

# Engaging and enriching client relationships

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FQQQ  
**CONGRESS**  
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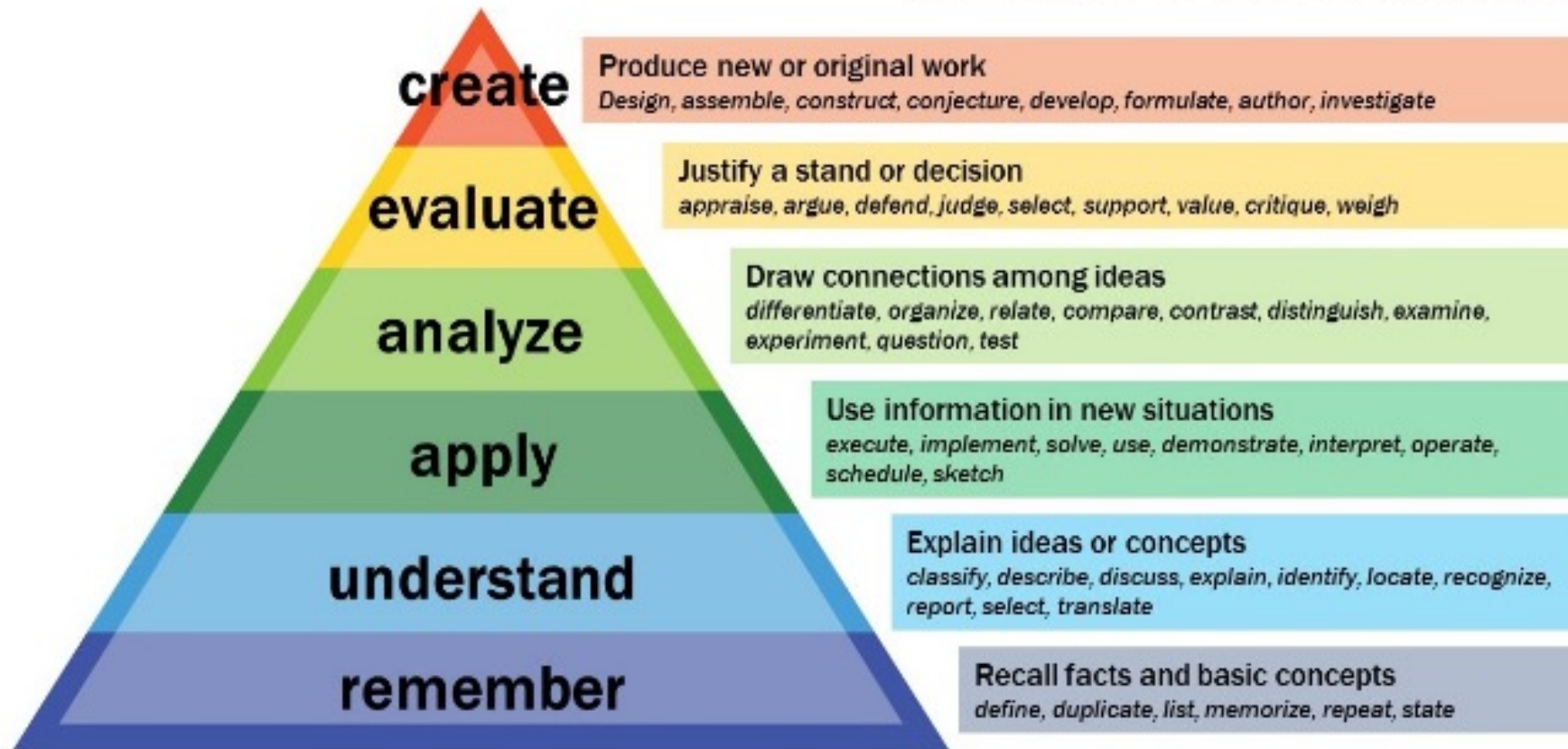
# Learning outcomes

- Apply principles of education theory to ensure clients understand strategy advice
- Utilise Bloom's Taxonomy to satisfy code of ethics requirements for client care
- Support clients to identify their own behavioural biases
- Develop and enrich client relationships that demonstrate the value of advice

# Who has heard of Bloom's Taxonomy?

What do you know about it?

# Bloom's Taxonomy

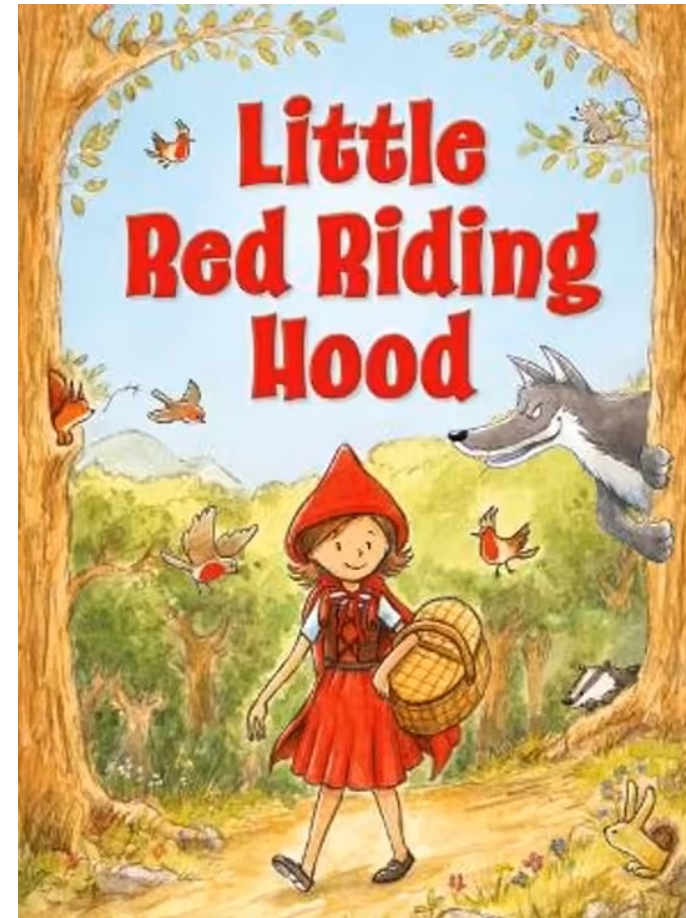
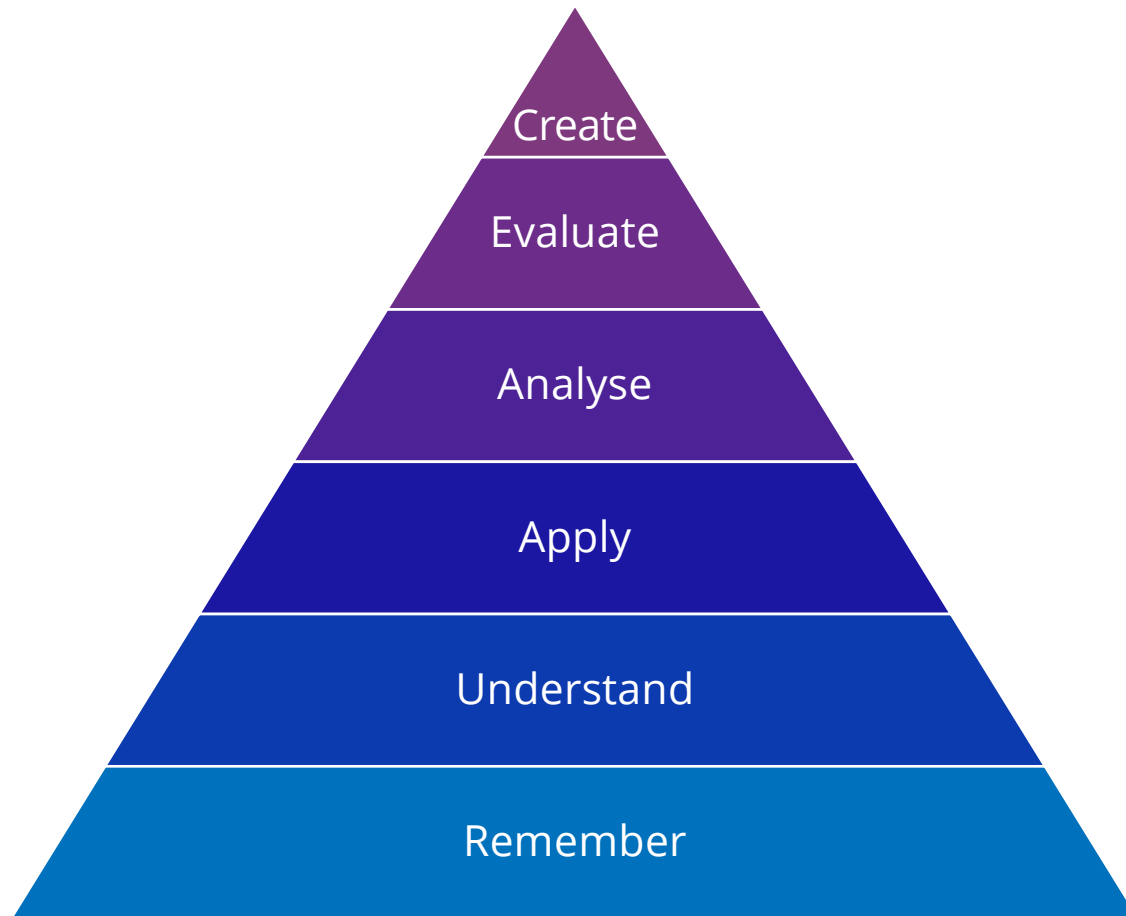


Source: Armstrong, P., Vanderbilt University Center for Teaching, <https://cft.vanderbilt.edu/guides-sub-pages/blooms-taxonomy/>

# Using Bloom's Taxonomy

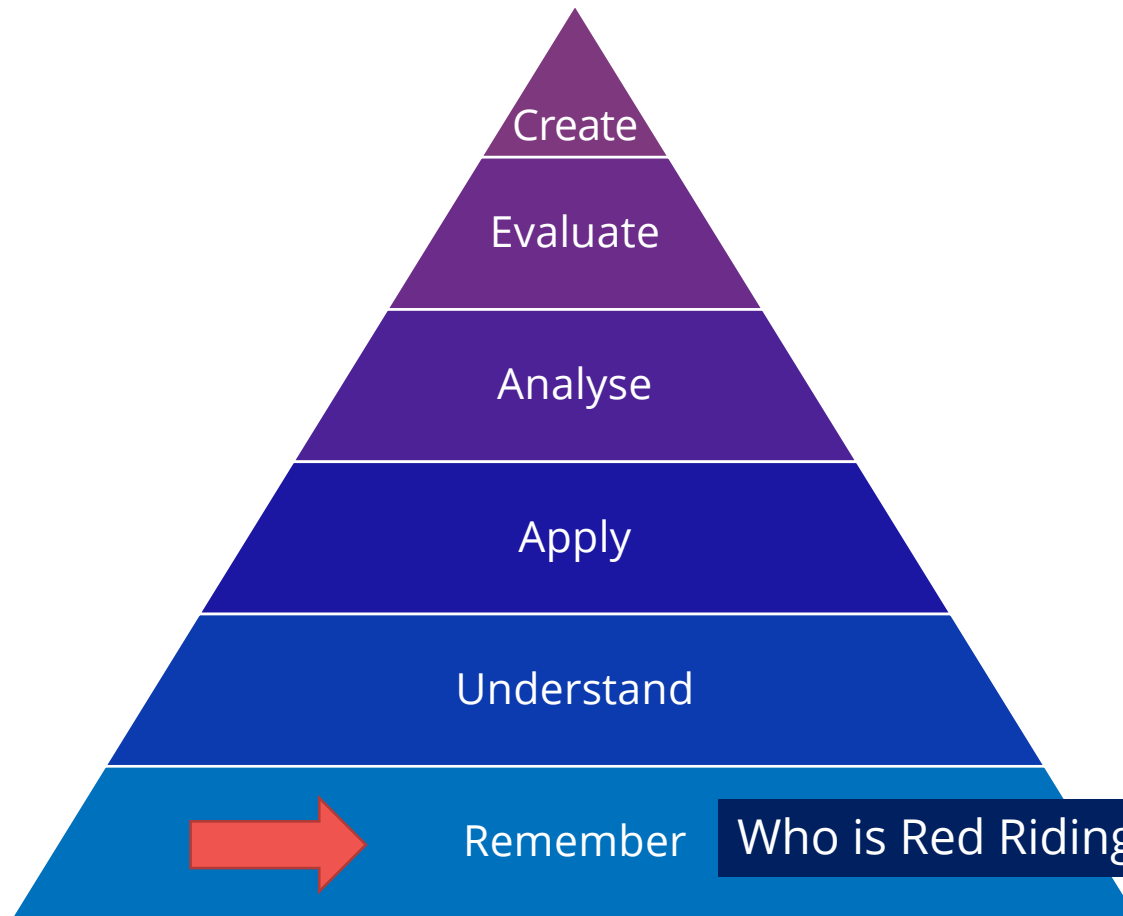
- Can encourage us to think about learning in behavioural terms – what action is it that we want the learner to undertake?
- Highlights the need for learning objectives that require higher levels of cognitive skills as this leads to deeper learning and transfer of knowledge and skills across different contexts.

