

# the Observer



## How Do You Communicate?

They say that communication is all about what is “heard” not about what is “said”. Take the following story for instance. A young man, Joe, began dating a nice young lady, Karen. They had been on three dates and everything was progressing nicely. Karen suggested they have dinner at her place one Friday and asked Joe to bring a bottle of wine. Friday rolls around and Joe arrives at 8:00 pm

er dinner hour. Karen responds, “Everyone knows dinnertime at home is 6:00 pm” and then slams the door in his face before he can further explain himself.

What went wrong? Everything and nothing. Karen assumed that Joe knew 6:00 pm was dinnertime, and Joe assumed 8:00 pm based on their previous meals together. Seems like an honest misunderstanding. Communication between men and women or people with different regional habits or cultures can be difficult. We find ourselves repeating or rephrasing our words to children, people we don’t know and more than occasionally to our spouses just to make sure our messages are received in the manner intended. Quite often we just don’t know how someone will interpret them. We know what we are saying, so why doesn’t the other person get it right the first time, every time? It can be a real struggle.

their “tube” they might interpret that to be their television, while a personal computer user from the 1980’s might think we’re referring to a cathode ray tube. And today, a young person might interpret “your tube” to mean YouTube.com, the newest video sharing internet site. In the popular 1989 movie *Steel Magnolias*, there are many southern colloquialisms. In one scene Claire Belcher, played by Olympia Dukakis, watches the new mayor’s wife on the dance floor and remarks, “Look’s like two pigs fightin’ under a blanket.” She could have said “Looks like 10 pounds stuffed into a 5 pound bag”, but that wouldn’t have conveyed the same meaning.

Maybe you have played the telephone game, trying to whisper a personal message while surrounded by a circle of people. Invariably the message becomes distorted and does not resemble its intended form, proving that the best form of communication is always face-to-face. Yet even the most direct communication can be very challenging. In face-to-face communication, 15% of what we perceive are the words, while 85% is the delivery, tone, demeanor and body language.

In Malcolm Gladwell’s book, *Blink*, we learn about John Gottman and his “lovelab”, located just outside the University of Washington campus. Gottman has proven something very remarkable about married couples. After interviewing and interpreting one-hour

*Once a human being has arrived on this earth, communication is the largest single factor determining what kinds of relationships he makes with others and what happens to him in the world about him.*

— VIRGINIA SATIR (PEOPLE MAKING)

with a vintage red. Joe knocks on the door. The door opens abruptly and Joe finds Karen angry and upset. She asks Joe why he is two hours late. Joe explains that their previous dinner dates at restaurants had always been at 8:00 pm, so he assumed this was the prop-

We are not social anthropologists, communication experts or psychologists, so we can’t begin to understand all the intricacies of communication. Everyone interprets words differently due to age, generation and experience. When speaking to our parents about



video recordings from 3,000 couples, Gottman can predict with 95% accuracy how many couples will still be married in 15 years. He has analyzed the thousands of “micro expressions” we display when communicating. These micro expressions exhibit emotions such as anger, deceit, defensiveness, disrespect and so on. His research confirms something very important. We make very quick (blink) decisions about each other, not simply because of what we say (words), but because of “how” we say it (body language).

Communication breaks down when we speak to each other by phone and even more through voicemail. When we communicate by email there is an even greater risk that our words will be misinterpreted. We don’t “see” the person on the other side of the conversation. In addition, the receiver’s frame of mind or mood can further distort a message as does the lack of an opportunity for immediate feedback.

them, however, left us scratching our heads. You might think that the expert marketers who wrote these commercials would want to maximize their efforts in playing to such a huge audience by making them understandable. Yet after four years, many of us are still not 100% clear on the concept of GoDaddy.com, although we do remember the name.

Communication has always been important in the service industry because it involves the delivery of intangible services. It’s not like selling cars, furniture, food, clothing or jewelry. Those are tangible things we can feel, touch, smell and taste. Intangible discussions are tough. It is all about economics, finances, law, accounting, taxes, investments, insurance, etc. The industry lingo is a killer: GDP, CRUT, ETF, AMT - and no, these are not the credentials of a professor. They stand for Gross Domestic Product (GDP), Charitable Remainder Unitrust (CRUT), Exchange Traded Fund

convey spreadsheet numbers and PowerPoint graphically conveys ideas, concepts and processes. A picture does say a thousand words. Graphic representations, clip art and pictures are great, but limited as well. We and others have been using these tools for some time to coordinate and educate while communicating with clients, professional advisors and staff and we are always looking for new ways to improve this process.

We have made some significant progress in this area during the past year. You may have been wondering about the enclosure included with this quarter’s Observer. Let me explain. About a decade ago we started testing a variety of software programs to better coordinate the myriad of details that comprise our clients’ family and financial affairs. We looked at Critical Path Method (CPM), first developed in the construction industry. CPM is a flowchart diagram used to schedule and track the steps required to construct a new building. First, the hole must be dug and the foundation poured before the first floor can be framed and other elements such as electrical and plumbing can be added. Thus, the critical path. If you have ever suffered through the building of a custom home you would probably refer to this as the “frustration path” with all the delays that are usually experienced.

