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Susan B. Weiner
Investment Writing

May 2009

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Research study:

How financial services firms will make money in the future

The financial services industry can't continue to make money the way it used to. So the IBM Institute for Business Value tackled the challenge of answering the following questions:

- * Which forces are disrupting the industry?
- * What will clients be willing to pay for?
- * How will the basis for competition change?
- * And what steps should financial services firms take to prosper over the next three years?

Recommendations for a "new financial order"

As I see it, the researchers' answers in *Toward transparency and sustainability: Building a new financial order* boil down to a need for financial services firms to

1. Work with regulators to develop a system that hits the right balance between protecting investors and fostering financial creativity
2. Deliver on their promises to clients, including their promise "to focus on the interests of their clients"
3. Become more specialized, with a division between "beta transactors" and "alpha seekers"

Read [more about this study, including a link to the 20-page report](#).

Many financial services execs agree: Their interests come before clients'

Read another blog post based on the IBM study: [Financial services: An industry at odds with its clients](#)

"The Current Financial Crisis: Why did it happen and what is being done?"

Look at a typical investment bank's balance sheet and you can understand how the

collapse of housing prices took down those banks.

That's the message I took away from "The Current Financial Crisis: Why did it happen and what is being done?", an April 16 presentation by John Haigh, executive dean of the Harvard Kennedy School, to the Boston Security Analysts Society. Haigh said it didn't take much to explode the investment banks' model of highly leveraged balance sheets with lots of short-term debt.

I liked his simple diagram of the progress of the financial crisis.

Continue reading my comments on "[The Current Financial Crisis: Why did it happen and what is being done?](#)"

**If you don't get the difference between features and benefits:
A challenge for investment and wealth managers**

Too many investment and wealth managers don't understand the difference between features and benefits. That's clear from their marketing materials.

I found a [great example of the difference](#) when searching on health clubs near my house.

Do you think you've mastered the difference between features and benefits? Then **take the re-write challenge I pose at the end of "[Focus on benefits, not features, in your marketing.](#)"**

If you're too shy to post your answer on my blog, feel free to email it to me. If I get enough replies I will share them--anonymously, if you prefer--in a future newsletter.

More marketing and communications posts

- * ["Media Opportunities Are There for the Asking. Choose Your Niche."](#)--Guest post by Lisbeth Wiley Chapman
- * ["When Ad Budgets Are Down, Get the Word Out with PR."](#)--Guest post by Precision Marketing Group
- * [Ways to dream up topics for financial articles](#)
- * [Ignore this advice--at least some of it](#)

Does your grammar and punctuation affect your credibility?

I believe that bad grammar and punctuation sabotage the credibility of the writer. The same goes for the company that the writer represents.

For me, bad grammar and punctuation suggest a lack of education and attention to detail. I wonder if the writer's professional work displays similar weaknesses. Plus, I'm annoyed if poor writing makes me work harder to grasp the point the writer was trying to convey.

Marketing materials--especially long-lived forms such as websites and brochures--should hit high standards to put the firm's best foot forward.

I'm more forgiving of typos in quickly created, ephemeral communications, such as tweets on Twitter. I'm guilty of typos there and on my blog.

What about you? Does bad grammar and punctuation detract from your opinion of

writers and their companies?

Please answer the poll about this in the right-hand column of [my InvestmentWriting blog](#).

Last month's reader poll on social networking

Last month I asked "**Which social networking sites do you use to promote your business or career?**"

Results:

36% [Facebook.com](#)
100% [LinkedIn.com](#)
0% [Naymz.com](#)
0% [Plaxo.com](#)
54% [Twitter.com](#)
0% Something else

I think everybody should be on LinkedIn, even if you're not currently job hunting, marketing, or networking. As recruiter Ted Chaloner has said, the best time to plant a tree is 10 years ago. It's best to build your network before you need it. Also, with so many job hunters out there, it would be great if you could network with others who are in need.

I think that the high percentages of Twitter and Facebook users may be skewed by the type of people who read my blog--plus the fact that I used Twitter to publicize my poll. When I attended a regional NICSA meeting earlier this year, few people raised their hands when a speaker asked if they were active on Twitter. Quite a few more participated in Facebook.

Many people seem to focus their business activities on LinkedIn, while keeping Facebook for family and personal friends. But creating a Facebook page for your business, as Cathy Curtis has done with [Women and Money](#), can help you leverage Facebook. Cathy has blogged about [her social media marketing strategy](#) on Kristen Luke's Financial Marketing Wire. At the other end of the company-size scale, [PIMCO is on Facebook](#).

I'm surprised that nobody mentioned [Ning.com](#), a service that lets you create your own social networking site. I've joined a couple of Ning sites, including one for financial advisors. You can read more about the Ning site for financial advisors in the last bullet point of "[Social Media Discussion + Show Note](#)" by Russ Thornton on AdvisorBlogger.

I mentioned Naymz and Plaxo because colleagues and friends have invited me to participate. But I sometimes feel overwhelmed by my social networking activities. So I focus on LinkedIn and Twitter.

Do you have questions about social networking? Please shoot your questions to me, so I can consider them as subjects of future blog posts.

Related post:

- * [My top five tips for financial advisors dipping their toes in the Twitterverse](#)
- * A [summary of my Twitterverse post on the eFinancialCareers website](#)

I'll be away May 16 to June 6--and more updates

I don't want you to be caught by surprise when you can't reach me from



May 16 to June 6. I won't have access to email or voicemail. Thank you for your understanding. If there's nothing I can do for you before May 16, I hope we can connect over the summer.

My retirement cover story

My article about the history of retirement is the cover story in *FinancialPOWER for Retirees* (Spring 2009), a retirement plan's newsletter.

Other topics I've worked on for clients in 2009

- * Academic research on lessons from past financial crises
- * Asset allocation portfolio performance
- * Bank CD auctions
- * Due diligence to protect yourself against scams
- * Family business owners
- * Family wealth transitions
- * Funds using alternative investing strategies
- * Outlook for the U.S. dollar
- * Outsourcing investment management
- * Penny stocks
- * Positive lessons from the Great Depression
- * Private mortgage insurance
- * Portfolio reviews
- * Real estate investments in self-directed retirement plans
- * Special needs trusts



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If you're having this problem, you can subscribe online using your personal email address or email me, so I can add your personal email address.

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