

IDEAS + INSIGHTS

'Perception Governs Behaviour' - #3 - The Media

Journalists have frequently pilloried financial planners but never more so than during the 'great financial crisis' that began in late 2007. The fuel for many of the articles has been the failure of investment schemes and ventures where members of the public have lost substantial sums, and even their life's savings. While we all endorse the opprobrium for the industry's bad apples, many journalists have gone over the top. Here's some discussion on how to cope.

There's a chestnut in journalism that goes like this: the headline proclaiming '*Dog Bites Man*' will not get the article beneath it read by anybody, but change it to '*Man Bites Dog*' and everybody is curious. In short, arresting headlines promote the desire to read what follows.

The so called great financial crisis has fed financial commentators' penchant for shrill headlines concerning financial planners, followed by provocative articles. Some examples:

- *Are You Being Served?* - Financial planning has been captured by Salesmen - by Stuart Washington, Sydney Morning Herald (SMH), 18/7/09
- *Financial Planners Escape Again ...* but this won't end the temptation to service their interests rather than yours - Alison Kahler, Weekend AFR, 2/8/09
- *Why Financial Planners Are Smiling Even As Regulators Hover*, by Ian Verrender (SMH), 14/11/09

To the extent that these stories identified the financial industry's ne'er-do-wells, they served a very useful purpose: identifying baddies, and nailing them, is a public good performed by members of the fourth estate (notwithstanding the apparent mathematical error in Mr. Verrender's piece).

Frequently, however, instead of using words as well-aimed arrows, too many journalists throw a net (frequently dipped in bile) across the whole financial planning constituency, and in so doing malign, and collaterally damage, the vast majority of planners who provide needed services for their clients, and who, in line with long standing tradition, have been remunerated by commissions for doing so.

When I ran a financial practice of my own, my first reaction on reading negative articles was to be defensive. After consideration, I contacted several journalists, not to complain so much as to explain inaccuracies and questionable conclusions.

The few that agreed to meet me were, by and large, pleasant people: not one had horns or long pointy tails. I soon learned that the reality of their existence demanded that they find meaty stories to tell.

The truth is that we'll always have some bad apples in the financial services industry; accordingly we'll always have the media reporting on the negatives that thrive within it.

So, what to do, apart from abiding by all the rules and being exemplars of righteous behaviour? Well, first, consider working with someone in public relations: someone who will encourage you to highlight the innovative ways in which you differentiate from competitors; someone who will help to write your story; and someone who will take that story to the right people in the media.

I did this some years ago, and PR expert Simon Morgan got a story of ours (*Now Sorted!*) into just about every major newspaper in Australia. Incidentally, this was a great investment, and proved far from being a prohibitively expensive exercise. It demonstrated beyond doubt that journalists will write a good story if they believe it will interest their readers.

Another idea is to send PDFs of negative articles to clients, with a tag along the lines of: *Read this knowing that we are proud run a practice that is completely distanced from the egregious behaviour described. And sleep at night knowing we value you extremely highly as our client.* The principle is similar to vaccination in that you are alerting clients to the dangers out there, whilst simultaneously immunising them against their harmful effects.

Meantime, the elephant of change is moving from commissions to fees, and we'll talk about that in #4 in this series.

If you'd like any input on media tactics, just give us a call.