# Simple example of using Bloom's Taxonomy

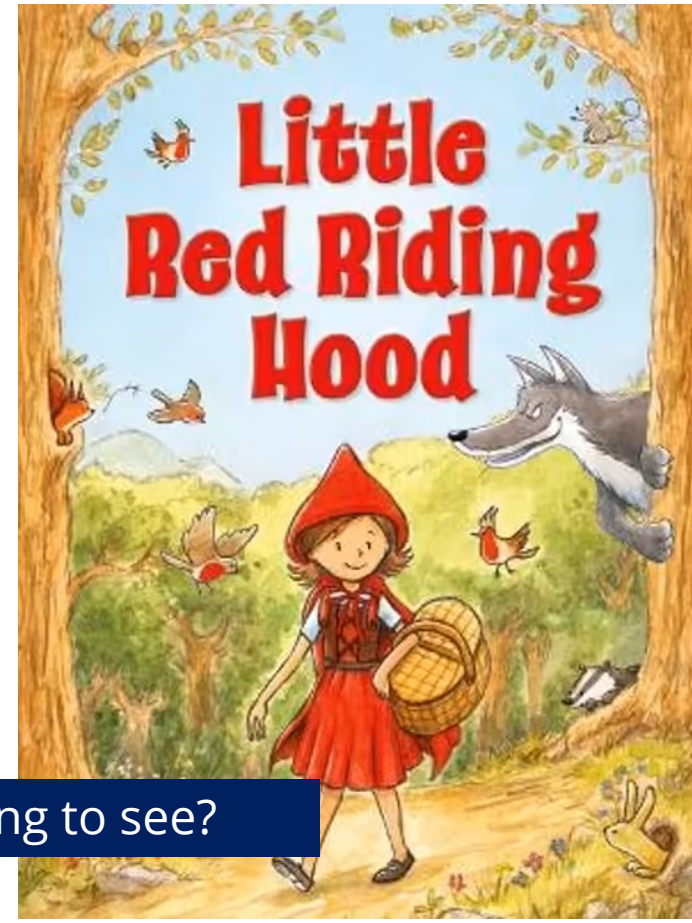


Source: Booktopia

# Simple example of using Bloom's Taxonomy

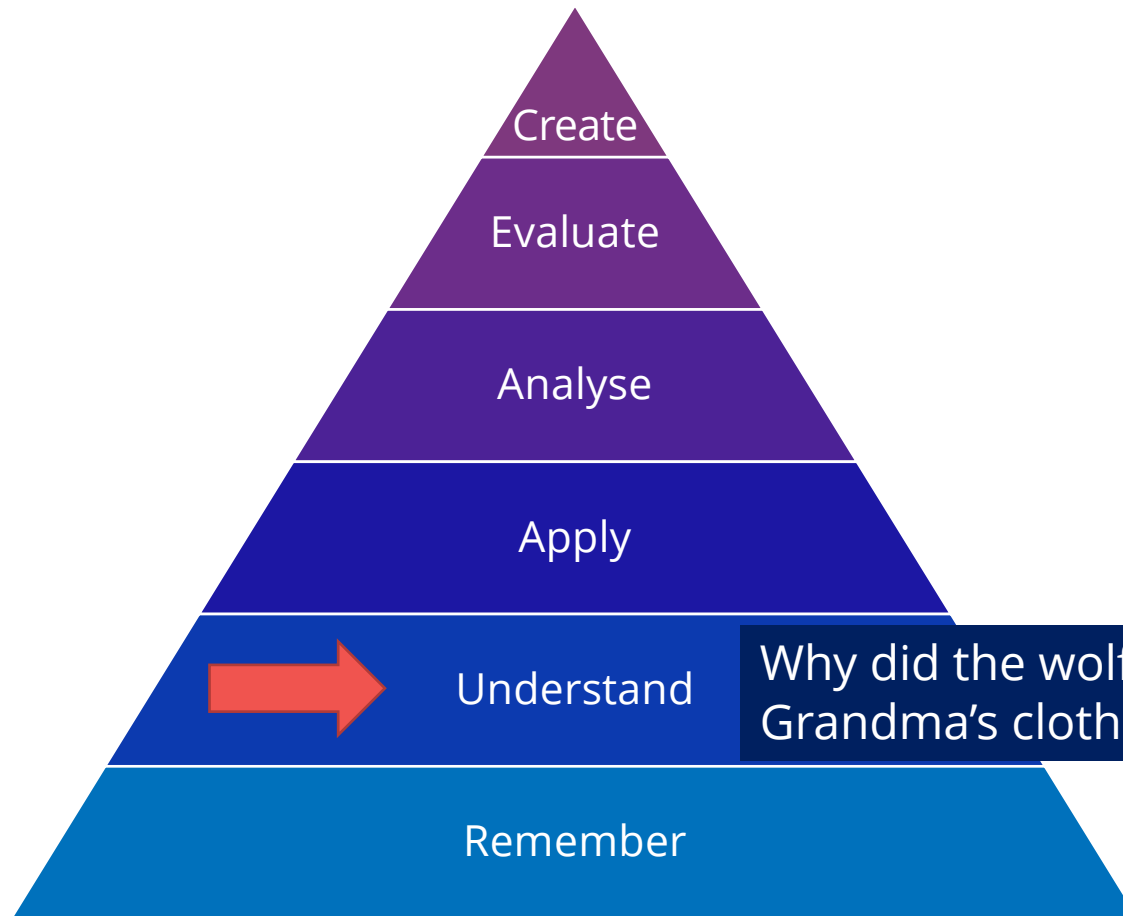


Who is Red Riding Hood going to see?

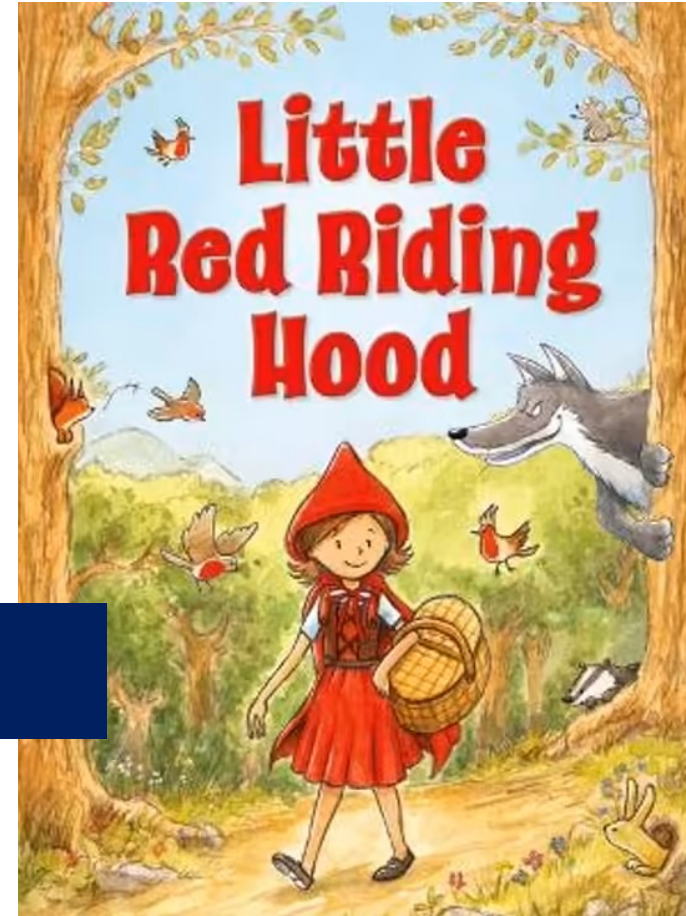


Source: Booktopia

# Simple example of using Bloom's Taxonomy



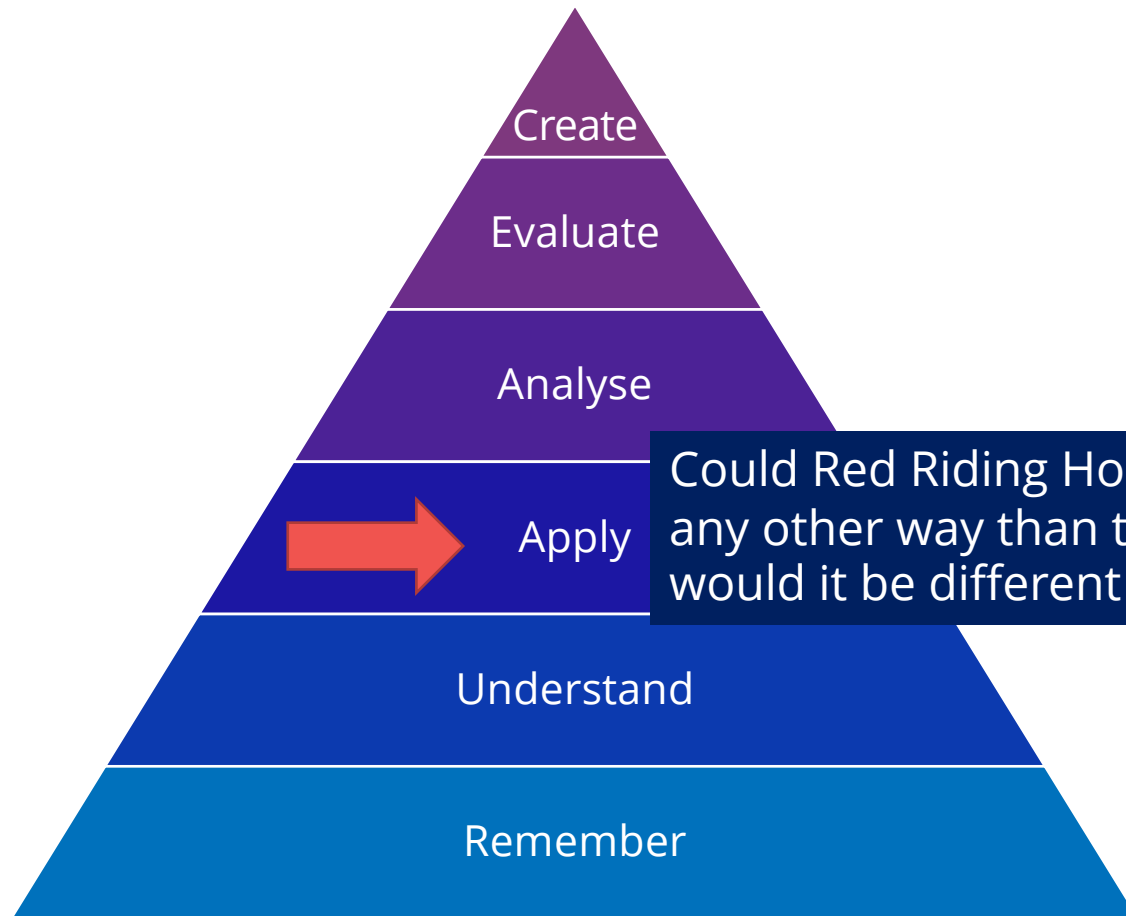
Why did the wolf wear Grandma's clothes?



