

10 QUESTIONS

Eric Maddox on Effective Negotiating, Successful Intel Gathering, and the Power of Good Listening

by Carly Schulaka



WHO: Eric Maddox

WHAT: Interrogator, consultant, author, mastermind behind Saddam Hussein's capture

WHAT'S ON HIS MIND: "Empathy is to listening as water is to the human body. It's everything."

WHAT CAN FINANCIAL PLANNERS learn about effective planner-client communication from a former U.S. Army interrogator? A lot, including that good listening is paramount to successful communication, and you can't be a good listener if you don't have empathy. Retired Army Staff Sgt. Eric Maddox will share his knowledge with planners through a keynote presentation at the FPA Annual Conference—BE Baltimore, Sept. 14–16.

Maddox is credited with gathering the information that led to the capture of Saddam Hussein—an accomplishment that earned him several awards, including the National Intelligence Medal of Achievement and the Bronze Star. With these accolades in hand, Maddox moved on to become the first civilian interrogator at the U.S. Defense Intelligence Agency, until he retired in 2014. Today, he trains clients worldwide in the art of effective negotiation and information gathering.

The *Journal* talked with Maddox recently to find out more about his unique negotiating methods and how financial planners can apply those methods.

1. *The interrogation strategies you used in 2003 that led to the capture of Saddam Hussein were unconventional at the time. Tell us a little about that; was it difficult to buck to the status quo?*

The techniques I used were unconventional. For me, it wasn't an issue where I wanted to do something different. The techniques I was trained on didn't work, and it wasn't because I was a bad interrogator, they just didn't work. The techniques that the Army trains, they're kind of a zero-sum game; they're confrontational, they're intimidating. And it's completely illegal to torture people, so you're not supposed to go down the route of torture. Those techniques just don't work.

I was by myself with this Delta Force team in Tikrit and I had to think, "What would make me talk? If I was in this position, what would get me to open up?" And that's how I created my interrogation techniques.

Then, the year after I used the techniques, I was around other interrogators

and realized my technique wasn't being used by anybody [else]. It was at that point that the military kind of had me go around and teach and explain, "What are you doing? How did you figure this out? How do you get inside their heads to get them to open up?"

To the second part of the question, it really wasn't that hard to get my interrogation techniques through because I was the only interrogator. The Delta Force guys, they didn't know anything about interrogations; they just had no idea—they wouldn't have known either way. Now, the difficult part to get through was the whole concept that these Delta Force guys would follow information from a prisoner, because what they preferred to do was use information provided by informants—people we pay to go out there and spy for us. Even though that was the preferred method, that wasn't really useful in this environment, so I found that my prisoners could be useful. So the real struggle was to change the mindset that you would follow the leads of the bad guys, the prisoners.

2. *You speak to many different kinds of audiences about the art of negotiating. Are there elements of effective negotiating that remain constant no matter the size or type of the entities involved?*

I think there are. I would describe my negotiation technique as very unique, but I still use some of the same principles. Really, it's about who controls the power. Whether you believe it or not, the power is typically not 50/50. A negotiation is either a zero-sum game—we have \$100 and we're going to see who gets the most of it—or, it's a negotiation to where the agreement is going to be a working agreement where everyone wins.

Those can be some of the differences, but I think really, you have to determine what the negotiation is. Is this a zero-sum game? Well, if that's the case, then

you really need to control the communications. You have to be deceptive; you don't show your hand.

One of the things I've realized about negotiations is a lot of times, winning is not necessarily the better number in terms of dollars. Winning is the perception that you did the best you could. So, I think a key to good negotiations is making the person across the table really feel like they put it to you to the point to where I will even feign some frustration and irritation, maybe as though I lost the deal, signing the deal kind of disgruntled.

3. *Financial planners have to gather "intelligence" on their clients in order to best serve them. But some clients hold information back. How can planners get better information from their clients?*

Any time that an individual holds back information, there is a trust issue. So if the financial planner is talking to a client, and that client's not opening up, it's because that client does not have complete trust in them.

