



**dynamicDIRECTIONS®**  
Building a Better Life and Practice for Financial Advisors

# CREATING A REFERRAL CULTURE WORKBOOK



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. These prospects normally initiate calls based on recommendations from friends, family members or colleagues who favorably mentioned their financial advisor. 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 these 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 the client uncovers a quality lead. This also means the financial advisor uses an effective script, knows how to ask for and position the referral conversation, has identified who to ask for referrals, and

asks on a consistent basis. From a client experience standpoint, the financial advisor delivers a robust experience that exceeds the expectations of clients – this creates the reason for clients to talk about their financial advisor.

Once this kind of 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 stand point, 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.

In this workbook, we'll give you the building blocks to create your own thriving referral culture.

## WHAT DO ADVISORS FEAR?

Advisors typically share the following fears about their efforts to create a referral culture. After each fear, read the solution to see how to overcome the challenge:

- **Fear:** When you ask for introductions, your clients will say no.

**Solution:** You asked for the IRA rollover or the insurance sale from your clients. This is no different. If you want the business, asking for it is a necessity. You should view asking for introductions as part of your regular sales and communication cycle. Negative or positive, each client's answer is a good indication of whether or not they are willing to make introductions for you.

Remember that clients may say no to referrals not because of you but because of their own bad experiences which have left them hesitant. They may also be more introverted and lack the confidence in their own social skills to make an introduction on your behalf. If a client is not willing to help you with referrals, note that in their file so you don't ask again, and focus your energy on the clients who are willing.

- **Fear:** You don't feel worthy of receiving referrals. Your backstage operations are in shambles and you can barely serve your existing clients.

**Solution:** Such a predicament is the reason you need to build systems and align your team's strengths. What a tragedy – you don't want any new business from new clients because you can't take care of your existing clients. Refer to the D2 Client Experience strategies and lessons to get your client service in order.

- **Fear:** Your Top Shelf Clients are high-ranking individuals in corporations, small businesses and in the community, which intimidates you. You think these high achievers are so overwhelmed with work and community involvement that they don't have the time to make introductions to you.

**Solution:** Wrong! You are letting self-imposed intimidation act as a crutch for pursuing prospects. Consider how the very people you are intimidated by probably acquired their business and/or community status. Most high achievers recognize that the path to success was cleared with the assistance of others (i.e. mentors, friends, colleagues and family). These movers and shakers are typically worth the extra effort that, in the end, helps you increase your knowledge bank, enhance your client experience and assist your move upmarket. The Lifetime Value of running with a potential herd of elephants should excite and motivate you at the same time.

- **Fear:** You don't want to make clients angry or annoyed by asking them to help you reel in new prospects.

**Solution:** This is a legitimate concern. If you ask the wrong client or your approach is "wrong," or the timing is inconvenient (see below), your worries may manifest themselves. It's critical that your ask for help comes from a place of sincerity and that the messaging represents your authentic voice. As you go through this exercise, you will see sample scripts. Use these scripts, but take the time to make them your own. It's also worth noting that many people subscribe to a "Pay It Forward" philosophy and feel at least some obligation to help those who have helped them. Focus on the right people to ask, the right way to ask and the right time to do so.

- **Fear:** If an existing client's accounts are down, why would they want to refer you to someone?

**Solution:** This is why it is critical to focus on the process you leverage to select and monitor portfolios. The relationship rolls downhill when you only focus on investment performance. Focus on the behavior clients can control and influence to highlight their Euphoric Moments (see below) to overcome this manageable self-resistance.

- **Fear:** It is very difficult to catch up with referrals – they never return your phone calls. This is frustrating!



**Solution:** This problem usually means your referral source never gave the referral a heads up about who you are and that you would be contacting them. The referral naturally won't return a call from a stranger they don't know who is trying to sell them something. If you give your existing clients the correct direction about how to choose referrals and what to say about you, the follow-up process will be in place the moment you pick up the phone to call the prospective client. You and your firm will have been sold before you even have the chance to make your own sales pitch.

## EXERCISE

List your fears in asking for referrals as an advisor.

## FRUSTRATIONS OF ADVISORS

Three potential pitfalls exist when you ask clients to help you grow your practice:

1. Asking the Wrong Client
2. Asking with the Wrong Approach
3. Asking at the Wrong Time

### Wrong Clients

Previously in this process, you should have constructed a Referral Tree to help you designate which existing clients are your Top Practice Advocates. The reverse of this exercise is to now highlight the clients you don't want to replicate or who expressed discomfort when the idea of referrals was discussed. After completing a Client Segmentation Exercise, you will most likely find these clients located on your Bottom Shelf. The Bottom Shelf is steps away from being fired or sold. It is a waste of your time and effort to cultivate referral growth in your practice by continuing to ask for introductions from clients who don't "get it." Review your Client Segmentation report and designate the Bottom Shelf clients and other Top or Mid Shelf clients not comfortable with referrals as "Do Not Ask" so you won't waste valuable time soliciting them for referrals.

Advisors often feel like giving up on building a referral culture when clients repeatedly tell them no. If getting referrals initially proves monumentally difficult, it may be worth taking 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:

### 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 previous styles. If you want different results, you need a different approach.

### Wrong Time

Picture a day during which you or your team made a mistake with a client transaction. You make a phone call to apologize for your mistake, and 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? Or, if a client phones with a quick question, they probably won't appreciate you extending the conversation to ask for new client introductions. Timing really is everything in this case. Following a process that allows enough time to build up to the "ask" will give you the results you desire.

# Creating a Referral Culture Process

*The Referral Tree List and Top Shelf Clients represent the best body of clients from which to glean introductions. To recap the Referral Tree list, these clients “get it” and have a proven track record of sending you quality introductions who turn into clients.*

## RIGHT CLIENTS

Your Top Shelf Clients (this includes your Niche Clients) represent the ideal profile of someone you find truly rewarding to work with, whether emotionally, mentally or financially. When you completed your Top Shelf Client exercises, you determined what type of traits you seek in new or existing clients. Multiplying your Top Shelf Clients and going deep in your identified niches is the most effective way to reach your client acquisition goals. You may identify some of your Mid Shelf Clients as clients you want to duplicate based on their proven ability to refer you to others who can become Top Shelf Clients. The Mid Shelf Clients need to be evaluated on a case by case basis.