Source: Booktopia



# Simple example of using Bloom's Taxonomy

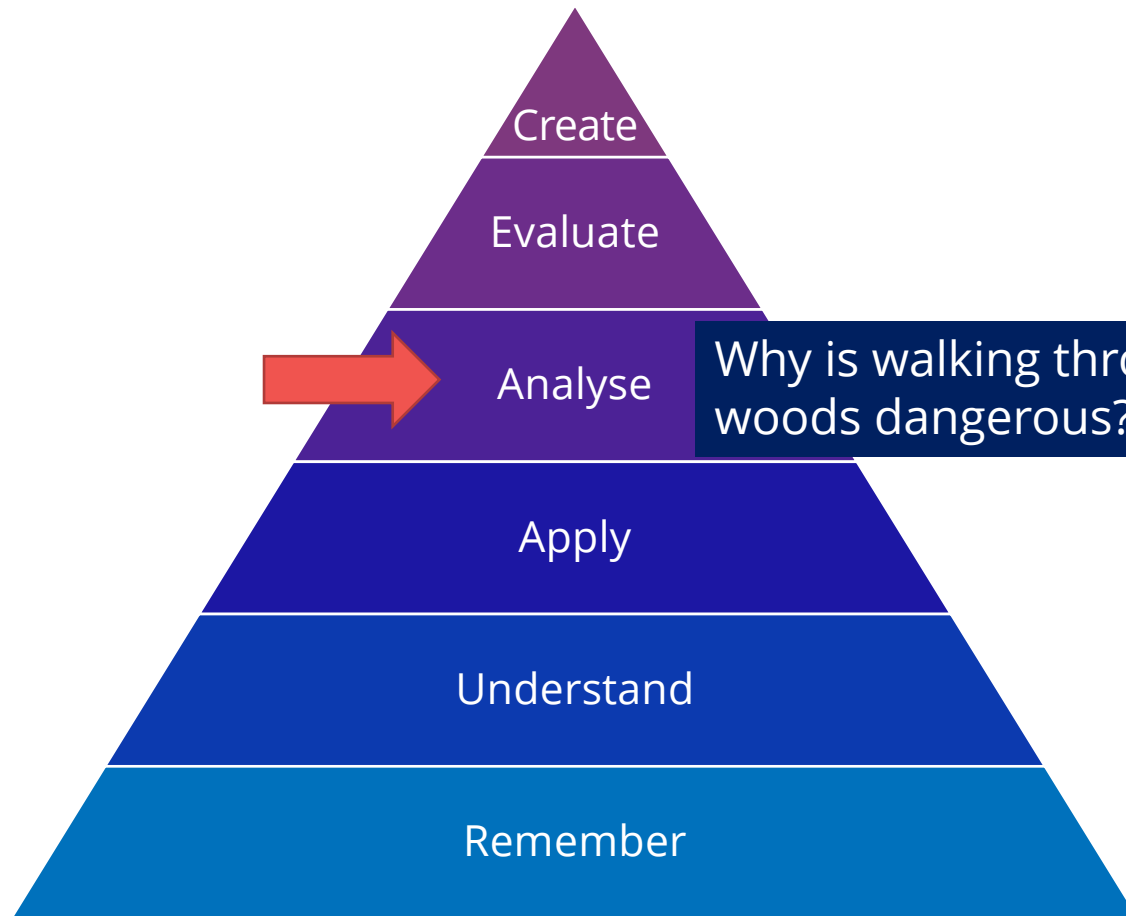


Could Red Riding Hood go to Grandma's any other way than through the woods / would it be different if she took a friend?

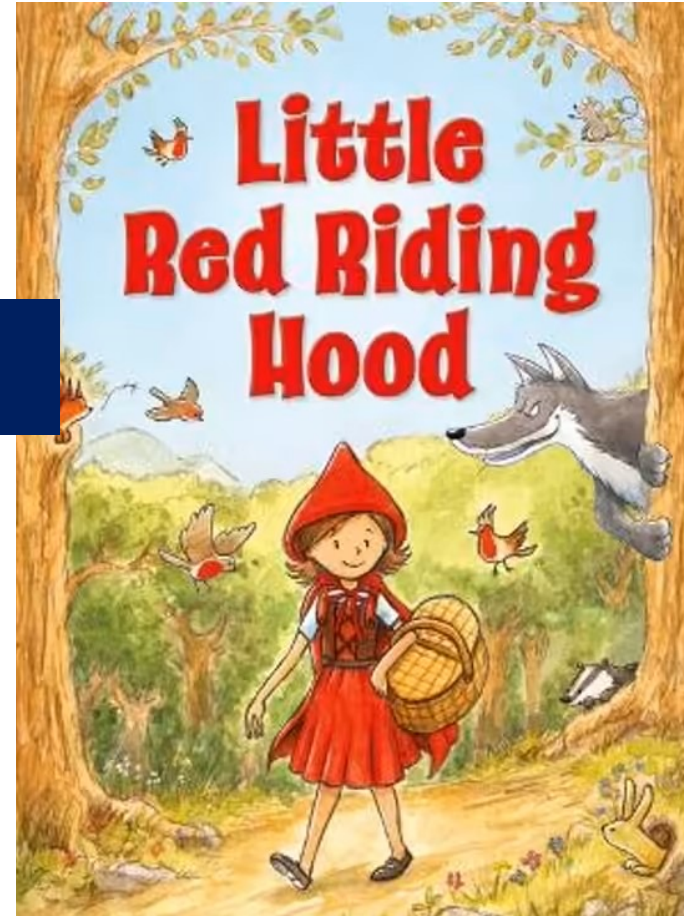


Source: Booktopia

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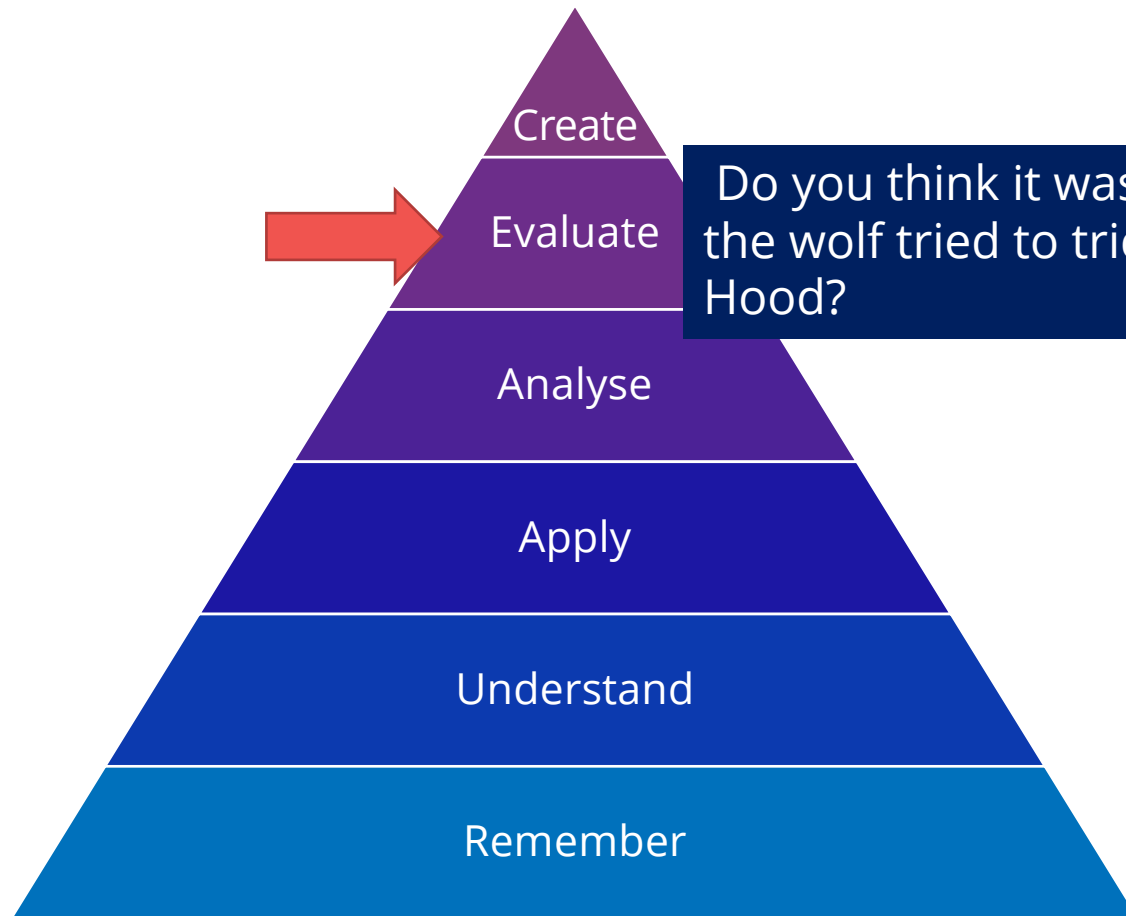


Why is walking through the woods dangerous?



Source: Booktopia

# Simple example of using Bloom's Taxonomy

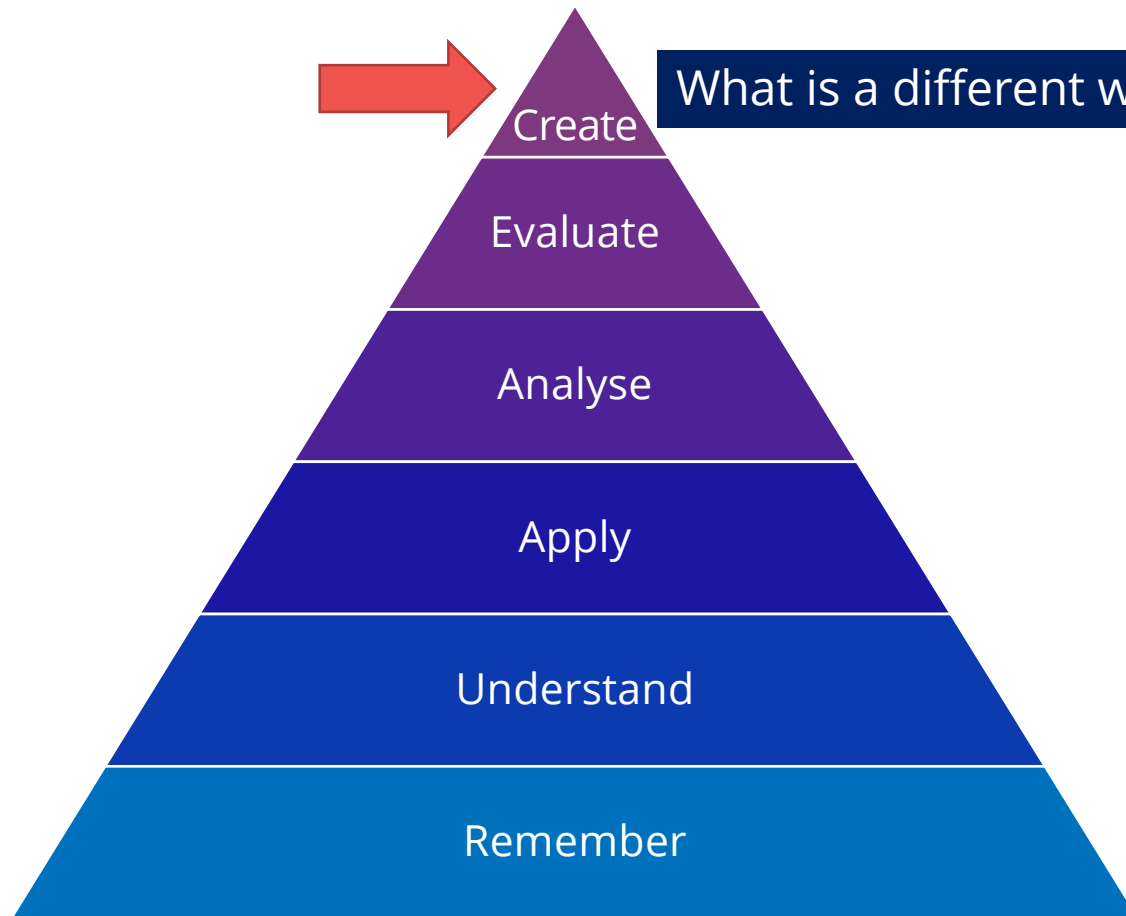


Do you think it was wrong that the wolf tried to trick Red Riding Hood?