What I would say then is, for financial planners, what do you think you're doing to gain their trust, and list those out. And then, what really are the trust issues? And it's probably something the financial planner said that indicated that it's about the priorities for the planner or something different than the priorities for the client. And that's it.

It's probably financial planning groups [and] wealth management groups who I talk to the most. And unfortunately, some financial planners are just not good listeners. They're not listening to the needs of the client. And it's what I tell every interrogator: the No. 1 key to being a good interrogator is you have to identify and address the needs of your prisoners, and they will address all your needs. It's the same thing with financial planners and clients. Address their needs. You take care of them, and they will take care of you.

4. *I hear you have created a methodology of intelligence organization. Can you tell us more about that method?*

It's an intelligence collection cycle. This isn't just for wealth managers or financial planners; it's for any organization. Look at any organization and say, "What are the top three questions you have about growing or changing markets, or new product development that could help you make better decisions in the next 12 months?" That's what holds people up.

But what I found in the government and the military is exactly the same in private corporations: if you identify those questions and then build a strategy to gather the answers to those questions through your company's human resource network—your workforce, your clients, the competition—and then provide some training to those individuals who are on your side (your workforce), 95 percent of all the intelligence needed to answer those three questions exists at the ground level.

The most important part of any company is answering the unknown. And you can gather all these questions with your current workforce. It doesn't cost anything; you do it with people you already have. So many companies are putting millions and millions of dollars into big data and gathering information and consultants, and I think, you've got your own intel force already. You just have to train them to be intel collectors.

5. *Many financial planners are small business owners, and they face competition from many areas. How can small business owners use corporate intelligence systems, or CIS, to be more competitive?*

CIS is that process of gathering information to answer your most critical questions with your own workforce, and it's a cycle. It's identifying the question and building a strategy to gather information, training your people to

go out and get the information, having them execute the collection of the information while conducting their regular duties, bringing it back, reporting it, disseminating reports, evaluating those reports from the decision-makers, providing feedback back to the ground, and having the cycle continue over and over again. But, that is corporate intelligence, not competitiveness.

So, when we talk about competition, the competition is to do what? If we're wealth managers or financial planners, the competition is to get new clients, maybe. But at the end of the day, [determining the competition] is the key.

What I have found in my world as an intelligence collector and an interrogator is there are a lot of interrogators, there are a lot of case officers who run informants, there's a lot of intel that is running through the system in any battlefield. And the commander's got to decide which information to go after. He's got one guy saying you should raid this house, and the other one saying you should raid that house. There's so much information, and much of it's not accurate, that these commanders have different choices and they have to make a decision. So I have to get that commander to believe in what I'm giving him, and obviously my presence matters.

I'm sure all of your financial planners know you've got to make those phone calls, you've got to build that rapport; but really what the difference is, is that my commanders, they want to be communicated with when things go wrong. And that's when most people stick their heads in the ground or go and hide, and they're not there to answer those tough questions.

And the news to the commander or to the client doesn't have to be, "Everything's okay." Listen, investors know things happen. But when you treat your clients with enough respect that when something really bad happens and you've got to go with that news, you're

straight up with them, you're very clear. And what I've found is, I can gain the most traction with my commanders—which is essentially a client—during the hardest times. When I screw up the most is actually when I can gain the most trust of my commanders, and I know that would be true of financial planners.

6. *You have said "strategic communication maximizes power." What do you mean by this?*

In a negotiation, you're communicating. You're talking across the table and the question is: how much is that person willing to pay, or how much are they willing to sell this thing for? What kind of margins would they take? That's what a negotiation is about.

Right now, you're listening. You are listening to something that hopefully you find interesting, so right now you're listening at a heightened level. I'd say you're probably 50 percent, right? The average human conversation is at 25 percent. But when you are in the middle of a negotiation or an interrogation, your listening is peaked out. If you're the prisoner, you're hearing everything and you're listening to everything, even non-verbal cues. Any roll of the eyes, any pause, any grimace is totally picked up by the person across the table.

