

# Chapter 4

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## Influence Others to Accumulate Insights and Get Heard

### Introduction

The U.S. Department of Labor has an exhaustive list of skills describing the financial analyst, ranked in order of importance from highest to lowest (U.S. Department of Labor, 2009). It's a respectable list except that influencing skills ranked quite low (*social perceptiveness* ranked fifteenth, while *persuasion* came in at seventeenth). The list furthers a common misperception that being a successful analyst is primarily about understanding companies and their financial results. What I learned as an analyst and then as a manager of analysts, is that the most effective analysts are *those who can influence others*.

In almost any action where an analyst is communicating with somebody, there is an influencing element involved. The best analysts routinely use their influencing skills to be more effective. To illustrate this point, here are just a few common examples where influencing skills are critical to the role:

- A buy-side or sell-side analyst influencing:
  - Industry sources to obtain needed information through one-on-one conversations or more broad-based requests such as surveys.

- Internal colleagues to obtain important information from other sectors.
- A portfolio manager to take the analyst's advice or reward the analyst for providing helpful insights.
- A sell-side analyst:
  - Writing a persuasive report or leaving a persuasive voicemail to motivate clients to take action on the recommendation.
  - Influencing the salesforce to make investment recommendation calls to clients.

Don't confuse influencing with coercion or manipulation; they are very different concepts. Coercion and manipulation are about getting a desired behavior from another person regardless of their needs or desires. Since most analysts don't have direct authority over most of their stakeholders, they'll need to rely on influencing.

## **Skills Required for Successful Influencing**

There are a number of important skills required for all types of influencing, whether speaking to superiors one-on-one or e-mailing an information source. It's critical to possess these skills (Dent & Brent, 2006: 28):

- Self-awareness
- Communication skills (both speaking and writing)
- Awareness of others' needs
- Listening skills
- Adaptability
- Network building
- Confidence
- Credibility

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