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[illegible]

As noted earlier, it is important to test your relationship with all of your Top and Mid Shelf Clients with a new method. For Top Shelf Clients who are uncomfortable with bringing you referrals, let them off the hook by funneling them to your larger events where they are not required to bring a guest. For example, if you are discussing an exclusive event and a client displays uneasiness (with words or body language) 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 backup plan to reward your client for being one of your best Top Shelf Clients. For example, you could have restaurant gift certificates or movie passes on hand. Alternatively, you could take them to dinner or lunch. This will help you erase any discomfort they may have about being asked to help you generate business. Make sure they understands that the relationship the two of you have is a higher priority than your cultivation of new clients.

You should continue to treat any Top Shelf Clients who don’t want to do referrals the same way you treat those who are eager to assist you. You may have failed to extract extra business from this particular client in the form of a new client, but you will still enjoy the financial rewards of the partnership – otherwise, these clients would not be your Top Shelf Clients. Set the expectation with yourself that not all of your Top Shelf Clients will want to introduce you to others.



The right referral approach involves helping your clients pick or create Euphoric Moments that make them feel significant.

A Euphoric Moment occurs when either you or the client acknowledges an achievement in their financial planning path to their goals. It is a moment of reflection in which you highlight positive behavior for financial stewardship in their financial planning goals.

There are many client Euphoric Moments to acknowledge in meetings. You could pick several from the list below. 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:

## Right approach

- Client started their savings in one of the following areas: retirement plan, college plan, investment goal, insurance policy, cash reserve goal
- Client increased their savings in one of the following: retirement plan, college plan, investment goal, insurance policy, cash reserve goal
- Client is ahead of their goals in one of the following areas: retirement plan, college plan, investment goal, insurance policy, cash reserve goal
- Client has met one of their goals in one of the following areas: retirement plan, college plan, investment goal, insurance policy, cash reserve goal
- Client changed their portfolio allocation to meet 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 drafted their will for the first time
- Client revised their will to meet the need of a life-changing event
- Client instituted an advanced plan with the support of their attorney
- Client hired an accountant to help with their taxes
- Client saved tax dollars by increasing (and/or starting) contributions to a qualified retirement plan
- Client saved money with their benefit packages through their employer
- Client took full advantage of their employer benefit package
- Client received a raise and allocated a portion of the new money toward one of their savings goals
- Client set up a college savings plan for their children
- Client sold off an underperforming holding

## EXERCISE

*Reflect on how you have helped clients and write down additional Euphoric Moments below:*

**EUPHORIC MOMENTS**

1.
2.
3.
4.
5.
6.
7.
8.

You should present Euphoric Moments from a client-centered approach instead of an advisor-centered approach. Give credit to the clients for making choices that propel them closer to financial security. Even though you may have suggested every action, let the clients bring up the fact you helped them chart and execute the course to their goals. Drawing attention to yourself by saying, “I helped you set up your monthly savings ...” diminishes the effectiveness of this technique and simultaneously makes you sound conceited.

The objective of Euphoric Moments is to reinforce the positive actions clients are taking to meet their goals. As your clients relish their accomplishments, you should transition into explaining how their Euphoric Moments qualify them as Top Shelf Clients.



**Role Play: (This happens at a point in the meeting when the advisor and clients are discussing their retirement goal.)**

**Advisor:** *Tom and Judy, you should feel really good about the progress you are making toward your retirement goal. Over the last five years, you have continued to increase your retirement savings in your 401(k) plans at work and your annuity savings here. Your 401(k) balance has grown from \$135,000 to \$320,000 while your annuity and IRA accounts have grown from \$225,000 to \$380,000. You are now maxing out your 401(k)'s, which has also saved you several thousand dollars in taxes per year. According to your retirement analysis, you appear to be on track to meet your retirement goal one year earlier. How does that make you feel?*

**Tom:** *Wow! Who knew when we first started working with you five years ago we would increase our savings for retirement so much while saving money on taxes. Are you sure we are on track to retire earlier?*

**Advisor:** *Yes, according to your retirement analysis you can retire earlier. You continue to follow a rebalancing strategy every year to maintain the integrity of your portfolio in the context of risk tolerance, time frame and goal. Your commitment to rebalancing has helped you accelerate your track on retirement, as well.*

**Judy:** *This is great news! We really have you to thank for keeping us on track.*

**Advisor:** *Thank you. However, the credit goes to you for being (insert Top Shelf Client Criteria - see completed [Top Shelf Client exercise](#) and customize for specific client)*

At this point, explain to Tom and Judy why they are Top Shelf Clients. Do this by reminding them of your Top Shelf Client criteria (from the Top Shelf Client section of the workbook). You may want to recall and insert any other positive behaviors (Euphoric Moments) they have demonstrated over the years to put them in the position to retire early and/or place themselves in a better overall financial position.

### **Referral Danger**

Other referral programs recommend that you give clients a rehearsed specific criterion for referrals without taking into consideration their personal financial standing. Consider how a client who has \$750,000 in assets with you and is retired from a local manufacturing plant will interpret you telling them, "When you recommend referrals, look for middle age executives who make \$100,000 plus in income, have \$100,000 of investable assets, are concerned about saving income taxes, are planning for retirement, and want to save for their children's education."

This pre-programmed message will not be effective and runs the risk of offending your client because they have little in common with this ideal client. Your client also could walk away thinking he is not one of your Top Shelf Clients.

