



Article from

## **The Stepping Stone**

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# The Five Key Principles of Influence—Part 1

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*Editor's Note: The author of The Influential Actuary has agreed to adapt his principles of influence for The Stepping Stone in this new series.<sup>1</sup> You can find out more about the book—and the strategies, skills and models actuaries can use to be more influential—at [www.TheInfluentialActuary.com](http://www.TheInfluentialActuary.com).*

No matter what you do, you are selling in some way. The word “sales” or “selling” brings up negative connotations for many people. It may be helpful to think of it as “influence.” Whether you’re a sales professional, coach, consultant or executive—there are key stakeholders in your world you need to influence.

To persuade successfully and non-manipulatively, it’s important to understand **five key principles of influence**. In this four-part series, I’ll be covering these five principles that are based on human psychology and behavior. Let’s look at the first two now.

**Principle #1: A person’s primary motivation is “What’s in it for me?”**

As cynical as this sounds, its truth can’t be denied. We all view the world from our own self-centered perspective. By “self-centered” I don’t mean “selfish” in that we put our-

selves above others. Rather we are motivated by what’s important to us.

One person may be motivated to make a lot of money; another is motivated to make his children happy; while a third is driven to serve the world for the greater good. The list is as endless as there are people on the earth. It’s tied into what each of us values. And it can be complex because people aren’t typically motivated by one thing.

**If you’re a consultant or have had any training in sales**, you’ve probably heard of this concept—“What’s in It for Me” (WIIFM). This concept can’t be overemphasized, even if you’ve heard it 1,000 times before. Most sales professionals and consultants I observe do a less-than-adequate job focusing their marketing and selling activities centrally on WIIFM.

**A common mistake professionals make** is to focus on *telling their prospect what’s great about themselves or their organization*. They’re ignoring Principle #1. Think of it this way: Your prospect’s antenna is tuned in to WIIFM. Most consultants broadcast on WWD (“What We Do”) or WWTYN (“What We Think You Need”). They’re transmitting their message on

the wrong frequency! Thus, the message is never heard.

So when you’re serving one of your internal clients, preparing for a meeting, or selling one of your ideas, you want to be ready to answer this critical question (WIIFM?). Put yourself in your clients’ shoes. What’s important to them? Why would they care about your proposal? What do they get out of it? Beyond helping their organization, how will it benefit them personally?

**Principle #2: A person’s behavior is based on his need to either avoid pain or gain pleasure.**

This principle explains a core reason why people do or don’t do something. People on diets don’t succeed, in simple terms, because they’re linking more pain to doing what it takes to drop the unwanted pounds than to keeping the weight on. A person may complain about his job because he hates his boss. But does he leave his job? No, because the uncertainty he associates with finding another job is more painful than dealing with his boss.

**Why do people get surgery?** Why would you inhale anesthesia and then allow someone to cut you open? There’s one reason: because the pain associated with not getting surgery is much greater than going through that process.

Think about how often you see this dynamic with your clients (or in your organization). For example, your clients may have a problem with the skills of their sales force, a legacy system or a leadership team in conflict.

But the money, time and effort to fix these problems are more painful *in their perception* than living with them.

**We all avoid pain.** We like to stay in our comfort zones. Like all living organisms, we gravitate to a place of equilibrium or homeostasis. Growth and change only take place when we move outside our comfort zones. It usually takes considerable pain or inspiration (or both) for significant change to occur.

For example, some of the largest revenue-generating engagements for consultants are compliance-driven. To a company, the pain of bad PR or the consequences of violating regulations outweigh the pain of paying lots of money to consultants for their expertise.

On the other hand, pleasure can be compelling as well. A CEO may be inspired to transform an entire organization based on the pleasure of realizing his or her vision of how great the organization could be.

DEAL OR NO DEAL?

You may wonder **which pull is stronger**: avoiding pain or gaining pleasure? How would you answer this question:

Would you work harder:  
(a) To earn an extra \$100,000, or  
(b) To protect \$100,000 you already have?

Our family enjoys watching the show *Deal or No Deal*. The game consists of 26 briefcases that each secretly contains a number from \$1 to \$1 million. The

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object of the game is to eliminate all the cases except the one containing the \$1 million. The contestant wins the amount of money that is contained in the last case (after eliminating the other 25 cases).

At various points throughout the game the contestant is offered a sum of money to quit early. The contestant must decide whether to take the money offered or continue eliminating cases to go for the big money.

**What's interesting to me is to watch the psychology of the contestants.** In the early stages of the game, the contestant may be offered a relatively small amount, like \$15,000. When you have seven to 10 cases still in play that contain \$100,000 or more it's easy to say "No deal!" and continue playing.

Later in the game, the psychology shifts. The contestant may be offered \$100,000 or more to quit playing. Usually at this stage, there are very few high-dollar cases left. You may still have the \$1 million case out there, but you will also have several cases that contain much lower amounts. If you happen to eliminate the \$1 million case, your offer drops substantially, maybe as low as \$5,000.

Most people will elect the "certain money" and quit, because they don't want to risk losing it—even if it means forgoing their dream of walking out with \$1 million!! That said, it never ceases to amaze me how many people on this show (who usually can't afford to pay their next mortgage payment) will "roll the dice" to go for the million and forgo the \$150,000

offer that would have gotten them out of debt.

Discounting the people who are "playing the lottery," a key principle of influence emerges:

The vast majority will spend more energy to avoid the risk of losing what they already have than they will to gain more money! **In general, pain is a stronger motivator for change than pleasure.**

**Many professionals don't fully explore the problems (or pain) a prospect has** that would cause them to want to buy in to their product, service or idea. They spend significant time conveying the benefits of a solution, but neglect exploring the pain of the status quo. They forget one of the greatest aspects of motivation and influence: **"An undisturbed prospect will not buy!"**

Remember this:

***Change in an individual or organization happens only when the pain of the status quo exceeds the pain of the change.***

In the next issue, we'll explore the third principle of influence. ■

#### ENDNOTE

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