



# Building a Referral Culture

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**dynamicDIRECTIONS**<sup>®</sup>  
Building a Better Life and Practice for Financial Advisors

# Coaching your Top Shelf Clients to Market for You



## CREATING A REFERRAL CULTURE

Each month, successful advisors undoubtedly receive a significant number of phone calls from prospective clients. The prospects normally initiate calls based on recommendations from friends, family members, or colleagues who favorably mentioned their financial consultant. These calls are made without the advisor putting forth direct effort. They are the result of smart work and dynamic management that simply produces happy clients and thus, word-of-mouth endorsement. Thriving advisors also receive monthly calls from clients saying they have talked to one of their friends, family members, or colleagues about working with the advisor. Often, the current client suggests that the advisor contact the mentioned person to propose a meeting. The common denominator of the aforementioned situations is the relationship between the advisor and the existing client. In most cases, the advisor has successfully set the expectations with the client about the specific type of prospect he/she desires. The client has also been subtly instructed as to what to say about the advisor and how to follow up when he or she uncovers a quality lead. Once your referral culture is established, it will be the envy of all your competitors.

Research indicates that the most affluent clients want to work with an advisor to whom they were introduced by someone they trust. From a business standpoint, word of mouth marketing is by far the

most cost-effective way to attract clients to your practice. Despite this glaring statistic, advisors struggle with building a referral culture in their practice.

When asking clients to help you grow your practice there are typically three potential pitfalls:

### 1. WRONG CLIENTS

Highlight the clients who you don't want to clone as clients or who expressed discomfort when the idea of referrals was discussed. It is a waste of your time and effort to begin cultivating referral growth in your practice by continuing to ask for introductions from clients who don't "get it." Designate clients not comfortable with the process of helping you as "Do Not Ask" so that you'll be sure not to waste valuable time soliciting that type of advisee for referrals.

Advisors often feel like giving up on building a referral culture when they are told no repeatedly by clients. If getting referrals initially proves monumentally difficult, it may be worth the effort to take a chance on the clients marked "Do Not Ask." Some of them may merely prove to be "Do Not Ask a Certain Way." Try one of the proven methods below.

### 2. WRONG APPROACH

Perhaps you have been too direct in the past with clients? Could it be that you have not been



specific enough in your request about the type of person to bring to an event? Is it possible that the expectations and instructions you gave your clients were vague? Maybe your method of asking is abrupt or causing discomfort with clients? To determine the faults in your referral generating system, re-examine previously used styles. If you want different results you need to take a different approach. See the Right Approach below to plant and grow your referral culture.

### 3. WRONG TIME

Picture a day during which you or your office staff made a mistake with a client transaction. You make a phone call to apologize for your mistake, right? At the end of the phone call, since you already have the client on the telephone, you figure “now is as good a time as any” and veer into a canned presentation by asking, “Who else do you know that deserves this type of service?” STOP RIGHT THERE. Making a mistake with a client is not the best representation of your service, so why would it be the right time to ask for the client’s help to generate referrals? Additionally, if a client phones with a quick question, they probably won’t appreciate you extending the conversation to ask for new client introductions. The adage, “timing is everything” can bear both positive and negative connotations. Your clients need to be warmed up to their achievements by you to ensure you are asking at the right time. Following a process that allows enough time to build up to the “ask” will give you the results you desire.

Now let’s look at the right way to build an effective referral culture.

### RIGHT CLIENTS

Your Top Shelf Clients represent the ideal profile of someone you find truly rewarding to work with, whether emotionally, mentally, or financially. Multiplying these Top Shelf Clients is the most effective way to reach your client acquisition goals.

Let the Top Shelf Clients who appear uncomfortable with bringing you referrals off the hook by funneling them to your larger events where they are not

required to bring a guest. For example, if you begin the new approach below and a client says (or indicates with body language) that they are not comfortable introducing you to his or her friends and family, make sure that individual understands that the relationship the two of you have is a higher priority than your cultivation of new clients. Reassure the existing clients that the situation is absolutely “no pressure.”

If you are discussing an exclusive event and a client displays uneasiness in response to the notion of finding someone to bring, politely let them know that they are welcome at one of your larger events regardless of whether or not they bring a guest. Try saying, “Why don’t you attend our upcoming (insert large event)? That is why we have these larger events — just to say thank you for being a client so you don’t have to worry about bringing someone.” Depending on your feelings toward the Top Shelf Client, you could also have something ready as a back up plan to reward your client for being one of your best Top Shelf Clients. For example, you could have on hand a restaurant gift certificate or movie passes. Alternatively, you could take them to a dinner or lunch. This will help you erase any discomfort they may have about being asked to help you generate business.

### RIGHT APPROACH

Pick Euphoric Moments in your meetings with clients to make them feel significant. A Euphoric Moment occurs when either you or the client acknowledges an achievement in the client’s financial planning path to their goals. It is a moment of reflection in which you reward positive behavior for financial stewardship in their financial planning goals by doling out handfuls of praise.

There are many client Euphoric Moments to acknowledge in meetings. These critical moments provide both reason and explanation as to why regular clients become Top Shelf clients. The following are examples of client Euphoric Moments:

- Client started, made progress toward or met their savings goal in one of the following areas: retirement

plan, college plan, investment goal, insurance policy, cash reserve goal

- Client met their recommended portfolio allocation
- Client paid off short or long term debt
- Client continues to conduct annual financial planning
- Client bought insurance to cover a need illustrated by their financial plan
- Client set up a college savings plan for their kids

The idea of Euphoric Moments is to reinforce the

positive actions your clients are taking to meet their goals. You can transition this moment to talk about how they are now Top Shelf clients and what it took to get there. Then you can leverage an upcoming exclusive event as a way for them to introduce friends who can become your next Top Shelf Clients.

It is vital that you coach your clients on what to say about you to potential clients - the right setup and introduction can make all the difference!

For much more valuable information on how to build your referral culture, contact Dynamic Directions today!



## Travis Chaney, CFP®, CMC™ CEO, Dynamic Directions

Travis Chaney was six weeks away from being fired for poor performance when he made the life-altering decision to reinvent himself and turn his life and practice around. Eight years later, he was in the top 1.5% of his firm in overall production and found he was living the life of his dreams.

Travis embraced his "BULLISH ON LIFE" attitude and began sharing his formula for success with other advisors. Travis and his team will guide you step-by-step into your new life and practice!

Reach out to Travis at [tchaney@dynamicdirections-d2.com](mailto:tchaney@dynamicdirections-d2.com) to schedule a complimentary consultation.