You MUST CUSTOMIZE your Top Shelf Client criteria for each Top Shelf Client you want to duplicate. This will change according to whichever Top Shelf Client is sitting in front of you. In the case of the retired client described in the previous paragraph, you could explain your Top Shelf Client traits in the following manner: “As you look for potential people to introduce me to, think about your financial and life situation. I enjoy working with people just like you who are retired, worked hard all through their career, walked away with their life savings from their plant and want to make sure they outlive their money.”

If you want your rehearsed message to be as specific as the previous example about working with highly-paid executives, make sure you only use that description for the Top Shelf Clients who currently fit that profile. Focusing on a specific aspect like this is perfectly acceptable – just be careful in setting these expectations. Make sure your messages resonate with your current clients, and do not confuse or offend them.



*Back to our example: by showering Tom and Judy with praise, you are making them feel special about their accomplishments while justifying your existence as their financial advisor in a subtle way.*

**At this point, ask the value question to your clients.**

**Advisor:** *I truly enjoy working with both of you. What is it about me and my services that you value most? (Be quiet and just listen!)*

**Tom:** *You make us feel secure about our future through regularly scheduled meetings with phone and email follow-ups in between. Your ability to stay in constant communication tells me you are on top of our financial situation.*

**Judy:** *The investment strategies you recommend work, too. The covered call options generate income for us which helps when our prices are down due to market fluctuation. You always invite us to nice restaurants and events which make me feel like you are more than just our advisor – you are our friend.*

**Advisor:** *Thank you for the wonderful feedback. I think it is important to let you know I want to grow my practice. I am not interested in numbers, though. I am interested in growing with people just like you. Clients who enjoy (restate what they said they valued most about you) constant communication, pre-set meeting times, want advanced investment strategies, enjoy the parties and events we put on, and want a friendship type relationship with me.*

By explaining to the clients that they fit your Top Shelf Client criteria and using the feedback they give you on why you are valuable, you are teaching your clients what it is you are looking for in new clients. The answers the clients give you from this question acts as a combination guide and screening process for your clients to use when they create dialogue about you within their network.

**Advisor:** *One of the most effective ways I have found to grow my practice selectively is to ask for help from those I enjoy working with most – like you. As you come across people who have a similar situation as you and would enjoy the working relationship we have, I ask that you contact me so we can work out the best way for me to connect with them.*

**When to be direct?**

If they have referred someone to you in the past who is a Top Shelf Client, you should bring this up in your conversation for leverage. If they were introduced to you by one of your other clients, you should also remind them of this to reinforce the notion of the client introducing you to others.

### **Example of clients sending you introductions in the past - The Direct Approach**

The “Judy and Tom’s” of your client base get it and have already successfully referred you to others. You can and should be direct with them considering you will not offend them due to their comfort level in referring you to others. The direct approach applies to the clients and advocates you identified in the [Referral Tree Workbook](#).

**Advisor:** *A good example of great clients for my practice are Fred and Martha Smith who you introduced me to a few years ago. How are Fred and Martha doing?*

**Judy:** *I just spoke to Martha yesterday and told her we were coming to see you today. Martha wanted me to tell you hello. Fred and Martha have thanked us several times for introducing them to you.*

**Advisor:** *The thanks goes to you for connecting us. It’s interesting because I believe Bob and Agnes introduced you both to me, as well. Have either of you talked to Bob and Agnes lately?*

**Tom:** *Bob and I played golf together about a month ago. We had fun talking about his retirement activities with his antique cars and all the travel he’s been doing.*

**Advisor:** *Bob and Agnes do travel a lot. They were just in two weeks ago telling me about their cruise to Alaska. As you think of people to introduce me to, think in terms of who can be the next Fred and Martha or Bob and Agnes. I remember that you introduced Fred and Martha to me through a dining event at Colby’s. Maybe we can host another dinner at Colby’s like we did with Fred and Martha – would that work?*

**Tom:** *We had a lot of fun that night. Yeah, let’s pick a date and we can work on asking some of our friends.*

**Advisor:** *Great. We can set that up. April from my team can communicate to you some dates I can be available. April can also handle all of the planning details of the dinner. Tom, you brought Bob to a golf outing at my country club, which is how we met. Do you have any other golf buddies we can take golfing?*

**Tom:** *Yeah, I have a few guys I can reach out to. Do you want two golfers so we can have a foursome?*

**Advisor:** *Sure, let’s build out a foursome. You can also work with April on the details of the golf outing.*

*You can also consider leveraging an event schedule at this point in the conversation by suggesting an upcoming exclusive event as a way for your clients to bring the next “Fred and Martha” and/or “Bob and Agnes.” By replaying how the referrals became clients, you are giving your clients a successful path to recreate.*

*See our [Purple Teeth Marketing Workbook](#) for more on creating exclusive events like this.*

### **Example of inserting a Private Dining Event**

**Advisor:** *I’ve been inviting select clients to join me with their guests for a wonderful dinner at Nikos - a very nice restaurant. People are really excited about this opportunity. It is truly fun and a great experience.*

*So if you are comfortable – what I’d like you to consider is joining me for dinner. It would be you and four guests (two couples, four individuals or a mix). This dinner is a way to introduce me to people who want to have a great restaurant experience and want the type of relationship we have, while also saying thank you for being one of my best clients.*

*We will not have a business agenda at the dinner – I would like to get to know your guests just as I’ve gotten to know you. If business comes up, I’ll probably ask you to answer... you know from your experience how we address issues. Besides, your guests know and trust you, so the answers you give will have greater credibility.*

*Lastly, as you think about potential people to bring to the dinner, I ask that the guests you will bring are willing to visit with me a couple of weeks after our dinner. This free consultation will give your guests an outlet to ask questions in a more confidential manner outside of our no-business-agenda dinner.*

*If you are open to this, I would like to give you some dates that are open on my calendar to arrange this dinner for you. (BE PREPARED WITH THE DATES, TIMES, AND LOCATION OF YOUR DINNERS.)*

*If you don’t feel like a dinner would be appropriate to make introductions, we have several events coming up this year to choose from. Also, I am open to your suggestions on how best to get to know people just like you. (Whatever suggestions the clients give you on how to approach the recommendations they give you, follow them.)*

If the clients choose to sign up for the event, begin to explain the details of the event so the clients can duplicate the message to their guests. At the end of the conversation about the event, determine what the clients will say about you to their guests prior to the dinner.

