

Better conversations. Better outcomes.

Investor archetypes

Tailoring your communication style to your clients' personalities.

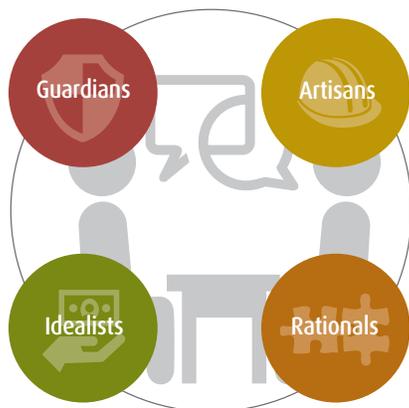
Are you connecting with your clients? Can they all say, "My advisor gets me...we really click"?

Communicating with your clients about their financial plan involves more than just numbers and charts. You need to connect with them on an emotional level. This requires having a deeper understanding of what motivates your client and drives them to make financial decisions.

To have **better conversations** with your clients—and build stronger relationships—you need to talk with them in their own language. This can be accomplished once you determine your clients' personality temperament, which is the cognitive and emotional way they see the world. Depending on their temperament, some clients may prefer plain language while others prefer anecdotes.

How do you determine which kind of language to use with your clients?

The starting point for our framework is the four temperaments developed by Dr. David Keirsey: **Guardians, Artisans, Idealists** and **Rationals**.¹ When applied to financial decisions, Keirsey's personality types become investor archetypes.²



Within this paradigm, the members of each group are defined by their basic behaviors toward money and saving, and most importantly, by the benefits they want from their investments.³

This guide provides a snapshot of each investor archetype along with tips on how to identify and tailor your conversations and planning approach to each temperament. Knowing your clients' temperament allows you to have **better conversations** with them, which can lead to **better outcomes**.

"If you talk to a man in a language he understands, that goes to his head.

If you talk to him in his own language, that goes to his heart."

— Nelson Mandela
Statesman and famous idealist

Helping you engage in better conversations that drive better outcomes is at the very heart of who we are at BMO Global Asset Management. And we do that by providing you with ideas, access and ease.

- **Ideas** — Unique insights into wealth planning and financial decision making.
- **Access** — Direct access with our investment teams and experts.
- **Ease** — Making it easy to put ideas and access into action.

Let's start better conversations!

Tips for adapting your client development process to match your clients' archetypes.

	Assess	Recommend	Implement	Ongoing review
 <p>Guardians</p>	<ul style="list-style-type: none"> showcase your credentials 	<ul style="list-style-type: none"> develop step-by-step plans with facts, figures and attainable goals 	<ul style="list-style-type: none"> be the trusted authority, sharing past experiences and examples 	<ul style="list-style-type: none"> client events with industry experts to help educate and reassure
 <p>Artisans</p>	<ul style="list-style-type: none"> paint a picture of how you will work together 	<ul style="list-style-type: none"> find images to document the landmarks on their journey 	<ul style="list-style-type: none"> allow for spending today, show them your flexibility 	<ul style="list-style-type: none"> automatic investment plans can keep them on plan and focused elsewhere
 <p>Idealists</p>	<ul style="list-style-type: none"> identify a principle or charity to which you both relate 	<ul style="list-style-type: none"> personalize a roadmap based on their needs 	<ul style="list-style-type: none"> highlight their mission using images and pictures 	<ul style="list-style-type: none"> frequent in-person meetings to build a sense of connection
 <p>Rationals</p>	<ul style="list-style-type: none"> plan to be challenged and questioned on a variety of topics 	<ul style="list-style-type: none"> expand the plan and include complex details and know every aspect 	<ul style="list-style-type: none"> dive right into formulas and strategies 	<ul style="list-style-type: none"> thought leadership and high-level commentaries provide the needed challenge

What is your native language? And what language do your clients speak?

The following questionnaire is directly from “Someday Rich” by Timothy Noonan and Matt Smith.⁴ It’s designed to help you identify your clients’ primary investor archetypes.

Before sending this to your clients, we suggest you first determine your own archetype as it affects your style of communication as well.

Then, work the questions into your initial fact finding, during a quarterly review or send it to a prospect/client for completion in advance of your next meeting.