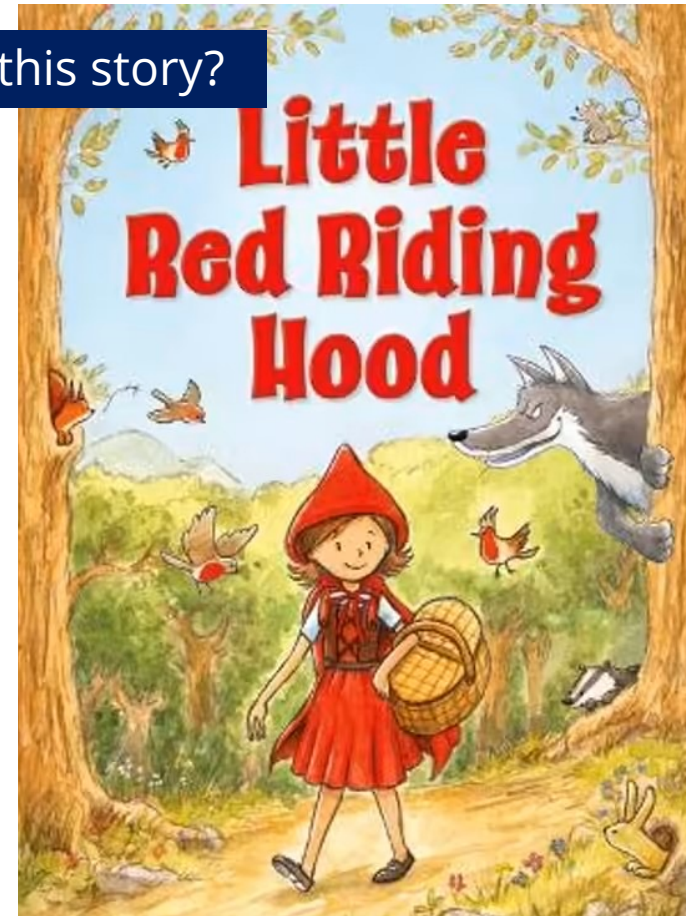


Source: Booktopia

# Simple example of using Bloom's Taxonomy



What is a different way to end this story?



Source: Booktopia

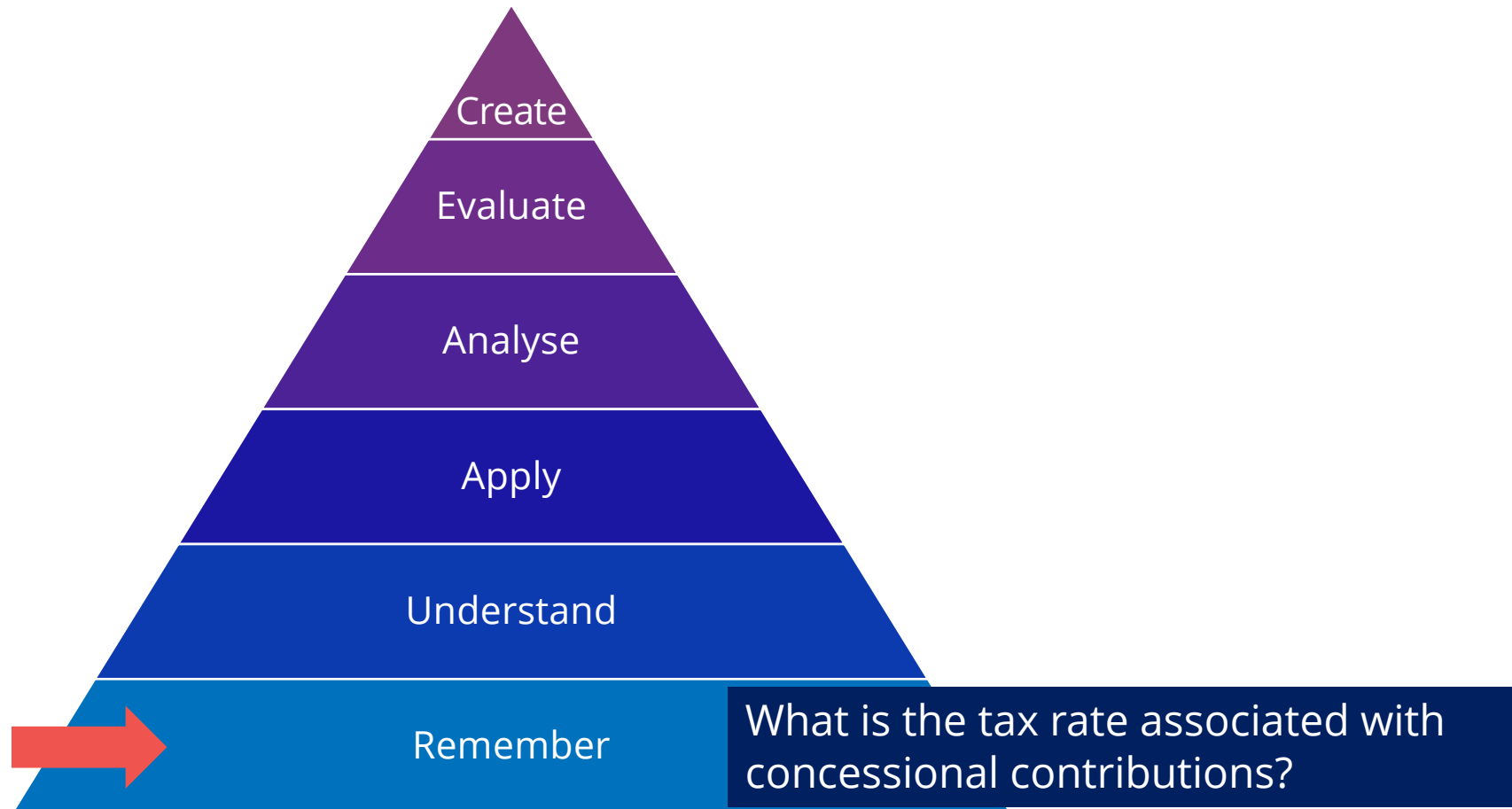
# Superannuation Case Study: Jack & Jill

Jack and Jill, both 40 years of age are married with one child Josh aged 4.

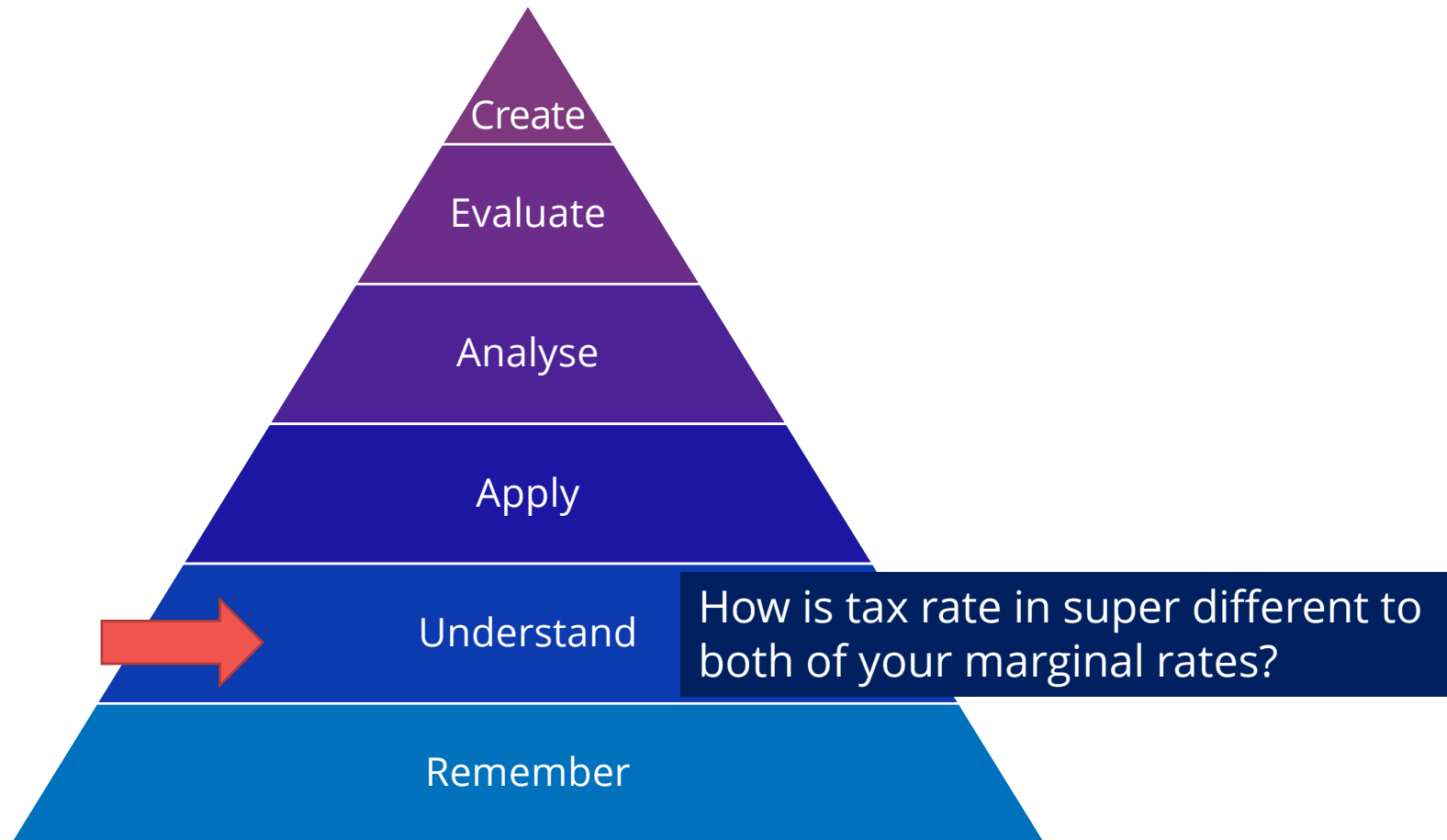
- Jill works full-time earning \$150,000p.a.
- Jack works part-time earning \$35,000p.a. while studying and caring for Josh.
- They are seeking advice regarding their superannuation contributions.
- Jill has always contributed 5% of her income to super as concessional contributions and is doing so currently.
- Jack recently inherited \$10,000 and thinking of putting this into his super.

What is the strategy you will recommend?  
How do you capture that your client understands the strategy  
using Bloom's taxonomy?

