

Investment News

Be a leader in an age of equals

Dialogue through social media can't take the place of positioning yourself as an expert

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A senior executive at a major PR firm recently told me that thought leadership is dead. The new paradigm, he said, is dialogue.

I'm not convinced.

The concept of dialogue certainly has taken center stage these days, but we need thought leadership more than ever.

Social media, of course, has made it impossible for companies to control the customer conversation — which is fine, since one-way conversations were never very productive. (We all know the old adage that we have one mouth and two ears for a reason, and it has always been good business to encourage our clients and the marketplace at large to talk to and with us.)

But recognizing the need to create a dialogue with clients and prospects doesn't eliminate the need for thought leadership. Thought leaders are those who bring new information and insights to the discussion, create a new way to frame an issue, or tie information together so that others can see that a trend is under way. While we have come to expect people and institutions to respond quickly, the ability to step back from the fray and consider the situation also has its place.

A great example of this kind of leadership is the recently created Legg Mason Retirement Advisory Council, a think tank focusing on the challenges faced by investors, the federal government and the money management industry in the retirement area. This group not only has the potential to make a real contribution to a topic greatly in need of fresh thinking but can't help but position Legg Mason in investors' minds as a firm knowledgeable and committed to helping them with retirement.

Opportunities to be a thought leader abound. Anytime you speak or write to a client, you have the chance to position yourself as a knowledgeable source. Your newsletter is a ready-made occasion. Included with your articles should be a column with your point of view on a timely topic. Your website and public forums such as LinkedIn and industry websites can also be platforms. And as your recognition as a thought leader grows, so will the opportunities for public speaking and the calls from reporters asking for comments.

How can you or your firm become a thought leader? Here are building blocks:

Credibility is key. Although not always the case, many thought leaders are experts on their topic. They have a natural intellectual curiosity about the subject; have studied, worked in the field and may well have already written or spoken on it.

Employ a distinctive, authentic tone and point of view. One of the things that makes reality television compelling — think “Housewives” on Bravo — is that the characters are all different and we feel we know them (even if it is a persona they have developed for the show). Whether you are reading Frank Rich in The New York Times or Peggy Noonan in The Wall Street Journal, you don't need to see the paper or byline to know who is who.

Define your audience. Unless you aspire to be a thought leader on the national stage, focus on the audience you want to reach, and target your efforts to them. If your business niche is dentists, then you want to be quoted in a dental magazine and asked to speak at a dental conference. If referrals from accountants are important, think about regular communications to them that examine how market activity or regulatory changes are affecting their businesses.

Take a stand. Being a leader means taking a stand. Do you believe they should be teaching basic finance in the school system, that investors should take some responsibility for reading the information the financial services firms provide or that Section 529 plans have done very little to really make college more attainable for the average family? Tell the world about it.

Take the other side. There are always two sides to consider which is sometimes forgotten in our “rush to judgment” world. Look for what is missing in the discussion and bring it forward.

Timing. It won't matter how brilliant your observation is if no one cares. While it is possible to create an issue, even Oprah Winfrey rarely starts from scratch. At the same time, getting in early is important; otherwise, you are just one more person jumping on a bandwagon.

Bottom line, being recognized as a thought leader can raise your visibility and make building your business easier.