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# Investment Writing Update

***Writing that's an investment in your success***

**April 2008**

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## **Leverage the wisdom of crowds with advice from Legg Mason strategist**

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Hiring diverse employees may boost your investment results. That's one of the ideas I took away from Michael Mauboussin, chief investment strategist of Legg Mason Capital Management, discussing his book, [\*More Than You Know: Finding Financial Wisdom in Unconventional Places\*](#), with the Boston Security Analysts Society on April 4.

I was particularly intrigued by Mauboussin's discussion of "the wisdom and whims of the collective," a topic that's also referred to as "the wisdom of crowds." Mauboussin said that the wisdom of crowds only works if you've got:

- Diversity
- An aggregation mechanism
- Incentives that reward right answers and penalize wrong answers

Mauboussin identified three kinds of diversity:

- Social identity, meaning Human Resources' definition of diversity in terms of gender, race, and ethnicity
- Cognitive diversity, which is a function of factors like training and temperament
- Values diversity, which might be assessed by asking employees, "why are you here?"

It's cognitive and values diversity that fuel the wisdom of crowds. However, social identity may be a rough proxy for these, said Mauboussin. Having earned a Ph.D. in Japanese history, I felt tickled that Mauboussin spoke proudly of having an employee with a Ph.D. in classics as evidence of his team's diversity.

### **New paradigm for wealth management**

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There's a new paradigm for wealth management and it's featured prominently in "[The Emerging New Model for Wealth Management](#)," an article by Zvi Bodie and Paula Hogan in the first issue of the CFA Institute's wealth management e-newsletter.

Some key tenets of the new paradigm may startle you. For example: "stocks are risky in short and long run" (emphasis added). I don't see this viewpoint reflected in many corporate communications. Will it show up soon? Stay tuned.

### **On the SusanCFA blog: "Weathering the Downturn--with Good Communication"**

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Beverly Flaxington of The Collaborative was a big hit when she spoke to the Boston Security Analysts Society several years ago about communicating with high net worth clients. So I'm delighted to present "[Weathering the Downturn--with Good Communication](#)" a guest article from The Collaborative.

More articles on my blog and in other publications:

- [Do your performance reports send the wrong message?](#)

- [Mindmapping for financial advisors](#)
- ["How broker/dealers and custodians are reaching out to women advisors-and why"](#)

## **Top four email mistakes to avoid when you've got a referral**

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You've probably used a referral to ask a stranger for an informational interview or a chance to talk about your business. If you make your initial contact by email, please avoid these common mistakes:

- Burying the name of your mutual acquaintance in the body of your email
- Not making it clear immediately what you're seeking
- Not identifying yourself clearly and succinctly
- Putting the burden on the other party to follow up

Read more about [effective referrals](#).

## **Ten ways to use LinkedIn**

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Have you joined [LinkedIn](#), the social networking site for businesspeople? People with more than twenty connections are thirty-four times more likely to be approached with a job opportunity than people with less than five," according to blogger Guy Kawasaki in "[Ten Ways to Use LinkedIn](#)."

By the way, joining LinkedIn may help if you're trying to raise your profile in Google searches. To maximize your benefit, choose the "full view" setting to reveal your complete profile on the web.

## **Help your white paper PDFs appear in online searches**

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Are you getting the most bang for your buck out of white papers and other marketing materials you post to your website?

Follow the advice in "[4 Ways to Make PDFs Search Engine Friendly](#)" to increase the odds that web-surfing prospective clients will find you.

## **Who's Susan Weiner and why is she writing this newsletter?**

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Here's my bio, as a reminder of what qualifies me to opine about the topics in this newsletter.

Susan Weiner, CFA, helps financial professionals increase the impact of their writing on clients and prospects. She writes and edits investment commentary, white papers, articles, web pages, and other communications for leading investment and wealth management firms. Prior to her current career as a freelancer, she was director of investment communications at Columbia Management Group, a trustee at Batterymarch Financial Management, and a staff reporter for a weekly mutual fund publication. So she understands communications from the perspective of an investment adviser and a journalist. Her articles have appeared in publications such as *Bottom Line/Personal*, *CFA Magazine*, *Financial Planning*, *Louis Rukeyser's Mutual Funds*, and *Wealth Manager*. Susan is a past co-chair of the Boston Security Analysts Society's Private Wealth Management Committee. She is a CFA charterholder and received her bachelor's degree from Oberlin College and her Ph.D. in Japanese history from Harvard University.

**Save the date: May 14 investment writing workshop in Boston**

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I'll present a writing workshop to [Boston Women in Finance](#) on Wednesday, May 14.

**Quick Links...**

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- [Susan Weiner Investment Writing Website](#)
- [Investment blog by Susan](#)
- [Marketing and communications blog by Susan](#)

**Contact Information**

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