So, in the middle of a negotiation, what a lot of people try to do is behave one way, like, "Oh, I'm mad," or, "That's an unacceptable offer," when they feel differently. You may not really be mad, you just want to appear as such. If you do that in a very subtle way to where the person across the table feels as though they've really picked up on something, then it has even more power. It has greater power because not only did they see the message you're sending, but you did it in such a subtle way that they think, "I picked up this message that was not intentionally sent across and wow, I'm really dialing into this guy."

If you can control what [the person you're negotiating with] perceives from you, now the question is, what do you want them to perceive? Power? Strength? Weakness? You literally could control the perception of the person across from you if you understand this for negotiation purposes. That's what I mean by controlling strategic communication is a great form of power.

7. *You train people on the art of information elicitation. What role does good listening play in effective information elicitation?*

I'll have companies say, come teach our people these elicitation techniques or tricks. And I say, I can't teach them to use these tricks until I teach them how to listen. So listening is the foundation. First and foremost, you must listen, and listening is not an art; it's a learned skill.

One of the primary things about listening is you have to clean your plate mentally. A lot of times, financial planners will prepare data that they want to share with clients, but if they don't have that data or that presentation down solid, that is cluttering up their mind, and they're not listening to the clients in the small-talk conversation. During the first 15 minutes of building rapport, they're not listening to what the client's saying because their mind is preoccupied with the pitch that they're going to give once the rapport period is over.

If you can clear your mind, your listening will triple. And if your listening triples, it doesn't matter what your pitch was going to be, because the only thing that really matters is the needs of the clients, and the clients are going to tell you their needs during that 15-minute conversation. If you just listen, you don't need to prepare for anything. But if you don't listen, you're going to miss all the clues, all those things that really tell you what's important to that client, because you're preoccupied with your spiel, your



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pitch, your numbers. It's sad, and it's unfortunate, and I would argue that for the best financial planners, there is a direct correlation to their ability to listen. I would argue it's the No. 1 variable.

8. *What about empathy? How important is empathy?*

Well, that's another one of the primary things about listening. If you put yourself in somebody else's shoes, it's hard not to listen. That's the key. And the thing is, if you're a financial planner with established clients, you can put yourself in their shoes. If you take the time to do that leading up to the meeting, and throughout the meeting, and then you've cleared your plate of your agenda, you're halfway there—you're halfway to listening.

Empathy is to listening as water is to the human body. It's everything.

9. *In your experience as an expert interrogator, what have you learned about teamwork?*

The military is all about teamwork. You don't do anything without the group at the lowest level, and even at the highest level—you're depending on that helicopter mechanic to make sure the helicopter's not going to crash; when you jump from an airplane, you're relying on the person who packed that parachute to always do it right.

But, as an interrogator, most of my teamwork is with my prisoners. At the end of the day, I spend 90 percent of my time with prisoners, and I've got to get them to go, "You know what? You're the bad guy, Mr. American Interrogator. I was trying to kill you yesterday, but today, I trust you; I believe you are going to help me, and I actually believe that I am going to help you to achieve my goals."

As an interrogator, I think it's kind of cool that my closest agreements and bonds and commitments in a

battlefield are with the enemy, or with the prisoners that I have. When I leave those relationships, I'm not close to them, they're not my friends, but it is a working relationship that demands trust. You must follow through on your word or you're nothing.

10. *You will deliver a keynote address at the FPA Annual Conference—BE Baltimore in September. What do you hope the financial planners in attendance will take away from your presentation?*

I want them to look at their profession and see how it was run 10 years ago, and ask themselves if that's the way it's run now. And then ask themselves, where do we think it's going in 10 years? And we don't know. The only thing we do know is it will be different, and we must adapt if we are going to survive and succeed.

So when we talk about thinking outside the box and about innovation—and those are really catchy words—we need to be more innovative.

I would argue that in almost every industry, especially in the financial world, that if we are not aggressively looking to innovate and to adapt and to change, we won't make it, we will not survive. I want that to be a key message. ■

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Learn More

By devising his own interrogation technique, Eric Maddox bucked the status quo. At the **FPA Annual Conference—BE Baltimore**, Sept. 14-16, hear his exciting story of gathering the intel needed to capture Saddam Hussein and be inspired to adapt and change.

Learn more at FPA-BE.org