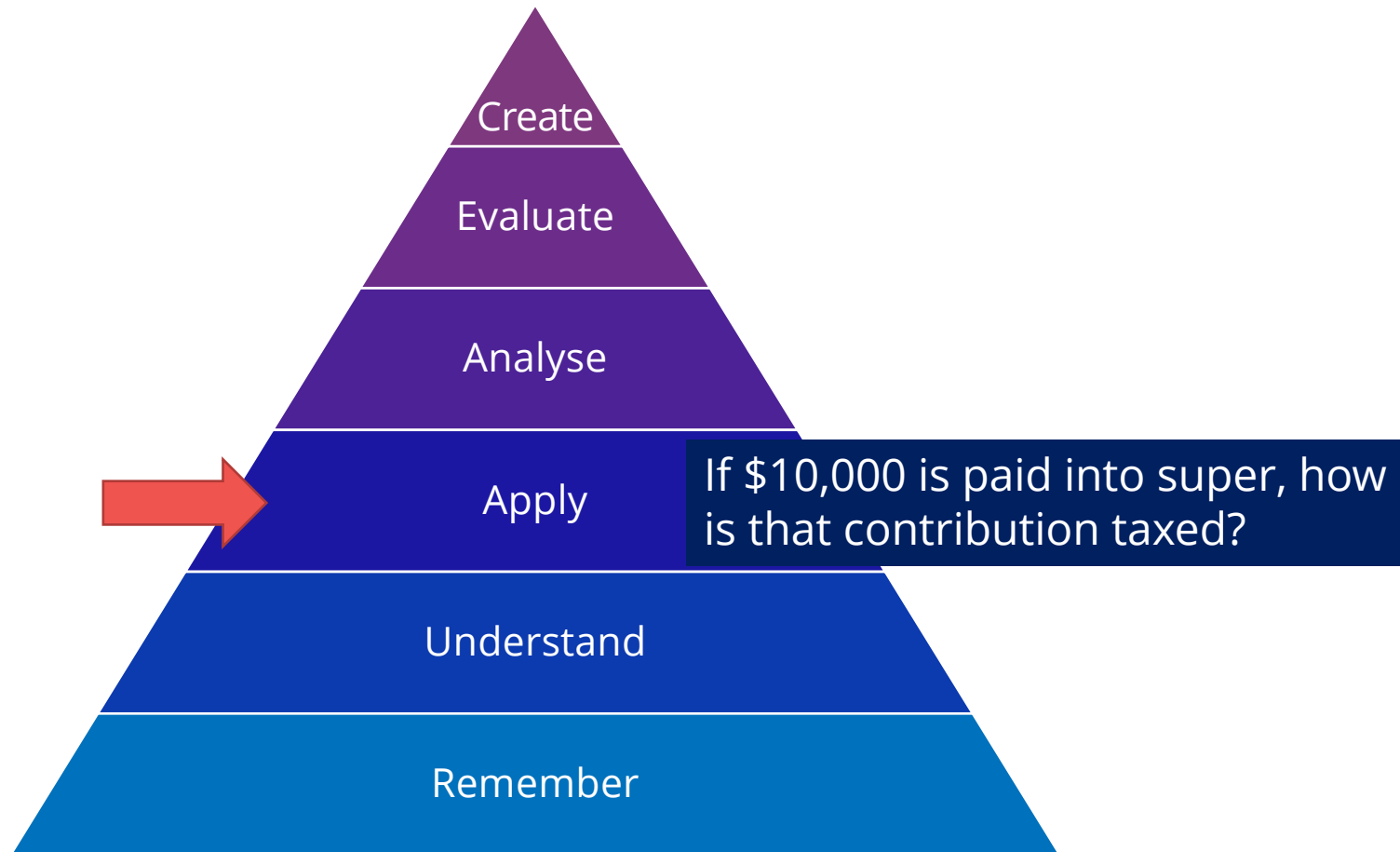
# Client learning and super strategy: using Bloom's Taxonomy



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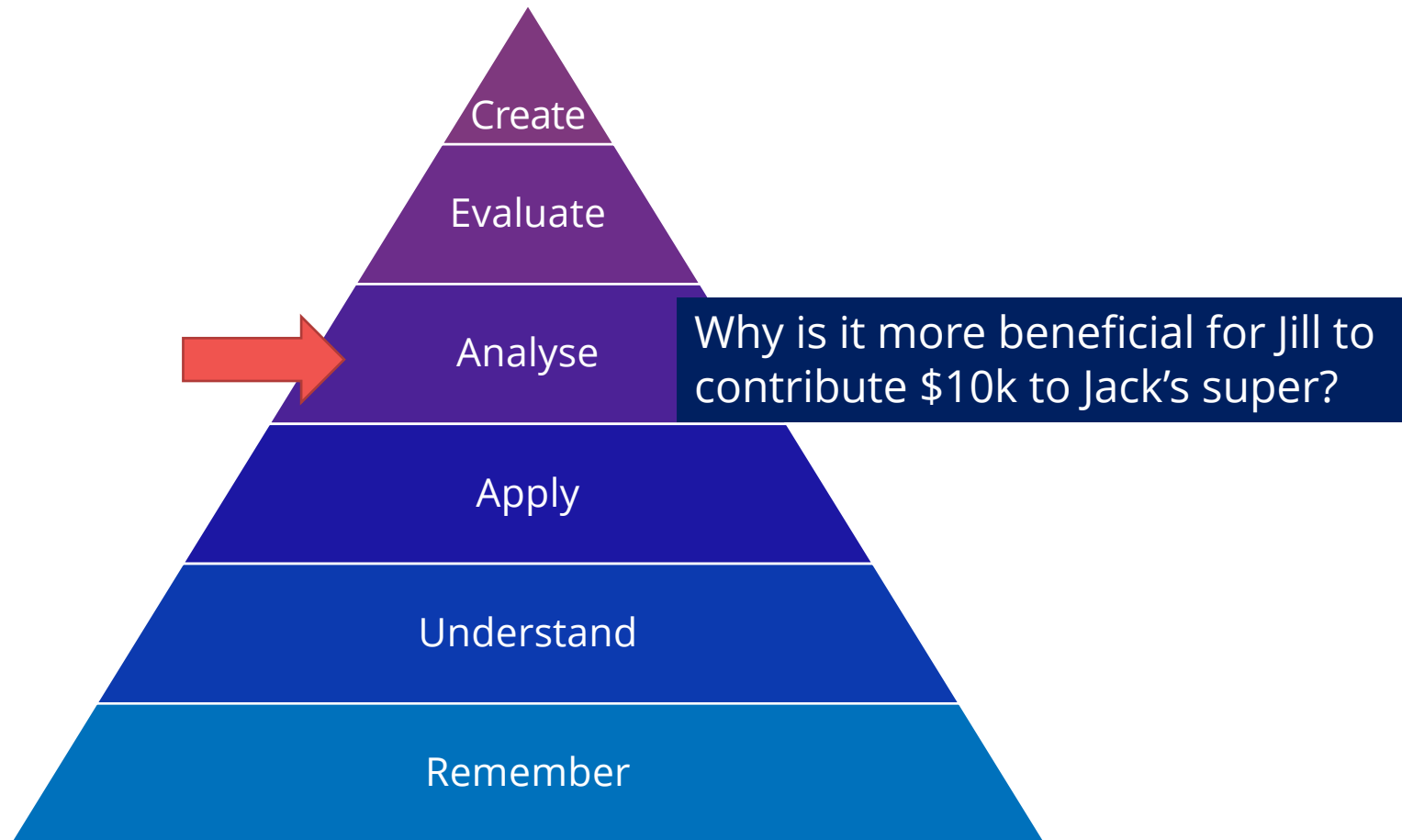


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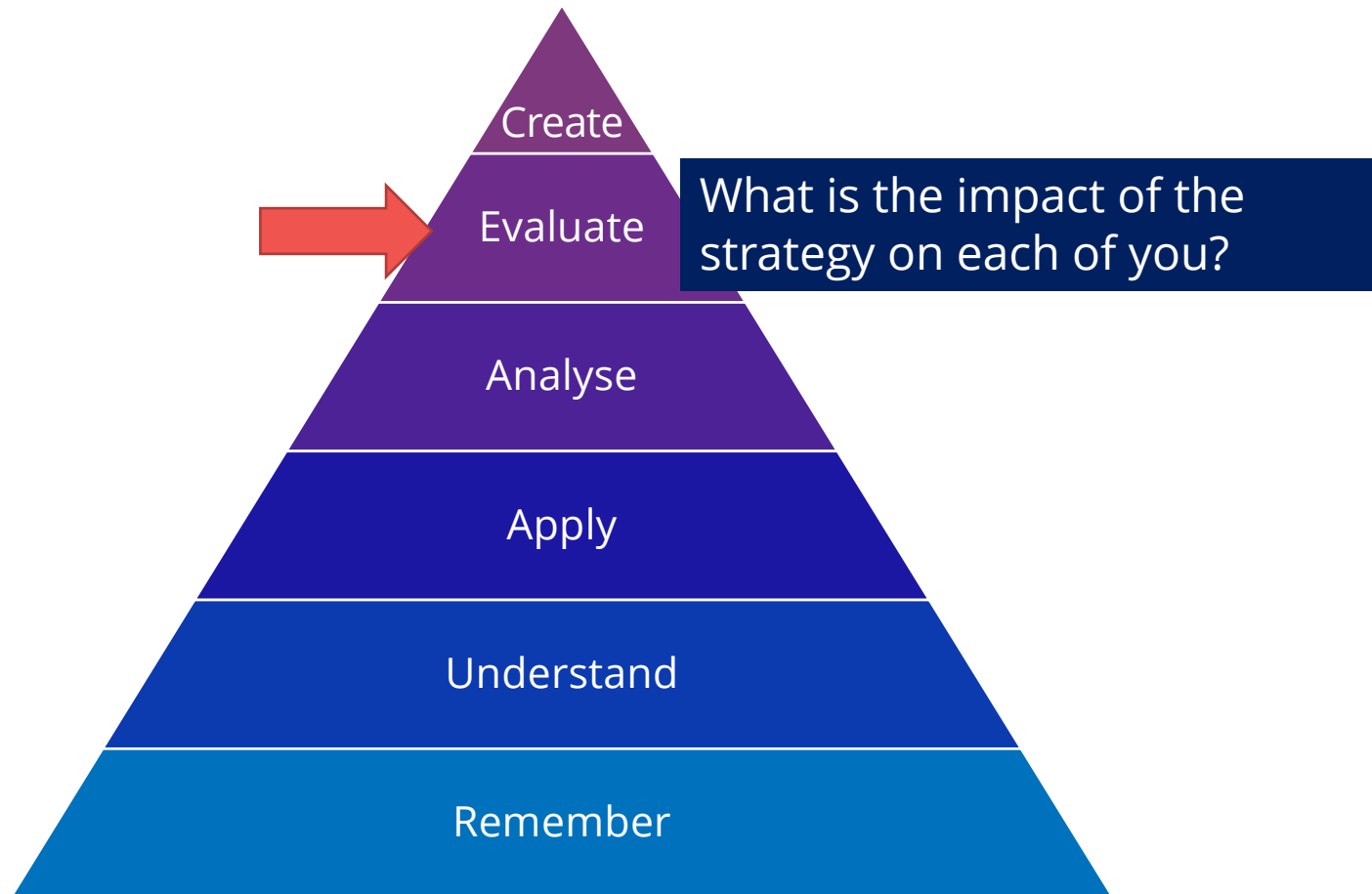