**Advisor:** *I can tell this is going to be a wonderful event. I have one question to ask. As you invite your guests to the dinner and they ask about me as your advisor, what will you say about me?*

**Tom:** *I will tell them you are very professional, you communicate with us on a regular basis, and we feel secure that your advice will allow us to meet our retirement goal.*

**Judy:** *I will let them know this is an example of how well you treat us and say thank you with dinners and events. I’ll do my best to explain some of the investment strategies like the covered calls and exchange traded funds, too.*

At this juncture of the conversation you may want to ask if they have anybody in mind to bring. If they do, gather as much information as possible about the people they are bringing and then move on to the section below: Coach Your Clients – Developing a Positioning Story.

If your clients do not give you any names when you ask, give them a deadline of five to seven business days to respond and identify guests. Giving deadlines, providing incentives, and limiting the number of participants creates urgency for your clients to respond quickly to your events. An example of providing an incentive is offering a limousine ride to and from the restaurant for the first couple that responds to the Private Dining Series. Another great incentive is rewarding the first four people to commit to a wine tasting event with complimentary bottles of the wine you will be showcasing.

Different types of events will intrigue different clients. Creating a sense of urgency encourages existing clients to invite guests and respond to you to ensure they will be able to attend the experience that most interests them.

### **Example if client does not mention anyone to bring.**

Advisor: I tell you what, I'll hold the date you have selected for the dining event for five more days to give you some time to make some phone calls and find some guests who would enjoy the restaurant experience and are in a similar financial situation as you. I will call you on Friday to check in with you. Is that okay?

Tom: That is fine. What if we can't come up with anyone between now and then? Will we need to cancel the dinner?

Advisor: Excellent question. I will probably have clients who will want to take the date you reserved. What I have done in the past is just push your date out to a time that is agreeable to the both of us. During our phone call on Friday we can decide on a future date if you don't come up with anybody. I would rather wait for you to find the right people to bring than to hurry you to find someone. Are you comfortable with this approach?

Judy: This is fine. It sounds like you have quite an interest in these dinners. Tom, you and I really need to find some couples so we can keep our original dates.

Whether you are leveraging an event schedule or not, let the clients go through how they describe you to others. No matter what the answer, applaud them for their description of you. As you digest their message, run their answers through the coaching questions below to make sure they hit on each question. If they don't cover each question, begin leading them through all of the coaching questions.



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## COACHING YOUR CLIENTS – DEVELOPING A POSITIONING STORY

It is of the utmost importance that you coach your clients (either directly or indirectly) as to what to say about you to potential clients – their friends, colleagues and family members. Your coaching will influence the words and inflection your clients will use to describe you. Prompt your clients with the following questions to help them develop the perfect positioning message for you. The following questions induce clarity and assist the client in building a story that is personal and thus, easily told with conviction. Ask your clients if it is okay if you can ask them a few questions about their situation to build a story they can tell others about their work with you.

\*It's important that you know the answers to the following questions for each client you take through this process. This will allow you to prompt the clients when they say they don't know or have trouble articulating their answers.

### *Prior Situation*

Do you remember what your situation was like prior to meeting me?

### *Discovered You*

How did you hear about me?

### *The Decision*

What process did you use to evaluate and decide to hire me as your advisor?

### *Positive Experience*

What kind of positive experience have you had with me since we first started working together?

### *Result*

What are some of the results you have achieved since working with me?

### *Transition*

When you talk to the people you want to introduce me to, would you tell them that story and ask if they are willing to sit down with me? This is your story so it should be easy to remember.



### Sample Answers

#### *Prior Situation*

**Advisor:** *Do you remember what your situation was like prior to meeting me?*

**Tom:** *My broker hardly ever called me. I had to contact him. I didn't know what was going on with my accounts.*

#### *Discovered You*

**Advisor:** *How did you hear about me?*

**Judy:** *A friend at work, Bob Jones, told me about you. Bob invited us to one of your events but we never made it. Bob continued to say great things about you, so I called you.*

#### *The Decision*

**Advisor:** *What process did you use to evaluate and decide to hire me as your advisor?*

**Judy:** *After our initial meeting, I went back to Bob to confirm his positive feelings toward you. You also gave me some names of other co-workers that I know and I called two of them. Both of them gave you high marks so I decided to move my accounts over to you.*

#### *Positive Experience*

**Advisor:** *What kind of positive experience have you had with me since we first started working together?*

**Tom:** *I like the fact we have three pre-scheduled meetings every year initiated by you. When I leave your office, I feel confident in your ability to guide me. I also like all of the events you host for us. I truly feel appreciated.*

#### *Result*

**Advisor:** *What are some of the results you have achieved since working with me?*

**Tom:** *We are saving \$500 more per month since we met, conducted a full financial plan, and completed our will and trusts. We know exactly when we are going to retire along with the road map on how to get there. We are both taking advantage of the benefits through work, which I wasn't maximizing before I met you. I saved several thousand dollars in taxes by increasing my contribution to my retirement plan.*

**Advisor:** *You have a great story to tell people.*



## FOLLOW-UP PROCESS

Imagine the following scenario: you are in a client meeting and begin to ask for introductions from your clients. Your clients ask if you received a call from several of their work colleagues based on the fact your clients handed out 10 of your business cards approximately two months ago. You answer with a polite no. Both you and your client are frustrated by this situation. The client feels as if they did what they were supposed to do – promote you verbally and then hand out your business cards. You realize 10 opportunities slipped away because the client had these interactions two months ago. In order to prevent such an undesirable predicament, it is critical that you establish a follow-up process as an integral component of your Referral Culture.