Complete the following statements:

1. I feel best about investments and myself when I:

- a. Act quickly on opportunities
- b. Help others as well as myself
- c. Have a solid financial plan
- d. Am successful at implementing a complex strategy

2. When the market and my stocks go up, I feel:

- a. Excited and stimulated
- b. Enthusiastic and inspired
- c. Cautious and prudent
- d. Skeptical and calm

3. When it comes to my financial affairs, I tend to be:

- a. Practical and opportunistic
- b. Compassionate and empathetic
- c. Dutiful and diligent
- d. Efficient and pragmatic

4. I most respect very successful investors when they:

- a. Are bold and adventurous
- b. Use wealth to better society
- c. Are frugal and responsible
- d. Are independent minded

5. When evaluating a certain investment, I most trust:

- a. My gut
- b. My friends
- c. Bottom-line facts
- d. Logic

6. When advising a friend who lost money on an investment, I would tell him:

- a. These things happen. It will turn around soon.
- b. It’s best to stick with what you truly believe in.
- c. You should fully explore the risk before investing.
- d. If it seems too good to be true, it probably is.

Use the answer key on the back cover for results.



A copy of the quiz is available to download at bmogamviewpoints.com/investor-archetypes

Investor archetypes



- 40-45% of population⁵
- Live by a plan
- Newsletters and articles
- Client events that educate and reassure

Famous Guardians:

- Harry Truman
- Barbara Walters
- Warren Buffet
- Martha Stewart

Who are they?

Guardians will often describe themselves as “practical,” “pragmatic” or perhaps even “prudent.” You’ll likely perceive them as frugal. They are more interested in preventing disruptions to their family than they are in discussing rates of return.

You’ll tend to find them taking care of someone or something, making sure they’re safe. Likely occupations include administrative and regulatory authorities, safeguarding of property and the caretaking of physical health.

How to put this into practice?

Be orderly. Be linear. Be literal.

Build them a plan. For a Guardian, it’s all about the plan. They are looking for a step-by-step path to get from here to there — and being “there” means feeling secure.

Keep them on track. Dutifully scheduled periodic reviews are needed to update them on their progress, or lack thereof.

Educate and assure. Newsletters and client events with industry experts can help if the focus is on educating and working toward their goal of security.

Conversation starter: New and prospective Guardian clients may want to hear about your credentials and your long-standing client relationships. Impress them!



- 30-35% of population⁵
- Live without a plan
- Auto-pilot strategies such as AIPs and DRIPs
- Focus them on the money they can spend today

Famous Artisans:

- Pablo Picasso
- Elizabeth Taylor
- Steven Spielberg
- Eva Perón

Who are they?

Artisans are enterprising craftsmen. They are opportunistic about life and investing. When asked for their views on any specific investment, they’ll likely say they trust their instincts. To them, accepting risk is part of the reward.

Literally or figuratively, you’ll probably find them building something. With their hands or their minds, they’ll be transforming something into something greater. Artisans are often found in hands-on professions, like carpenters and surgeons, as well as entrepreneurs and salespeople.

How to put this into practice?

Cut to the chase. Focus on the now.

Meet their needs. As an Artisan, they’ll want to know how much they can enjoy the present. However, you need to make sure today’s “fun” is not at the expense of saving for tomorrow.

Watch their risks. Introducing the thrill of speculation to an Artisan can help them reach their long-term goals, but keep an eye on their overall risk levels.

Today comes after tomorrow. Focusing their attention on their near-term wants can be the best pathway to their long-term goals. Automatic investment plans are a powerful tool.

Conversation starter: Your Artisan clients and prospects will want to hear that “doing” is an integral part of the plan. Show them that you — and your financial planning — can be flexible by presenting different scenarios.

Speak your clients' language, and you'll earn their heart and their business.



- 15-20% of population⁵
- Want a “big picture” plan
- Analogies, metaphors and everyday examples
- In-person meetings and personal correspondence

Famous Idealists:

- Nelson Mandela
- Princess Diana
- Pope John II
- Oprah Winfrey

Who are they?