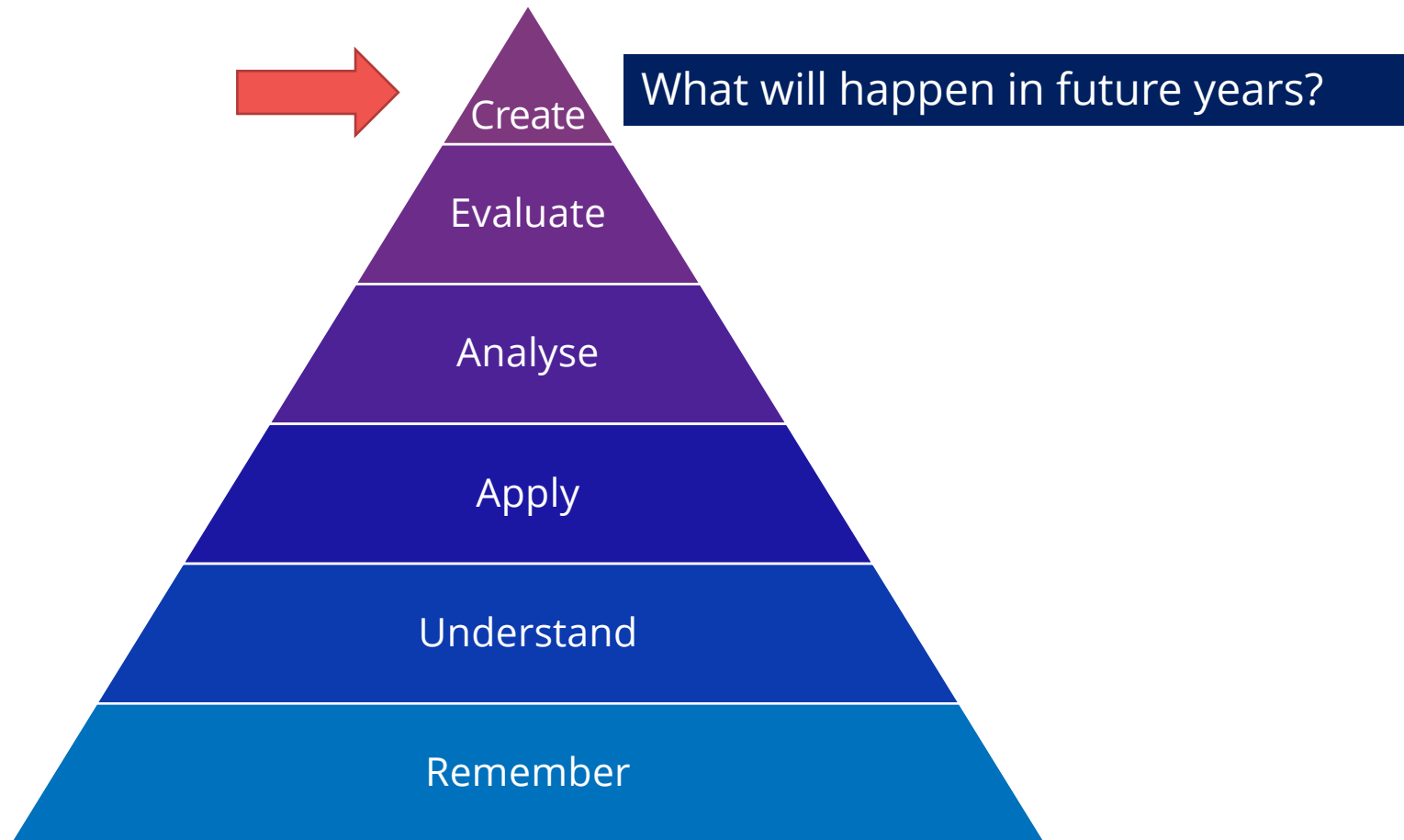
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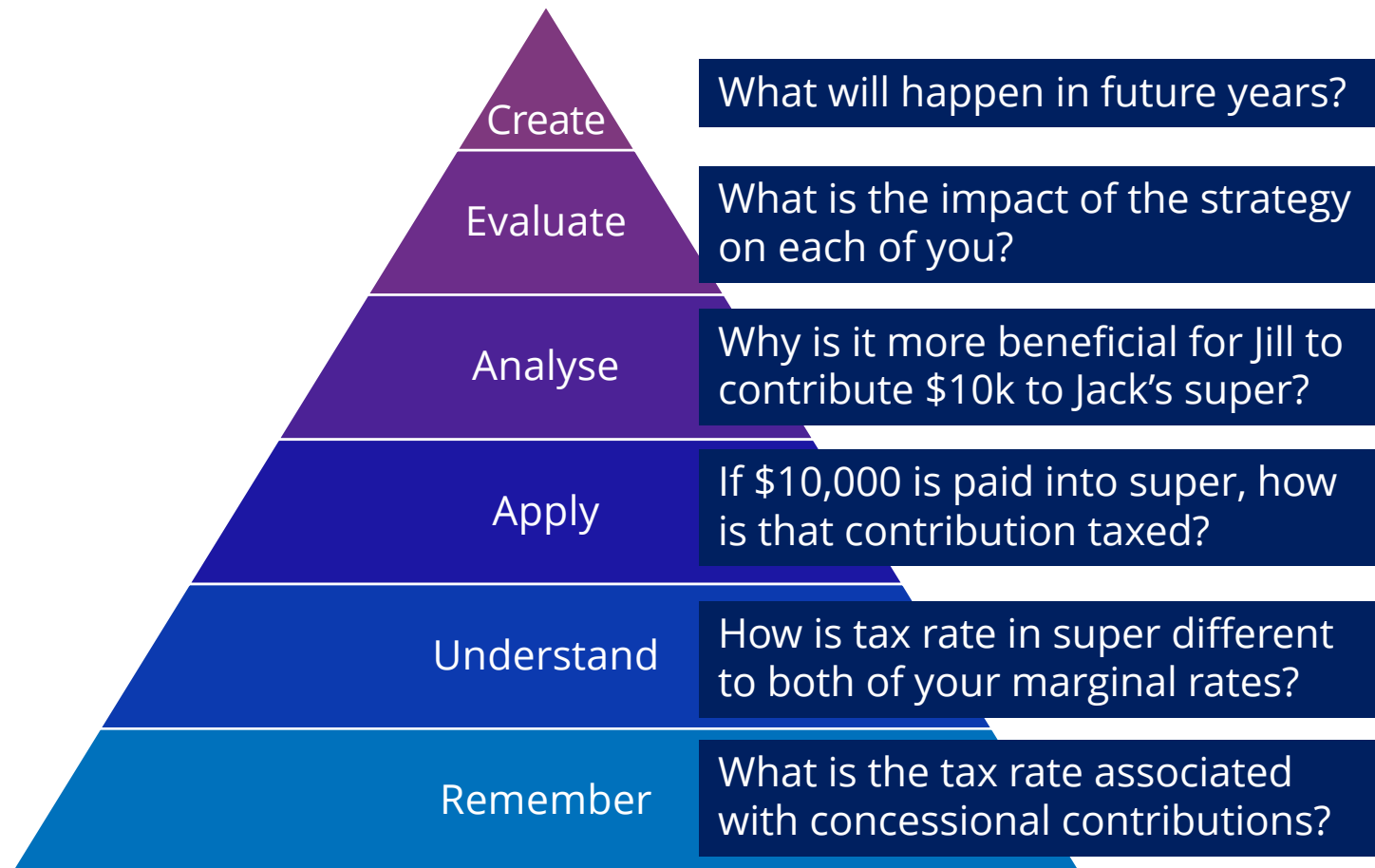
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# Bloom's Taxonomy and the Code of Ethics



## Code of Ethics

- You must be satisfied the client **understands** your advice, and the benefits, costs and risks of the financial products that you recommend, and you must have **reasonable grounds to be satisfied.** (Standard 5)
- You may act for a client only with the client's free, prior and **informed consent.** (Standard 4)
- **Actively consider** the client's broader long-term interests and likely circumstances. (Standard 6)

# Behavioural biases

- Over confidence
- Loss aversion
- Confirmation bias
- Anchoring
- Familiarity effect



# Storytelling

- **Show, don't Tell**
- Capture biases
- Clients self-identify
- Advisers utilise a 'menu' of taxonomic questions



# Behavioural biases scenario: 'Sue'

- Sue has worked with ASX:ADK for 10 years.
- Sue receives shares as a part of an incentive scheme and has accrued many shares over time.
- As a part of the business and industry, Sue feels she is 'on the pulse' of the market.
- Over time, Sue 's overall asset allocation was heavily exposed to ASX:ADK and she feels comfortable as knows the company and their place in the market.
- Sue has not diversified.

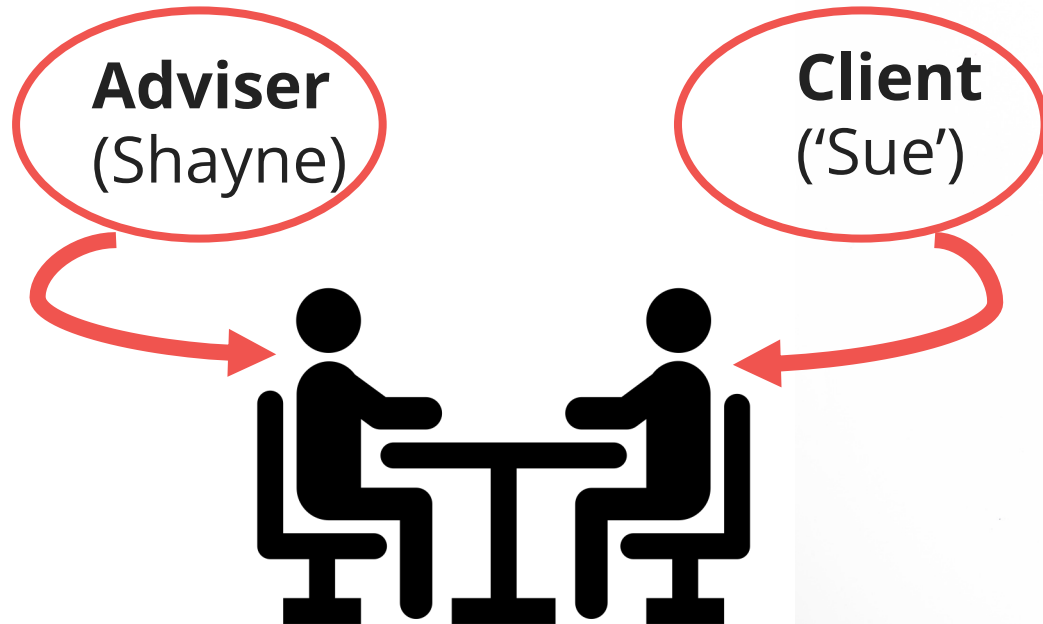
What behavioural bias/es does Sue have?

What is the risk for Sue?

How do you help Sue identify her own bias and thus the risk exposure?

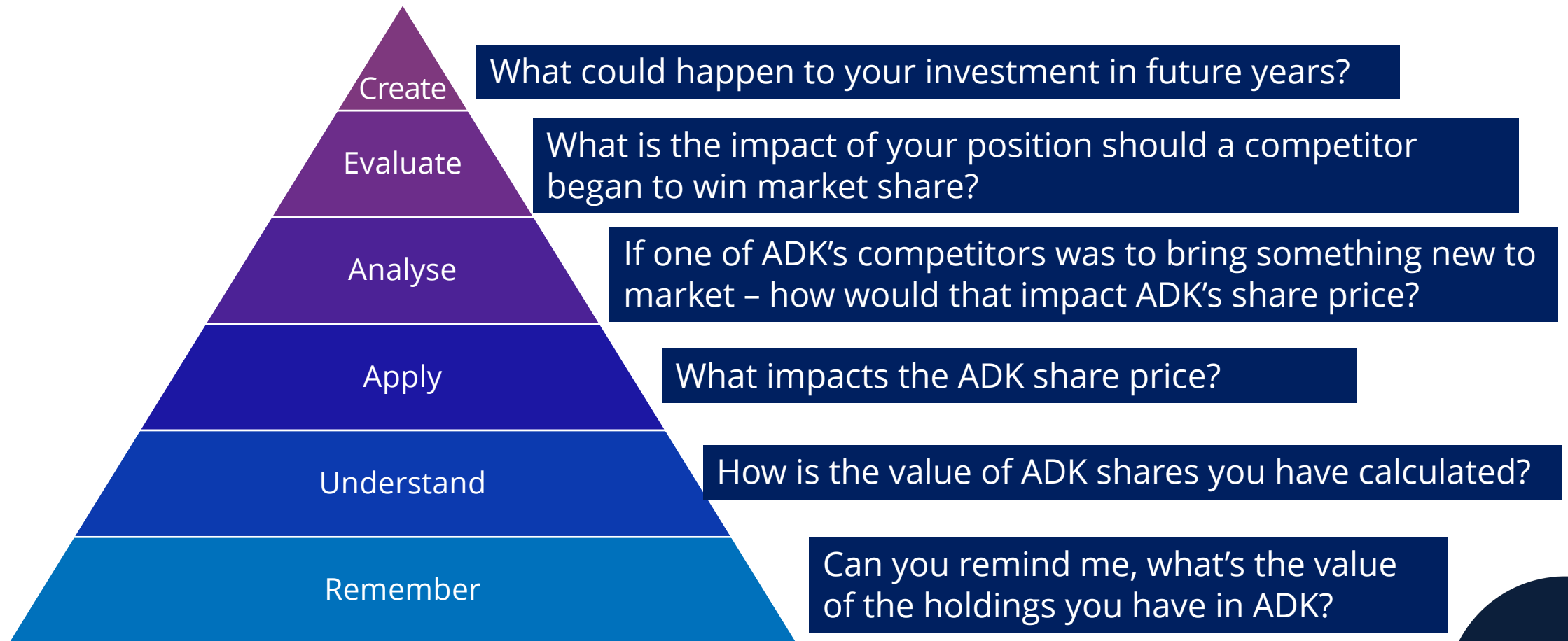
# Using Storytelling with Bloom's Taxonomy: Helping Clients Identify Their Own Bias

Let's do a role play...