After you have helped your clients build their positioning story, the next step is to establish a concise communication system of all meaningful contacts they encounter with potential Top Shelf Clients.

You can suggest that they make a phone call or send an email to tell you about the prospect encounter. You want to procure as much information as possible about the conversation your client had with the potential referral. Here are some sample questions to ask about the client's introductions:

- How do you know each other?
- What do you like best about them?
- What do you know about their life outside of work?
- What do you know about their professional life ... where do they work and what is their specific job title?
- Do you know if they have a current advisor? If so, do you know which firm they are working with?
- Have you had any prior financial conversations with them? If so, what were they like?
- What do you think would be the best way to follow up with them?

By asking the client what to do next, you are demonstrating respect and courtesy toward your client. You are also allowing your clients to own the contact process by asking them to help you make the choice on the proper follow-up method.

Update your client or referral source even when their introduction does not become a client. By keeping your referral source in the loop, you are ensuring that your clients know you are following through on what you said you were going to do. Following up with your referring client may also generate another referral and/or help you develop a new plan of action in the event you have trouble establishing a meeting with new referrals. If an introduction does not become a client, you can coach your client again on the right type of client to introduce to you.

### **Establish a Follow-Up System**

**Advisor:** *After you share your story about us with someone who you think would make a great client for our firm, I have found it is important to establish a follow-up system between you and me to ensure I can contact your friend, colleague or family member in a timely manner. Are you comfortable with this approach?*

**Tom:** *Sure. Why is it important to create a follow-up system, though?*

**Advisor:** *My experience is that clients come to my office and tell me they have talked to several potential clients over the previous months. When I tell my clients I haven't heard anything from the potential clients, my clients get frustrated. They think they are doing the right thing by telling the story we just created with you, but then the introductions they make don't follow through on contacting me. I don't want my clients to feel frustrated when they are taking the time to help me grow my practice.*

**Tom:** *That makes sense. I know I have given your card to several people at work and told them to give you a call. Almost all said that they will call you. It sounds like they haven't made the call, though.*

**Advisor:** *Exactly. What I have seen work best is when you tell your story about me and give out my card, then either give me a call or shoot me an email to let me know who you just talked to. Together, we can then work out an appropriate plan for me to follow up with whomever you want to introduce me to. I will rely on your guidance on the best way to follow up. For example, if there is an upcoming event maybe you can invite them. Or, you may tell me I should go ahead and call them. Maybe you will tell me I should send them a personal note. I want to follow your lead and respect the relationship you have with everyone you introduce me to. What do you think?*

**Tom:** *Sounds simple enough.*

### **Goal Setting and Tracking**

As you set goals for generating introductions and converting introductions to clients, review your Top Shelf Client and Referral Tree List.



## EXERCISE

### *List your goals in the following areas over the next 12 months:*

- \_\_\_ How many clients you will ask for introductions
- \_\_\_ The total number of clients who will give you introductions
- \_\_\_ Total leads generated from asking for introductions (multiply the number of planned Client Touches through meetings, phone calls, and events by the number of Top Shelf Clients and Clients on the Referral Tree to set the goal on number of introductions you will receive)
- \_\_\_ Total clients acquired from asking for introductions
- \_\_\_ Out of total clients acquired, those who meet your Top Shelf Criteria
- \_\_\_ New assets from new clients
- \_\_\_ New GDC from new clients

Break down your 12-month goals to weekly goals:

- \_\_\_ How many clients will you ask for introductions
- \_\_\_ Total number of clients who will give you introductions
- \_\_\_ Total leads generated from asking for introductions
- \_\_\_ Total clients acquired from asking for introductions
- \_\_\_ Out of total clients acquired, those who meet your Top Shelf Criteria
- \_\_\_ New assets from new clients

In order to track your results and keep close contact with the introductions who do not initially become clients, transfer your introductions to your Prospect Tracker (if you don't have one, [click here for a sample](#)) to ensure those names get transposed onto your Systematic Positioning Plan.

### **Tips For Establishing a Referral Culture**

#### *Create a Reward System:*

You should consider implementing a reward system for clients who send you introductions as well as a separate reward for clients whose introductions convert to clients. A handwritten note and a gift card would be a great start.

#### *Place Vacancy Signs in your Practice:*

Build awareness in your office, voice mail messages, and personal notes that you are accepting a select number of new clients. For instance, you could place a small sign in your office that says: Looking for introductions to advise receptive, fun-loving and financially secure clients. Construct your own sign based on your non-financial Top Shelf Client criteria. With all written client correspondence (letter or email), you can attach a P.S. statement that illustrates your desire to grow your business selectively. For example, you could write: "P.S. I want to grow my practice with clients just like you. Don't forget to call or write if you come across someone you think I should meet!"

### *Tread Delicately – Beware of Pressure Prompting*

As you follow the Creating a Referral Culture process, the clients who “get it” should naturally begin to tell you people who will be good matches for you and your style of practice. Several schools of thought on referral marketing encourage you to conduct a verbal inventory of individuals with whom your clients interact or have relationships with. However, when you begin to ask the question, “Have you thought about introducing me to ...” and you finish the question with your co-workers, friends, family, etc. it is important not to make your clients feel pressured. When feeling pressured, people may simply give you a name to escape the situation.

Remember, if clients are hesitant to introduce you, it’s more than likely because either they don’t know what to say about you or their mode of operation is not built to make introductions. You, the advisor, must learn to tell the difference. If clients don’t know what to say about you, you can immediately begin to coach them on building your Positioning Story. If they are not comfortable introducing you, disengage politely in order to maintain a positive relationship with the client.

### *Stop Chasing Introductions*

Don’t call a referral until your client or center of influence has contacted the introduction, told the positioning story and prompted you to initiate the contact. You may feel good because you have 60 leads to contact. However, if your clients haven’t positioned you properly, your conversion success will be low and your frustration will skyrocket.

Immediately after an event, you need to have a pre-generated method ready for sending your clients a note of thanks for attending. This communication might also include an explanation about the best way to create results on converting their guests into clients. Below is a sample letter you can use and/or modify.