The CPM program worked fine for internal tracking and follow-up but it was not designed for communication with clients, staff and outside advisors. We also tried a combination of financial planning programs with Microsoft products. Our results were so-so, nothing earth shattering. Then, along came mind maps.

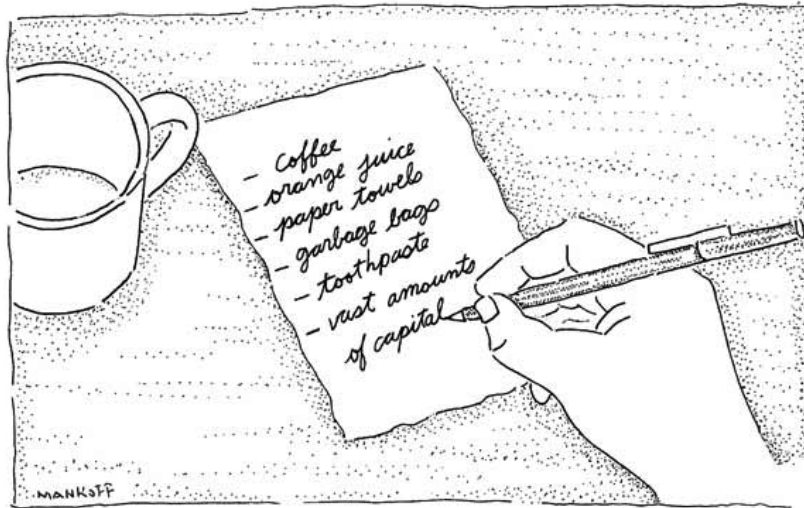
*Put it before them briefly so they will read it, clearly so they will appreciate it, picturesquely so they will remember it and, above all, accurately so they will be guided by its light.*

– JOSEPH PULITZER

Many of us received some confusing messages this past February 4th during Super Bowl XXXXI. The Indianapolis Colts defeated the Chicago Bears and suddenly February in Chicago became a little quieter and colder. Now about those ads! The Super Bowl is all about cutting edge television ads. The 30 second spots this year went for a cool \$2.6 million. Now you would expect these ads to be stupendous and some of them were great. Many of

(ETF) and Alternative Minimum Tax (AMT). By the way, very little of this is taught in our primary and secondary schools. If you happen to have pursued undergraduate or graduate degrees in these fields, then some of these terms may be familiar to you.

So we have turned to technology to help convey our important messages. Microsoft Word helps to write letters, memos and documents. Excel helps to



Last March I sat next to David, who had traveled from London, England for an all day seminar. David opened a beautiful leather bound 8½ x 11 journal containing blank, white pages. All day he drew a diagram in the journal on two separate pages, left and right side. I was very curious about his drawings and he was kind enough to explain to me that he was drawing a mind map of all the notes he was taking throughout the session. I had been introduced to mind mapping several years ago but did not pursue this approach due to the inability to easily duplicate and automate the maps created. He went on to say that when he arrives back in London he will hand over his journal to his staff. With very little discussion, they will create and monitor the activities and actions required to implement any new ideas David learned at the seminar. I thought, "This is pretty cool!" After further discussion, he informed me that there were software programs available to create mind maps very simply. So, we started using a program called Mind Genius in April of last year, with immediate and very positive results. Our internal and external communi-

cation regarding complex financial, estate and other personal and family issues is cleaner and more effective and efficient.

The enclosed insert contains two sample mind maps. The first shows a typical grocery list one might use to pick up groceries at the store. Now, imagine you have never stepped foot into a grocery store. With the list in hand, you enter the store, grab a cart and proceed to look for the first item on the list, milk. You locate the dairy aisle and eventually find the desired gallon of 2% milk, place it in the cart and look at the next item on the list, Cheerios. After retracing your steps you spot the cereal aisle and proceed to locate the Cheerios and so on. Basically, you bounce around the store until all of the items are found and then proceed to the check out lane. You give the grocery list one last look and notice that you forgot to pick up toilet paper, so you jump out of line, go back to retrieve the toilet paper and then head back to the check out line. This is how a linear list works, same as our Microsoft Word and Excel programs. Now look at the mind map we created for grocery shopping. It is organized by aisle in

a sequential manner making it easy to efficiently and effectively perform the function of grocery shopping. By the way, we have used this analogy many times in the past year, and have heard that many people actually write their lists by aisles. For those of us who don't, a mind map grocery list would go a long way toward preventing aimless grocery store wandering.

The second example is a mind map of a real estate transaction. Most, if not all of you reading this, have purchased and/or sold one or more homes and are all too familiar with the paperwork, complexity, and frustration of a real estate closing. Well, we have tested this one out and experienced great results. As you may notice from this mind map, everything is spelled out. All parties to the transaction have the necessary information to do their part to complete the closing. You may also notice a black paperclip on some of the entries, in particular, the tax returns. The mind map program is coordinated with our other document programs so we can click on the paperclip to electronically access the tax return without having to exit the Mind Genius program. Simple and efficient. We recently created a customized mind map for a client involved in a multi-property, multi-state, multi-lender real estate transaction. We shared this summary with all of the parties to the transactions including the title company, banker, mortgage broker, real estate agents and appraiser. Our client later reported to us that the closing agent at the title company said it was the smoothest closing he had ever experienced. The phone calls, emails and last minute requests were either eliminated or greatly reduced. A process that many times is fraught

with delay and aggravation can instead be completely smooth by introducing such a discipline.