# Storytelling, Bloom's Taxonomy and Client Bias



# Using Bloom's Taxonomy to Demonstrate Value of Advice

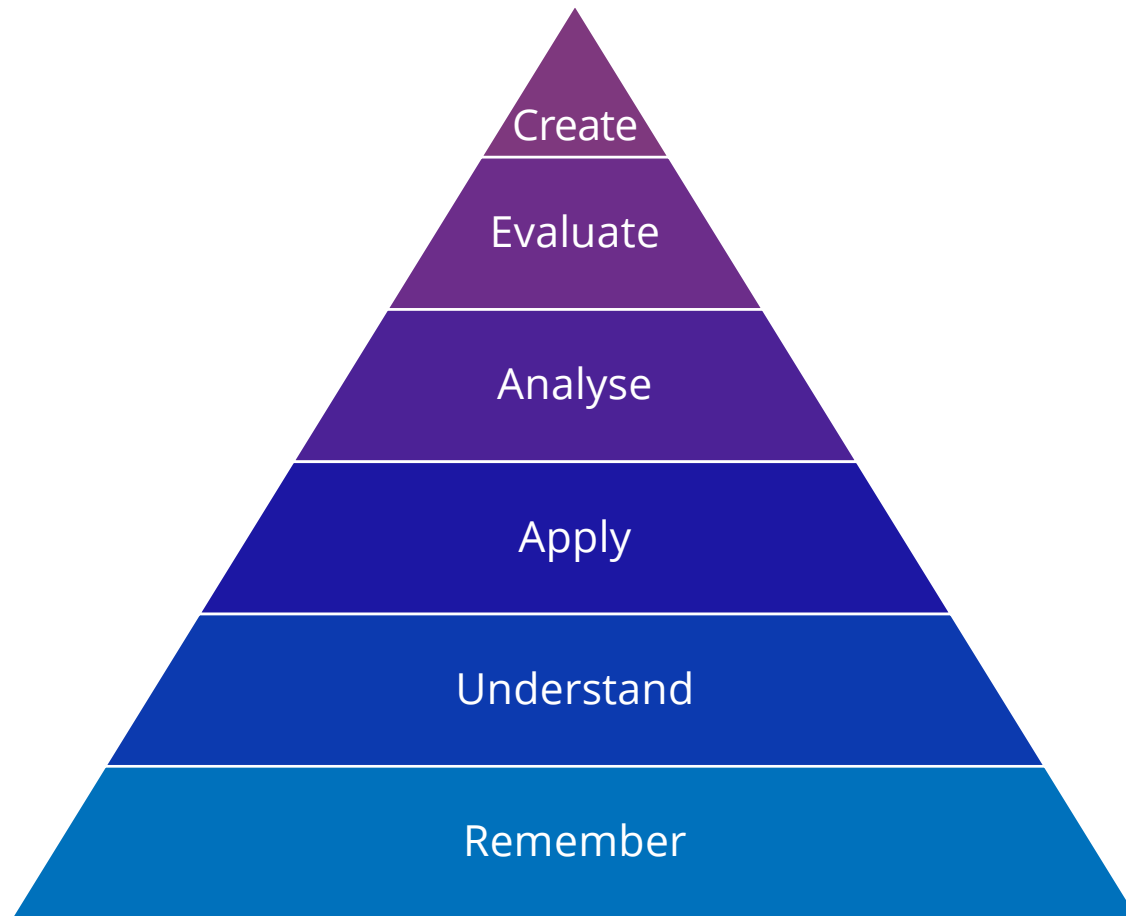
## Tangible

- Objective outcomes
- Tax savings
- Asset growth
- Returns

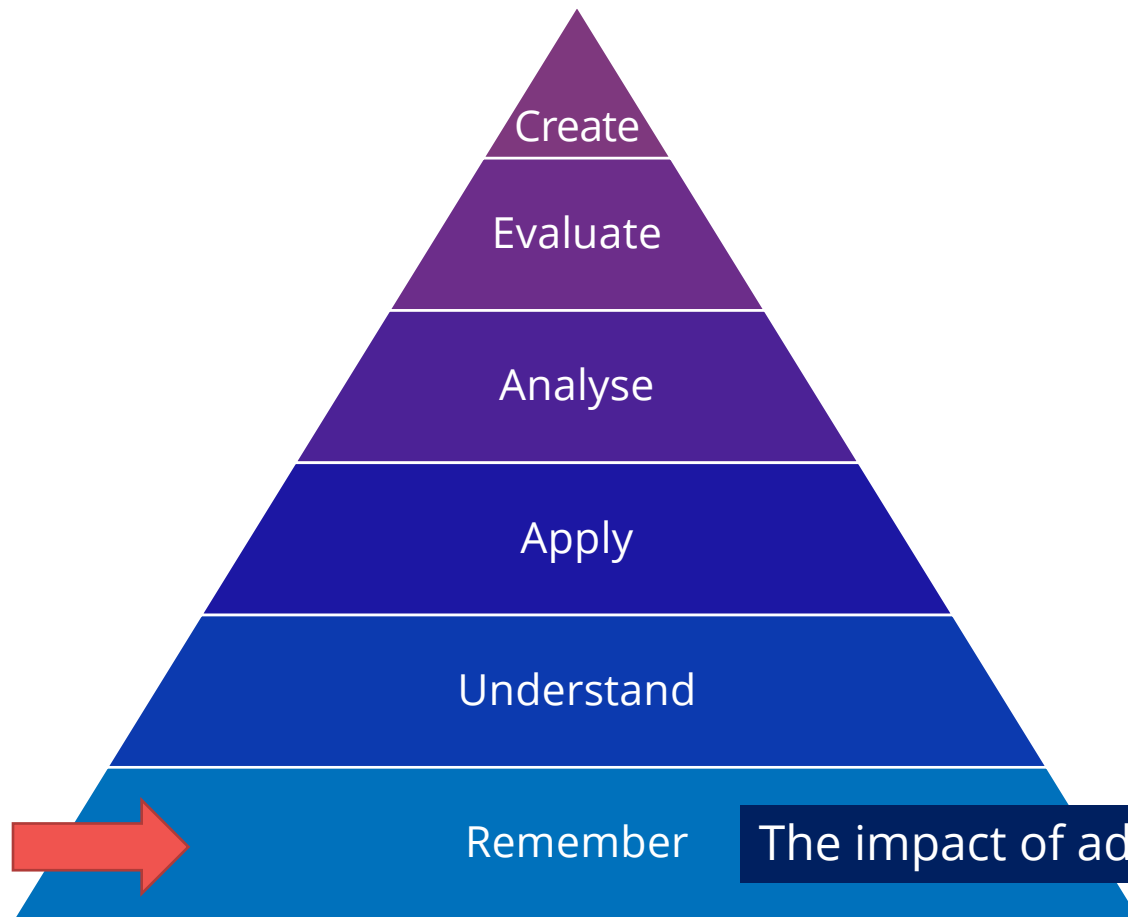
## Intangible

- Subjective outcomes
- Self-awareness
- Trust
- Confidence
- Self-awareness
- Reputation

# Value of Advice & Bloom's Taxonomy



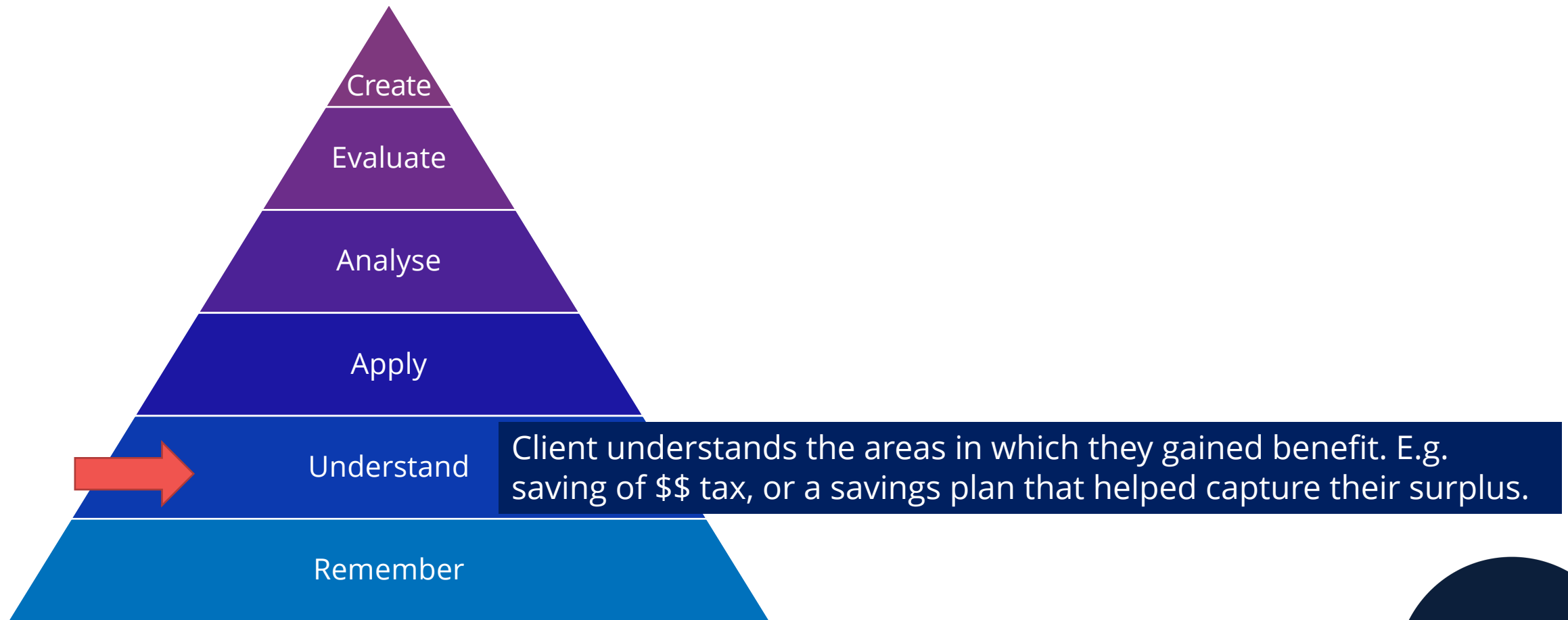
# Value of Advice & Bloom's Taxonomy



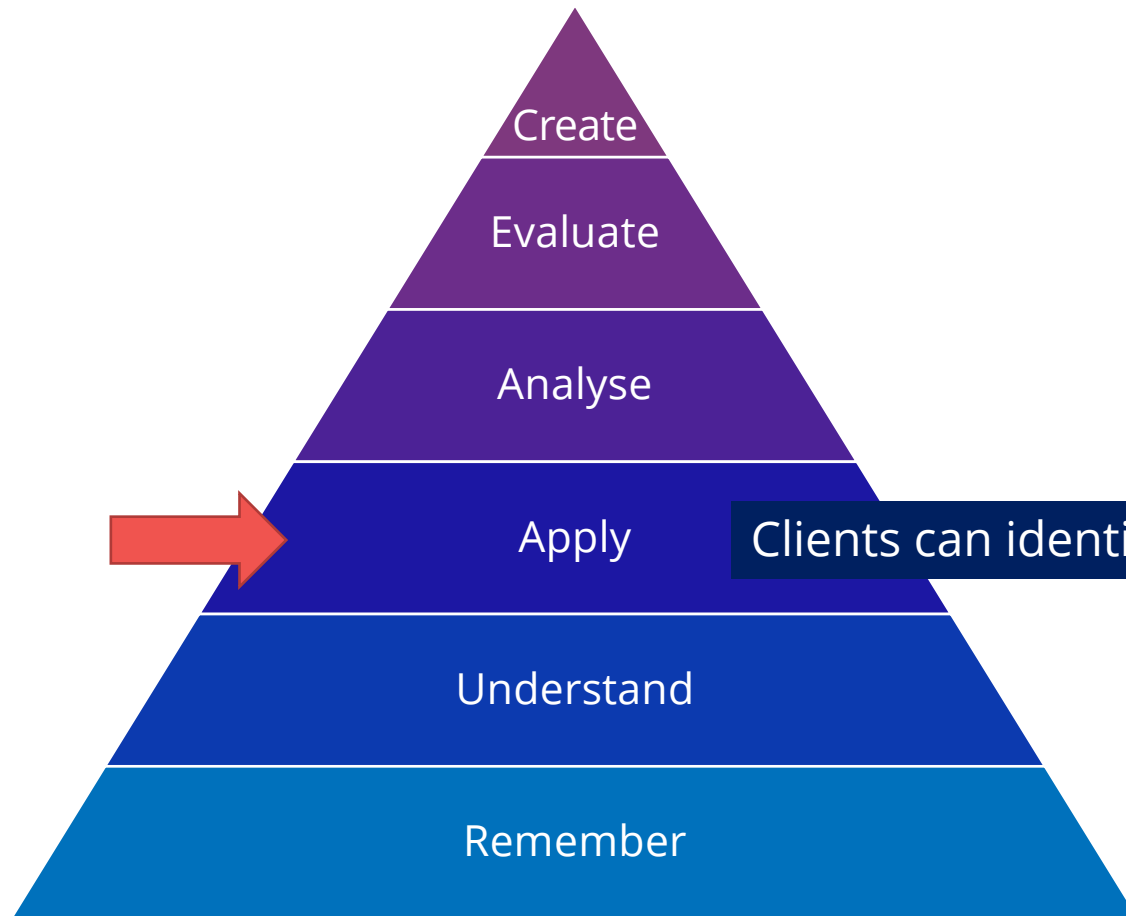
The impact of advice on client situation – tangible & intangible



