persuasion

- Presenting quantity versus quality of information
  - People with limited knowledge are more convinced by lots of different points
    - The more information you're given—the more impressive it seems—and so the less carefully you evaluate its merits.
    - When the rational part of the brain is overtaxed, it can't regulate the impulsive part => more impulsive decisions will be made.
  - People with substantial sophistication are more convinced by high quality information

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Persuasion

- Mental accounting – people take big chances and spend their gains, windfalls, tax rebates, stimulus checks, or bonuses more freely than their savings or salary
- When you argue against your self-interest, you are immediately seen as trustworthy and the next thing you say will be viewed as credible
  - When you disclose blemishes is crucial – MIT vinegar / beer experiment
  - There should be linkage between the good and bad issues

Communicating to the Sexes

- Men less aggressive in the afternoon
  - Men – how product works
  - Women – how product works with other products / customers
  - Position your product or service as the precision tool for him to conquer his environment.
  - Position your product as instrumental to making life easier and her nest more harmonious.

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Tips for Communication

- Men – stay on topic
- Women can better see relationship among topics

- Don’t tell men you will help them

- Women can better read body language than men

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Presenting Numbers

- Make numbers relatable to the audience. Do not use trillions, use thousands per household.
- Is driving safe or dangerous? Consider two sets of statistics:
  - For every 100 million miles that are driven in vehicles in the United States, there are 1.3 deaths. One hundred million miles is a massive distance, the rough equivalent of crisscrossing the country more than thirty thousand times.
  - Now consider another number: If you drive an average of 15,500 miles per year, as many Americans do, there is a roughly 1 in 100 chance you'll die in a fatal car crash over a lifetime of 50 years of driving.

Presenting Numbers

- Studies have shown that even just multiplying the single-year risk —presenting it as 10 in 1,000 or 100 in 10,000 instead of 1 in 100 —makes it more likely that people will pay attention to the event. Most people feel small numbers can be easily dismissed, while large numbers get their attention.

- Adjusting the time frame also can affect risk perceptions. For example, if the Richter Company is considering earthquake protection over the 25-year life of its plant, managers are far more likely to take the risk seriously if they are told the chance of at least one earthquake is more than 1 in 5 during the entire period rather than 1 in 100 in any given year.

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Presenting Numbers

- *Avoid microscopic numbers*.

- For example, saying that the risk of an event occurring when one is protected is half of what it is when one is not protected elicits a far stronger reaction than saying the risk is reduced from .006 without protection to .003 with protection.

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How Incremental Improvements Produce Dramatically Disproportionate Results

- by David Wanetick

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Thank You!

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