We have been sharing this tool with many clients and other professionals and it has elicited numerous “Wow” responses as people recognize the benefits it can bring to their personal and business lives. The best part about this particular software program is that it is very

easy to use. If you are computer savvy, with very little instruction, you can be up and running in about 10 to 15 minutes.

We write this newsletter each quarter to keep in touch with you. To share our thoughts about the issues we face in life, both financial and non-financial. It is often difficult to separate the numbers from the dreams and aspirations

we reach for every day. Our money frees us to do what we want to do when we want to do it. It also allows us to share and more fully participate with our families in all of those very important moments of our lives. Mind maps are yet another tool we use to manage complexity and details, enabling us to focus more of our attention on what is truly important.



Edward J. Kelly, Jr



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*Securities Offered Through  
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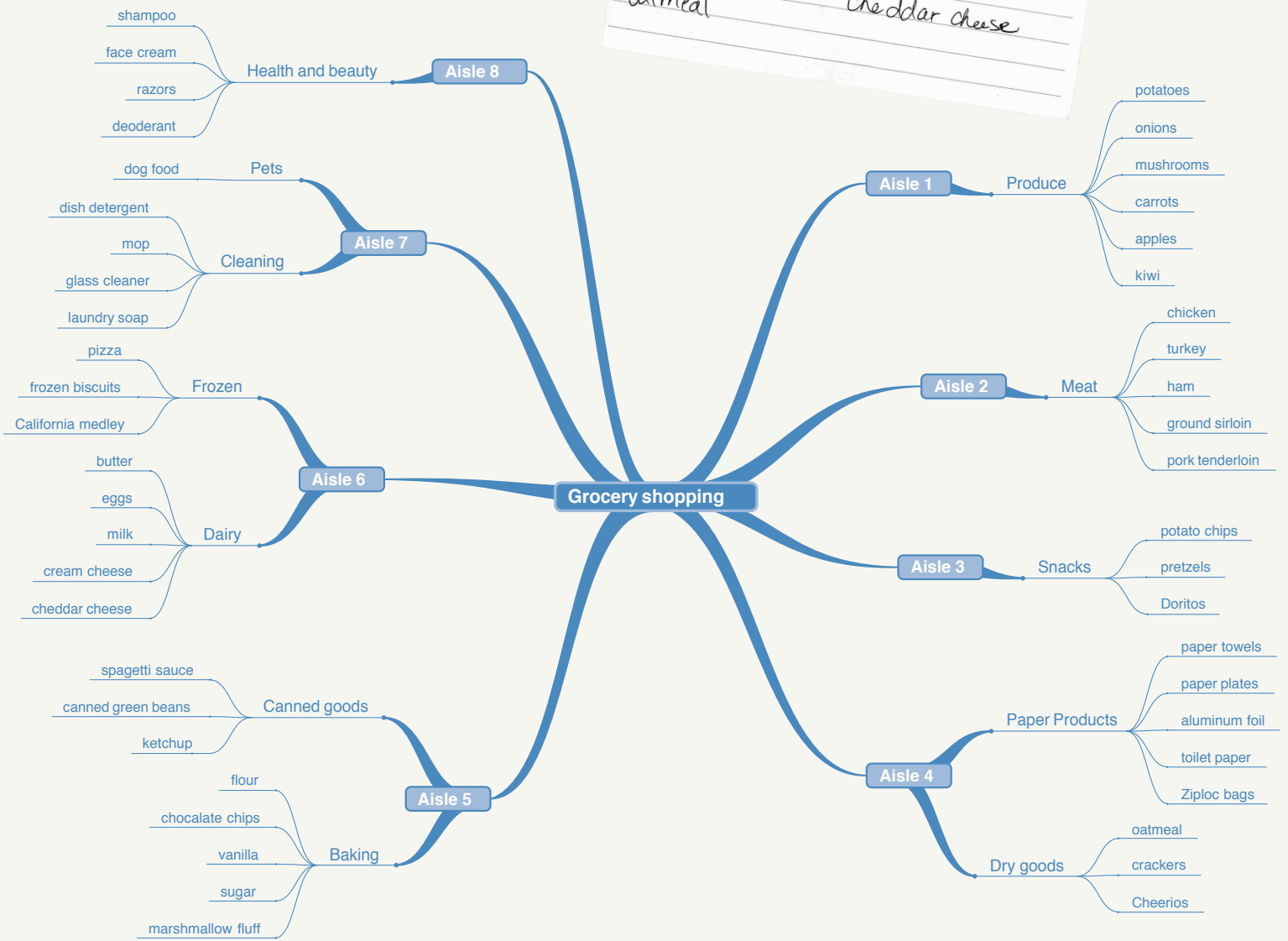
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# Grocery List



# Real Estate Transaction