## Sample Follow-up After Event to Client (Building a Referral Culture)

Client Name  
Client Address

*Dear Client,*

*Thanks for attending the (insert event) on (insert date). I enjoyed being a host to you and wanted to express my gratitude for the business relationship we have. I also want to say thanks for the introduction to (insert guest(s) name). You are an intricate part of the growth for our firm.*

*My experience has been the most effective way to introduce me to your friends, family and colleagues is for you to contact them first to share your experience with me as your advisor. You can tell (insert guest(s) name) where you were prior to working with me, how and why you decided to work with me and your experience/results since we established our relationship. From there, I will follow-up with you on how to connect with (insert guest(s) name).*

*Please let me know when you have contacted (insert guest(s) name), and if it is okay for me to proceed in sending them a personal note or whatever course of action you think fits the situation. I am relying on you for guidance on how to best follow up with your guests. Again, thanks for helping me grow our firm into one of the top practices at Ameriprise Financial Services. I value you and our working relationship.*

*Warmest Regards,*

Advisor Name

Once you have mailed the letters to your clients, mark a note in your calendar for you or one of your team members to follow up with each client. You should contact each client who does not respond independently to check the status of the client's correspondence with the guest they brought to the event. This follow-up is critical to your success.

**Sample Follow-Up After Client Meeting and Client Gives You Referral(s)  
(Building a Referral Culture)**

Client Name  
Client Address

*Dear Client,*

*Thanks for a productive and meaningful meeting on (insert date). I enjoy being one of your trusted advisors and want to express my gratitude for the business relationship we have. I also want to say thanks for the introduction to (insert guest(s) name). You are an intricate part of the growth for our firm.*

*My experience has been the most effective way to introduce me to your friends, family, and colleagues is by having you contact them first to share your experience with me as your advisor. You can tell (insert guest(s) name) where you were prior to working with me, how and why you decided to work with me and your experience/ results since we established our relationship. From there, I will follow-up with you on how to connect with (insert guest(s) name).*

*Please let me know when you have contacted (insert guest(s) name), and if it is okay for me to proceed in sending them a personal note or whatever course of action you think fits the situation. I am relying on you for guidance on how to best follow up with them. Again, thanks for helping me grow our firm into one of the top practices at Ameriprise Financial Services. I value you and our working relationship.*

*Warmest Regards,*

Advisor Name

# SAMPLE SCRIPTS

*For your convenience, we have gathered the sample scripts from this workbook together into one place here. Save this section for quick reference when you're brushing up on how to ask for referrals!*

## Sample Script – The Perfect Top Shelf Client Exclusive Event

Role Play: (This happens at a point in the meeting when the advisor and clients are discussing their retirement goal.)

### **BRING UP EUPHORIC MOMENTS**

**Advisor:** *Tom and Judy, you should feel really good about the progress you are making toward your retirement goal. Over the last 5 years you have continued to increase your retirement savings in your 401(k) plans at work and your annuity savings here. Your 401(k) balance has grown from \$135,000 to \$320,000 while your annuity and IRA accounts have grown from a \$225,000 to \$380,000. You are now maxing out your 401(k)'s, which has also saved you several thousand dollars in taxes. According to your retirement analysis, you appear to be on track to meet your retirement goal one year earlier. How does that make you feel?*

**Tom:** *Wow! Who knew when we first started working with you 5 years ago we would increase our savings for retirement so much while saving money on taxes. Are you sure we are on track to retire earlier?*

**Advisor:** *Yes, according to your retirement analysis you can retire earlier. You continue to follow a rebalancing strategy every year to maintain the integrity of your portfolio in the context of risk tolerance, time frame, and goal. Your commitment to rebalancing has helped you accelerate your track on retirement, as well.*

**Judy:** *This is great news! We really have you to thank for keeping us on track.*

**Advisor:** *Thank you. However, the credit goes to you for being advice receptive, action oriented toward your goals, having a positive attitude about life, and believing in me enough to introduce me to your network of friends, family and colleagues.*

### **ASK THE VALUE QUESTION**

**Advisor:** *As I just stated, I truly enjoy working with the both of you. What is it about me and my services that you value most? (Be quiet and just listen!)*

**Tom:** *You make us feel secure about our future through regularly scheduled meetings with phone and email follow ups in between. Your ability to stay in constant communication tells me you are on top of our financial situation.*

**Judy:** *The investment strategies you recommend work, too. The covered call options generate income for us which helps when our prices are down due to market fluctuation. You always invite us to nice restaurants and events which make me feel like you are more than just our advisor – you are our friend.*

**Advisor:** *Thank you for the wonderful feedback. I think it is important to let you know I want to grow my practice. I am not interested in numbers, though. I am interested in growing with people just like you. Clients who enjoy (restate what they said they valued most about you) constant communication, pre-set*

*meeting times, enjoys the parties and events we put on, and want a friendship-type relationship with me.*

**Advisor:** *One of the things I've found as a very effective way to grow my practice selectively is to ask for help from those who I enjoy working with most – you. As you come across people who have a similar situation as you and would enjoy the working relationship we have, I ask that you contact me so we can work out the best way for me to connect with your family, friends and colleagues.*

### **Example of clients sending you introductions in the past.**

**Advisor:** *A good example of great clients for my practice are Fred and Martha Smith who you introduced me to a few years ago. How are Fred and Martha doing?*

**Judy:** *I just spoke to Martha yesterday and told her we were coming to see you today. Martha wanted me to tell you hello. Fred and Martha have thanked us several times for introducing them to you.*

### **Example of clients being introduced to you by other clients.**

**Advisor:** *The thanks go to you for connecting us. It's interesting because I believe Bob and Agnes introduced you both to me, as well. Have either of you talked to Bob and Agnes lately?*

**Tom:** *Bob and I played golf together about a month ago. We had fun talking about his retirement activities with his antique cars and all the travel he's been doing.*