# Client learning and super strategy: using Bloom's Taxonomy

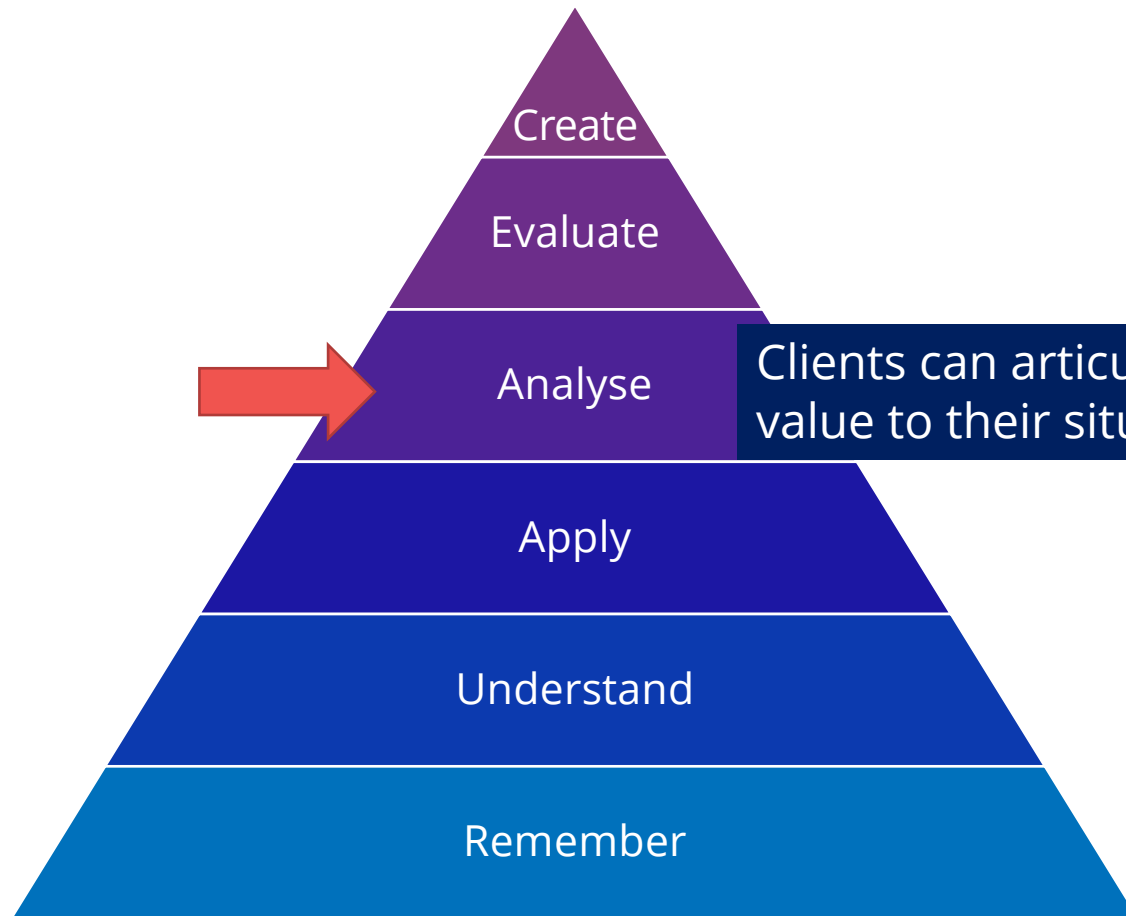


# Client learning and super strategy: using Bloom's Taxonomy



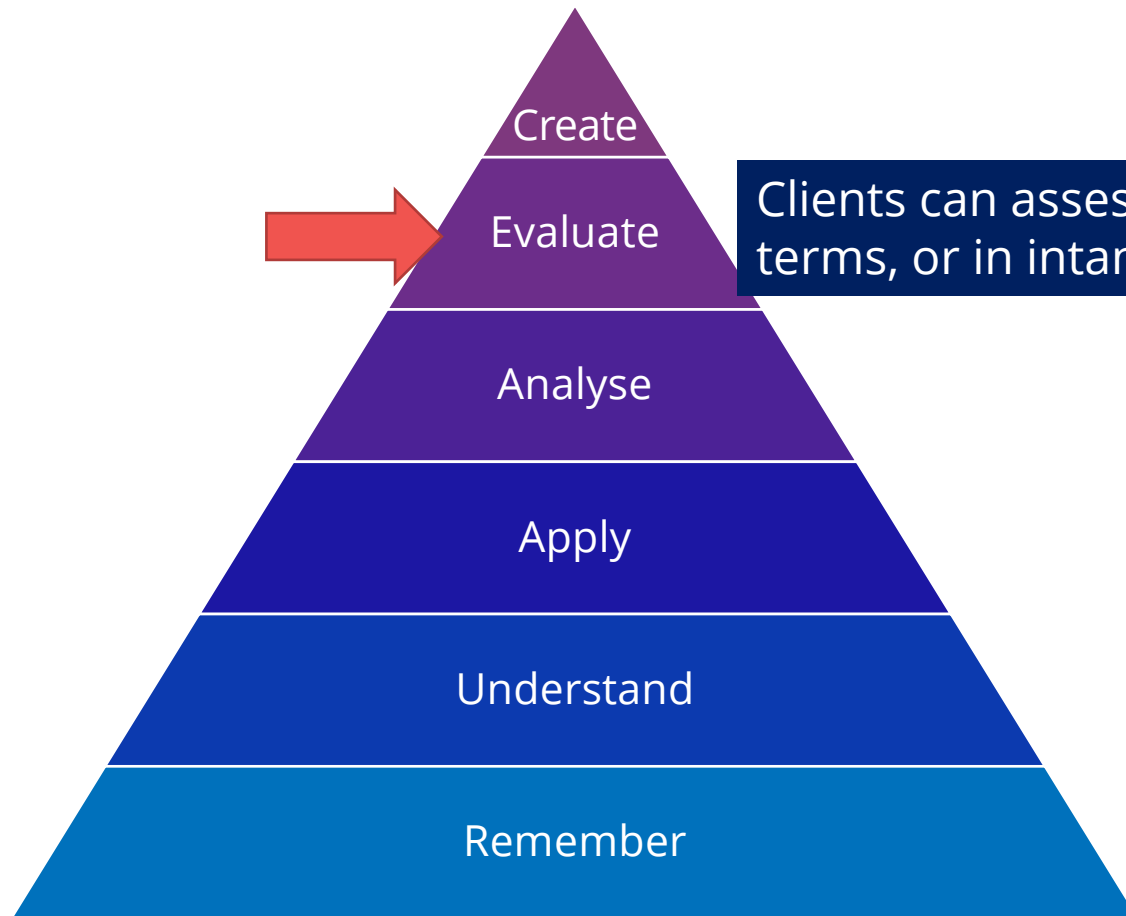
Clients can identify how your advice has added value to their situation.

# Client learning and super strategy: using Bloom's Taxonomy



Clients can articulate and explain how your advice has added value to their situation when compared to other alternatives

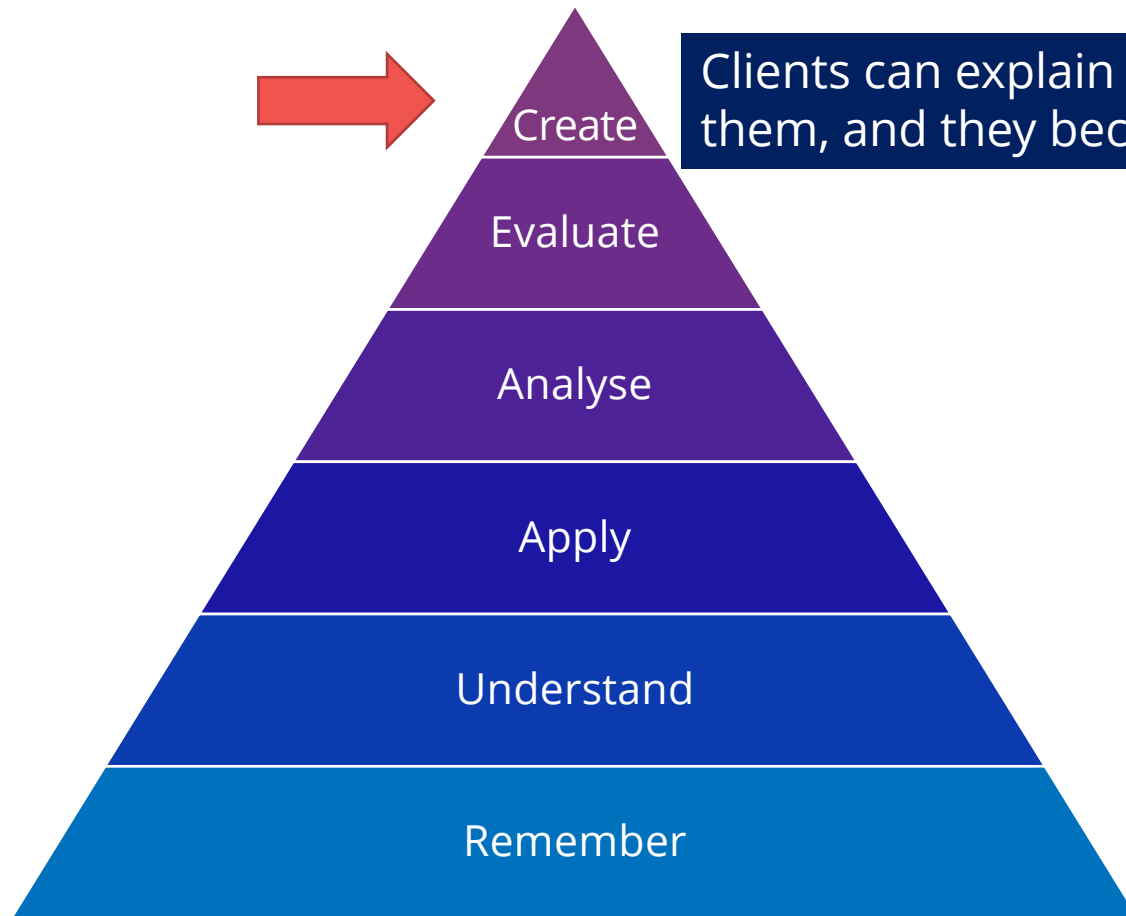
# Client learning and super strategy: using Bloom's Taxonomy



Clients can assess the value of advice to them (in monetary terms, or in intangible ways) using examples



# Client learning and super strategy: using Bloom's Taxonomy



Clients can explain to others how you helped them, and they become active referrers.

# How else can we use Bloom's Taxonomy to improve client communication and care?



Q&A

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# Meet the speaker zone



**Thank you for  
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session**

Please feel free to reach out:

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