

# Quick Reference Card (QRC)

## Utilizing Weapons of Influence for Equity Research

### Use the weapons below to win over information sources

Weapons of influence* and their application to equity research	Use with information source	Use with PM (or client for sell-side)
Reciprocation: offer to do something for the individual in hopes of getting what you need in return	This can be used with an information source by offering to send them something they need or answering questions they have about the industry, their company or stock prices.	Sending a PM/client something they would likely find valuable even if they didn't ask for it.
Commitment and consistency: Asking for a small commitment on their part so they are more open to the next exchange	When speaking with a new information source, ask for something very small, such as "would it be okay if I call you in 2 weeks?" When you make that call in 2 weeks, start "I want to thank you for agreeing to let me call you today..." because it will reinforce with them that they agreed to this conversation.	Asking a PM/client "if I do some additional work in this area would it be of value to you?" When you return with the additional work, remind them, "Based on our previous conversation, I followed through with this additional research" because it will reinforce that they asked you for this.
Social proof: to get others to act, suggesting it's common practice or in high demand	This can be helpful if calling an information source who may not be sure if he/she can speak to financial analysts. Start by saying, "I speak with a number of industry experts like you, but I never ask directly about their companies because that's often prohibited." This serves two purposes. First, it builds the image in their mind that they are not the only person doing this. Secondly, it shows that you are staying ethical with your actions and looking out for their interests.	Highlighting to a PM/client "a number of other PMs/clients have been asking me about this issue" will likely influence them to look into your work more intensely.
Liking: Making an effort to get the person to like you	Try to connect with the person by seeking something of common interest, which often makes them like you. Asking about things like their children, holiday plans, hobbies, etc., will show you have interest in them and often lead to something that you can connect with. If you are good at telling stories or jokes and time allows, doing so will often help the person to like you more. Try to read the cues to ensure you're not wasting their time.	
Authority: Demonstrating you are the authority on a topic	Even though you don't have authority over information sources or PMs/clients, you can be considered an authority. Continually take the conversation to a place where you have knowledge that they want or need. This will strengthen their interest in staying engaged.	
Scarcity: Convey that access to you or your information sources may be limited	After you have developed a number of information sources that are superior to the rest, host a call or event (dinner at industry event) with them to show they are part of an exclusive club. This can be done as infrequently as twice a year, as long as it clearly reinforces that the information source needs to continue to be of help if they want to remain part of the group.	Try to limit your personal interactions to situations where you have high-value information so that they consider time with you very precious. If you are updating them on every insignificant detail, you will lose scarcity value and likely the ability to influence.

\* The concept "Weapons of Influence" is from Robert Cialdini, author of *Influence: Science and Practice* as well as *Influence: The Psychology of Persuasion*.