**Advisor:** *Bob and Agnes do travel a lot. They were just in two weeks ago telling me about their cruise to Alaska. As you think of people to introduce me to, think in terms of who can be the next Fred and Martha or Bob and Agnes.*

### **Example of inserting a Private Dining Event** **(skip this section if you are not holding private dining events)**

**Advisor:** *I've been inviting select clients to join me with their guests for a wonderful dinner at (insert the name(s) of a very nice restaurant). People are really excited about this opportunity. It is truly fun and a great experience.*

*So if you are comfortable – what I'd like you to consider is to join me for dinner. It would be you and 4 guests (2 couples, four individuals or some mix for total of 4). This is a way to introduce me to people who want to have a great restaurant experience and who want the type of relationship we have, while saying thank you as one of my best clients.*

*At the meeting there will not be a business agenda. I would like to get to know your guests just as I've gotten to know you. If business comes up, I'll probably ask you to answer...you know from your experience how we address issues. Besides, your guests know and trust you so the answers you give will have greater credibility.*

*As you think about potential people you are going to bring to your dinner, I ask that you think of this – that the guests you bring are willing to visit with me a couple of weeks after our dinner. This free consultation will give your guests an outlet to ask questions in a more confidential manner outside of our no business agenda dinner.*



*If you are open to this, I would like to give you some dates that are open on my calendar to arrange this dinner for you. I have reservations at Del Friscos for the 11th, 18th, and 25th of this month. If you don't feel like a dinner would be appropriate to make introductions, we have several events coming up this year to choose from. Also, I am open to your suggestions on how best to get to know people just like you.*

**Tom:** *I think dinner at Del Friscos sounds wonderful. We've never been there but have discussed going there several times.*

### **Coach your clients to build a positioning story**

**Advisor:** *I can tell this is going to be a wonderful event for the both of you. I have a question to ask. As you invite your guests to the dinner and they ask about me as your advisor, what will you say about me?*

**Tom:** *I will tell them you are very professional, you communicate with us on a regular basis, and we feel secure that your advice will allow us to meet our retirement goal.*

**Judy:** *I will let them know this is an example of how well you treat us and say thank you with dinners and events. I'll do my best to explain some of the investment strategies like the covered calls and exchange traded funds, too.*

**Advisor:** *I appreciate your compliments. I have found most people already have an advisor and can probably say the same thing about their current advisor. Unless you tell your whole story about us working together the guests you invite may not want to meet after the dinner.*

*Let me ask you a few questions that will help you build your story to tell them.*

#### *Prior Situation*

**Advisor:** *Do you remember what your situation was like prior to meeting me?*

**Tom:** *My broker hardly ever called me. I had to contact him. I didn't know what was going on with my accounts.*

#### *Discovered You*

**Advisor:** *How did you hear about me?*

**Judy:** *A friend at work, Bob Jones, told me about you. Bob invited us to one of your events but we never made it. Bob continued to say great things about you so I called you.*

#### *The Decision*

**Advisor:** *What process did you use to evaluate me and made you decide to hire me as your advisor?*

**Judy:** *After our initial meeting, I went back to Bob to confirm his positive feelings toward you. You also gave me some names of other co-workers that I know and I called two of them. Both of them gave you high marks so I decided to move my accounts over to you.*

*Positive Experience*

**Advisor:** *What kind of positive experience have you had with me since we first started working together?*

**Tom:** *I like the fact we have three pre-scheduled meetings every year initiated by you. When I leave your office, I feel confident in your ability to guide me. I also like all of the events you host for us. I truly feel appreciated.*

*Result*

**Advisor:** *What are some of the results you have achieved since working with me?*

**Tom:** *We are saving \$500 more per month since we met, have conducted a full financial plan, and completed our will and trusts. We know exactly when we are going to retire along with the road map on how to get there. Both of us are taking advantage of the benefits through work, which I wasn't maximizing before I met you. I saved several thousand dollars in taxes by increasing my contribution to my retirement plan.*

**Advisor:** *You have a great story to tell people.*

*(skip the rest of this section if you're not currently holding private events)*

Which date do you want to choose for your special dining event?

**Tom:** *Why don't we go ahead and take the second scheduled dinner on the 18th of next month. What do you think Judy?*

**Judy:** *That date sounds fine. This should be ample time to find guests to bring to the dinner.*

**Advisor:** *Based on our conversation today on the right type of person to bring to an event, does anyone jump out at you?*

**Tom:** *I'm going to invite John from marketing and Jerry from operations. I have talked to both of them in the past about you and they said they were interested in meeting you.*

**Advisor:** *What about you (Judy)? Do you have anyone in mind whose financial situation resembles yours?*

**Judy:** *If Tom invites John and Jerry and you only want us to bring 2 couples, do I need to invite anyone else?*  
**Advisor:** *That's an excellent point. What if John and Jerry can't make it or only one of them can make it? You may need a back up plan.*

**Judy:** *True. There's a new couple who just moved into our neighborhood that we had dinner with last week. They are close to our age and approaching retirement. Also, I have talked to two friends in my exercise class about you. I can invite them. What if they all want to go on the same night? John, Jerry, the new couple, and the two ladies from my exercise class?*

**Advisor:** *That will be a great problem to have. I'm sure we will be able to accommodate all of your guests. Why don't I follow up with you by the end of the week to see how many guests you will be bringing and give you the details of the night?*

**Tom:** *That will be fine.*

### **Establish the Follow Up System**

**Advisor:** *You have a great story to tell people. After you share your story about us with someone who you think would make a great client for our firm, I have found it is important to establish a follow up system between you and I to ensure I can contact your friend, colleague, and/or family member in a timely manner. Are you comfortable with this approach?*

**Tom:** *Sure. Why is it important to create a follow up system, though?*

**Advisor:** *My experience is that clients come to my office and tell me they have talked to several potential clients over the previous months. When I tell my clients I haven't heard anything from the potential clients, my clients get frustrated. They think they are doing the right thing by telling the story we just created with you, but then the introductions they want to make don't follow through on contacting me. I don't want my clients to feel frustrated when they are taking the time to help me grow my practice.*

