

# Transform Your Professional Relationships into Drivers of New Business

by Julie Littlechild



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**W**hile professional referrals can be one of the best ways to grow a business, the strategy is not for the faint of heart. It takes time, effort, and patience. The rewards, however, are substantial—strong business growth coupled with a higher level of service for your existing clients.

That said, one of the biggest mistakes we can make is setting up a network of professional advisers only with a view to generating referrals. Referrals are a happy by-product of a strategy that is, first and foremost, about delivering a higher standard of service to your clients. Our research among high-net-worth clients clearly shows that the most engaged clients see their adviser as playing a coordinating role across the other professionals with whom they work—playing the role of “trusted adviser.” Stated differently, you build a center-of-influence network to bring a wider range of expertise to your clients and that, if done well, leads to more referrals for your business.

Our latest research involving input

from more than 1,000 clients across the country shows that the more satisfied and the more wealthy a client, the more likely he or she will see their adviser in a coordinating role across their professional advisers. (See Table 1.)

## Your Client Network

The first step is to define your network needs, and these will differ depending on your clients and their needs. Typically we think about CPAs and lawyers, but some advisers have expanded the notion of the network to include other professionals, from life coaches to personal trainers to psychologists. Think of yourself at the center (the hub) surrounded by all of the professionals who might be needed by your clients (the spokes) to start identifying your ideal network.

It is tempting to think of any professional as a target. In fact, we need to be extremely careful about whom we are willing to refer our own clients to, so think of your initial meeting with a prospective center of influence as an interview, rather than a sales pitch. You are looking to assess if they work with similar clients, have similar service philosophies, are non-competitive, are willing

to commit to defined service standards, and have an office set-up that reflects your standards. In some cases, advisers create a formal network, complete with a service agreement that all members sign that reflects these standards.

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Broadly speaking, there are two primary center-of-influence strategies and you may want to focus on one or both. The key point is that they are different, and understanding your own objectives is a good starting point.

## Strategy 1: Generating More Referrals from Existing Centers of Influence

In this case you already have established relationships and your goal is to encourage more referrals. Your overarching strategy is “active reassurance,” finding ways to both demonstrate and reinforce the value that you provide in order to encourage more referrals. Too often we hear from accountants who are concerned about making referrals

to financial advisers because they are unsure if their clients will receive the same level of service. Perception is reality, so find objective ways to demonstrate and communicate your value.

- The report card.** We routinely recommend that advisers gather client feedback. One way to demonstrate your value is to share those results with centers of influence. Write up a summary of your results and forward that to your professional contacts. It provides an objective snapshot of your value through the eyes of your clients.
- Communicate your standards.** Quantify and reinforce your value with centers of influence. At a minimum, define clear service standards in your business and share those with centers of influence, including such things as response time to client calls or frequency of plan reviews. Even better, hold an annual relationship review meeting with key centers of influence to discuss their perception of the service you are providing to their clients and to uncover unmet needs and opportunities.
- The value check up.** When you do receive a successful referral from a center of influence, send that new client a brief, one-page survey after three months. Let the new client know you are touching base early in the relationship to ensure that they are satisfied with the level of service provided. On that survey ask if you can share the results with the professional who made the initial referral. With permission, you are now in a position to go back to that center of influence, thank him or her once again, and share feedback from the only person's opinion they trust—the client's.
- Ongoing communication and education.** Half the battle with nurturing COI relationships is staying top of mind. You might want

**Table 1: Which, if any, of the following best describes the role your financial adviser plays relative to other professions with whom you work?**

	All Respondents	Completely Satisfied Clients (10 out of 10)	Clients with \$5M-plus in Investable Assets
My adviser plays a central role in my financial life.	36.8%	46.7%	50.9%
My adviser is one of several experts I use.	30.9%	19.2%	40.6%
Not applicable. I do not work with any other professional advisers.	32.4%	34.0%	8.5%

Source: Advisor Impact, *Economics of Loyalty: Anatomy of the Referral*, 2010

to consider facilitating a quarterly breakfast meeting with several non-competing professionals. In those meetings you could provide a brief overview of financial matters that might be important to their clients and use the time to share ideas and information on the issues that affect all professionals: building deeper and more profitable relationships with clients.

- Reciprocal referrals.** Find an opportunity to ask your clients if they are working with an accountant, lawyer, or other professional adviser and if so, whether they are satisfied. If those clients are not fully satisfied with the relationship, you are in a position to let them know you work with a select group of professionals and can offer a referral. You'll add value for clients and for your centers of influence.

**Strategy 2: Finding New Centers of Influence**

The flipside of this last tactic is a nice segue into the second broad strategy. Clients who indicate that they are satisfied with their professional advisers are the key to new professional relationships. For example, if a client is very satisfied with an accountant, ask if you can contact him or her to find out more about their services. With that permission, you can contact the accountant on the basis of having a mutual client who is satisfied, and set up a meeting to see if there is an opportunity for referrals.

Here is an example of potential correspondence with your client:

[Client Name], I just wanted to touch base because you indicated that you were very satisfied with your relationship with your accountant and lawyer. You may not realize this, but I work with a small group of professionals who come highly recommended so that I can refer those individuals to other clients. I was wondering if you would mind if I contacted him or her to let him or her know that we have a mutual client, in you, and to learn more about the services they provide.

What's interesting about this approach is that you are reinforcing value with clients by letting them know that you have built, or are building, a professional network to better serve your clients. At the same time, you are uncovering opportunity.



**Learn More**

For more resources on how to leverage relationships with centers of influence and generate referrals from clients and professional peers, visit FPA's Practice Management Center at [www.FPAnet.org/PracticeManagement](http://www.FPAnet.org/PracticeManagement).