

Coach's Corner

Our latest commentary to help you elevate the success of your practice

Disclosure



The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness. Past performance is no guarantee of future results.

[Attracting Clients](#) | [Bridge to Referrals](#)

Mine The BEAT to Help Make First Encounters Count

By: David Richman | April 18, 2024

With so many economic crosscurrents and geopolitical tensions, do first encounters ask you what you're telling clients when they find out you are a financial advisor? Use an ism and, perhaps, a thesis as answers.

Isms are **timeless** regardless of market conditions and theses are **timely**. Both should be pithy sound bites that connect the dots between your financial beliefs and the advice you deliver to clients.

Here's what a conversation might sound like leveraging an ism from Jim Caron, Chief Investment Officer of the Portfolio Solutions Group at MSIM, and a thesis from [The BEAT](#).

Encounter: "You're a financial advisor? I am sure the market has it wrong and inflation is going to be a bigger problem than the market thinks. What are you telling your clients today?"

Advisor: "**Noise is often confused with signals.**" An ism.

Encounter: "OK, so what signals are you focused on *right now*?"

Advisor: "One signal we are focused on is the labor market. We believe **labor markets are cooling, not collapsing**". A thesis.

Below, Jim explains what he means by "**noise is often confused with signals**":

"Investors often try to find signals in financial markets by simplifying complex matters. The result is a narrative that reflects noise instead of signals. Confusing noise with signals can cause investors to measure the wrong data relationships and form a view that leads to suboptimal decisions when managing risk. You can't manage what you can't measure. So, the focus needs to be on measuring signals, not noise, to drive more optimal investment decisions and create a repeatable investment process."

[The BEAT](#) is a great resource to mine for topics on which you should have a timely thesis. Below is additional context for the thesis, "**labor markets are cooling, not collapsing**," from the April issue.

"Perhaps the key element to a "soft-landing" view is that labor markets cool enough to slow wage inflation, which in turn should lower price inflation. But simultaneously labor must remain strong enough to avoid a collapse that would trigger a sharp decline in consumption and GDP, leading to a risk of recession. We are closely monitoring how this ultimately plays out, as it is an essential ingredient for keeping earnings growth rates intact and supporting equity prices. The interplay between wages, unemployment and consumption is a key risk indicator on our radar screen."

Leverage the power of isms and theses to make first encounters count and be ready for follow-up questions.

Bottom Line: Develop your isms and theses, then, identify ways to incorporate them into all dimensions of conversations with existing and

prospective clients.

At the Advisor Institute, our goal is not to shape your opinion or provide investment advice, rather to share this viewpoint as an example of what we believe to be a superb display of thesis articulation.

Related Content

[BLOG: Discover the Power of the Disengage](#)



David Richman
Managing Director
Advisor Institute

"Leverage the power of isms and theses to make first encounters count and be ready for follow-up questions."



To report a website vulnerability, please go to [Responsible Disclosure](#).

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

For USA PATRIOT Act Disclosure Notice please click [here](#).

 This image indicates content designed specifically for Financial Advisors / Investment Professionals. This material is not to be used with the public.

Before investing in any Eaton Vance, Calvert or Morgan Stanley Investment Management Inc.-advised fund, prospective investors should consider carefully the investment objective(s), risks, and charges and expenses. Read the prospectus carefully before you invest or send money. For **open-end mutual funds**, the current prospectus contains this and other information. To obtain an **open-end mutual fund** prospectus or summary prospectus and the most recent annual and semiannual shareholder reports, contact your financial advisor or [download a copy here](#). For **closed-end funds**, you should contact your financial advisor. To obtain the most recent annual and semi-annual shareholder report for a closed-end fund contact your financial advisor or [download a copy here](#). To obtain an **exchange-traded fund**, ("ETF") prospectus or summary prospectus, contact your financial advisor or [download a copy here](#).

Before purchasing any **variable product**, consider the objectives, risks, charges, and expenses associated with the underlying investment option(s) and those of the product itself. For a prospectus containing this and other information, contact your investment or insurance professional. Read the prospectus carefully before investing.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

Eaton Vance does not provide tax or legal advice. Prospective investors should consult with a tax or legal advisor before making any investment decision. The information on this Web page is for U.S. residents only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

© Eaton Vance Management. All rights reserved.

Eaton Vance open-end mutual funds are offered through Eaton Vance Distributors, Inc. One Post Office Square, Boston, MA 02110. Member [FINRA](#) / [SIPC](#). Exchange-traded funds are distributed by Foreside Fund Services, LLC.