**Tom:** *That makes sense. I know I have given your card to several people at work and told them to give you a call. Almost all of them said that they will call you. It sounds like they haven't made the call, though.*

**Advisor:** *Exactly. What I have seen work best is when you tell your story about me and give out my card, either give me a call or shoot me an email to let me know who you just talked to. Together, we can work out an appropriate plan for me to follow up with whomever you want to introduce me to. Considering I don't know who you are talking to, I will rely on your guidance on the best way to follow up. For example, if there is an upcoming event maybe you can invite them. Or, you may tell me I should go ahead and call them. Maybe you will tell me I should send them a personal note. I want to follow your lead and respect the relationship you have with everyone you introduce me to. What do you think?*

**Tom:** *Sounds simple enough.*

**Advisor:** *At this point, does anyone in a situation similar to yours come to mind as someone you should introduce to me?*

**Tom:** *There's a new couple that just moved into our neighborhood. We had dinner with them. They are about the same age as us and said the other night they are getting close to retirement.*

**Advisor:** *Anyone else?*

**Judy:** *I talked to two ladies from my exercise group about you recently. I will follow up with them.*

**Advisor:** *Thank you both very much. When should I follow up with you to check your progress?*

**Tom:** *How about next Thursday? Is that OK, honey?*

**Judy:** *Sure. I will have seen Jane and Frieda at least two times by then.*

**Advisor:** *Next Thursday it is.*

**Next Thursday**

**Advisor:** *Hey Tom. I am calling to see how your conversation went with the new couple who just moved into your neighborhood.*

**Tom:** *It went well. Their names are Nancy and Joe Smith. They said they are looking for an advisor to manage existing accounts they plan on relocating. They want to meet you within the next couple of weeks if possible.*

**Advisor:** *What do you think is the best way to connect with them?*

**Tom:** *Joe told me to tell you to ahead and call him at work to set up a time. He works at the GE plant as an account manager. His number is 684-8424. He's expecting your call.*

**Advisor:** *Wonderful! I know you just met, but what do you like best about Nancy and Joe?*

**Tom:** *They are really committed to their family. They moved back here so Nancy could take care of her ailing mother. Plus, they have two children who live within an hour from here so they will be able to spend more time with their kids and new grandchildren.*

**Advisor:** *What else do you know about their personal and family life?*

**Tom:** *At dinner, they both talked about their love for great restaurant experiences and vacationing in the Florida Keys. They mentioned they would like to own a second home in retirement somewhere in south Florida.*

**Advisor:** *You mentioned Joe works at GE – how long has he been with GE?*

**Tom:** *Joe said he's been with GE for 5 years. Prior to that he worked at a company as one of GE's vendors. He got the job at GE with the connection he had with his prior company. Jane is looking for part-time work just to keep her busy and out of the house a few days per week.*

**Advisor:** *Did you talk about whether or not they have a current financial advisor?*

**Tom:** *When I told them about how we work together they said that's the type of relationship they want to have. Nancy mentioned they have money spread out in a couple of banks and use to work with an advisor who was related to Nancy but left the company. It didn't sound like they were impressed with the advisor that took over their account.*

**Advisor:** *Did you talk about anything else financially with them?*

**Tom:** *Joe said he has an old 401(k) from his previous employer he would like to do something with. I told him the results we have had with you and Joe was very impressed.*

**Advisor:** *Tom thanks for taking the time to tell our story to Nancy and Joe. Is Judy around? I wanted to follow up with her about the ladies from the exercise class.*

**Tom:** *She's there now. She told me to tell you the two ladies didn't quite meet your criteria. One of them just went through a recent medical emergency and depleted most of her savings. The other one told Judy she's paying off her credit cards and she only has \$25,000 to invest from an IRA at the bank. Judy doesn't think these two are good matches for you.*

### **Action Item**

The next day the Advisor sends gift (i.e. \$10 gift certificate to a local coffee bar) for Tom and Judy generating the referrals. The advisor includes a hand written note on personal stationary saying:

*Hey Tom and Judy!*

*Thanks again for the introductions to Joe and Nancy. Judy thanks for talking to the two ladies at your exercise class for me. Go have some Lattes on me! If you want to introduce me to anyone else, just let me know.*

*I value your business and friendship,  
Advisor*

### **Action Item**

Two weeks later Joe and Nancy have become clients. They give you permission to relay that information to tell Tom and Judy they are clients. You do so by hand written note, and include a \$50 gift certificate to a local restaurant. Here is a sample:

*Hey Tom and Judy!*

*Thanks again for the introduction to Joe and Nancy. They just became clients this week. I truly appreciate you telling them the story about us. Have dinner on me to celebrate your success! If you want to introduce me to anyone else, just let me know.*

*It's a pleasure to know you and an honor to work with you.*

*Advisor*

### **Creating a Referral Culture Process Summary Steps**

1. Ask the right clients – Top Shelf and Referral Tree Clients.
2. Choose or create Euphoric Moments in client meetings.
3. Explain why your Top Shelf Clients meet your Top Shelf Client Criteria.
4. Ask the “Value Question”.
5. Leverage previous introductions your Top Shelf Clients have made in the past.
6. Remind the Top Shelf Client they became clients as a result of being introduced to you.
7. Utilize your marketing event schedule as a way for clients to bring introductions to you.
8. Ask Top Shelf Clients what they will say about you to potential clients.
9. Coach your clients to build a magnetic Positioning Story about you.
10. Develop a follow-up system with Top Shelf Clients so introductions don't fall through the cracks.
11. Learn as much about the introductions from your Top Shelf Clients as possible to use in conversation with the introductions.
12. Transfer qualified introductions to your Prospect Tracker.

Whatever success looks  
like in your mind, we  
can help you get there.

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