The self-identities of Idealists are inseparably tied to their ability to give. Who they are is primarily defined by the resources they share with others. They may openly shy away from being seen as wealthy or successful by traditional measures.

You may see them as countercultural because they may have little to no interest in their own financial planning or monetary success. They are often drawn to careers in counseling, journalism, ministry and other occupations that focus on inspiring others.

How to put this into practice?

To act as their guide, you'll need to share their goals.

Be visual. The Idealist needs a guide for their journey, and you may need to visually show them the path—with a client roadmap and/or goals-based reporting. Be sure to include images and pictures to help convey the plan.

Keep it simple. Your conversations should be based in plain language and include analogies and metaphors, if appropriate. Avoid mass-produced communications. Personalized communications work best as a means to show sincerity.

Keep them safe. Watch the Idealist's generous nature. They may need your help in managing requests for money, particularly from family members and the charities they hold dear.

Conversation starter: From the outset, an Idealist will need to know you can build a plan that aligns their personal beliefs with their financial plan. Let them know you can help them give more.



- 5-10% of population⁵
- Want complex, process-driven plans
- Challenge their intellect
- Economic commentaries and thought leadership

Famous Rationals:

- Mark Twain
- Golda Meir
- Bill Gates
- Margaret Thatcher

Who are they?

Rationals are highly skeptical, independent thinkers. You may spot them delighting in challenging conventional wisdom or the status quo. When it comes to investing, they're calm and confident—but only after building their understanding of the risks and rewards.

At the head of the pack is where you'll likely find Rationals, though it's just as likely they'll find you. In leadership positions, both in and outside the military, as well as logistics and engineering, they often excel in process-driven professions.

How to put this into practice?

Respect their intellect, but challenge their skepticism.

Share your knowledge. A Rational will be looking for a planner who shares his or her rationality, but will ultimately want a sensei who is willing to teach, not merely direct.

Openly discuss risk. Investing will look like just another process to be “mastered,” so you'll need to explicitly discuss risks to keep them from fixating on simply maximizing returns.

Be a thoughtful leader. Attract and keep your Rational clients engaged with market commentaries and thought leadership, even if it's complex—they'll relish the challenge.

Conversation starter: Rationals are much more interested in “new and improved” than “tried and true,” and discussing exotic investment strategies will be seen as a learning opportunity. Play the teacher and challenge the student.

Answer key:

Total your responses for each letter. Your archetype corresponds with the letter for which you have the largest number of answers.

Once you have determined the investor archetype for yourself and your clients, tailor your communication and planning style to best match each temperament. Refer to the chart on the following pages for best practices designed to enhance your conversations with them.



a. Artisans:

The value of money is defined by how it is used.



b. Idealists:

Being financially successful means being able to give.



c. Guardians:

Money means safety and security.



d. Rationals:

Money and financial planning differs little from any other challenge.

? Continue the conversation

BMO Global Asset Management Better Conversation Guides provide insights into some of the biggest challenges to your success.

Connecting with your clients' heads has always been a necessity—but connecting to their hearts will differentiate you and your practice in today's crowded marketplace. Once you have identified your clients' Investor Archetype, we're here to help you put that knowledge into practice.

Visit the Advisor Resources section on the BMO Global Asset Management Viewpoints website at bmogamviewpoints.com for additional resources and information to help make your next client conversation a better conversation.

Contact us



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¹ "Please Understand Me: Character and Temperament Types," David Keirse and Marilyn Bates. Prometheus Nemesis Book Company (1978).

² "What Investors Really Want," Meir Statman. McGraw-Hill Education (2010). Many of the concepts related to how different personalities think about financial matters came from the work of Professor Statman and conversations the authors of Someday Rich had with Professor Statman.

³ "Investor Archetypes (bmogamviewpoints.com/investor-archetypes)," podcast with Matt Smith, Managing Director, BMO Global Asset Management, discusses the origin and development of the four investor archetypes, highlights their usefulness to Financial Advisors and their importance in the financial planning process.

⁴ "Someday Rich: Planning for Sustainable Tomorrows Today," Timothy Noonan and Matt Smith. Wiley (2011).

⁵ Range of percentages represents estimated portions of the population, www.keirsey.com.

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