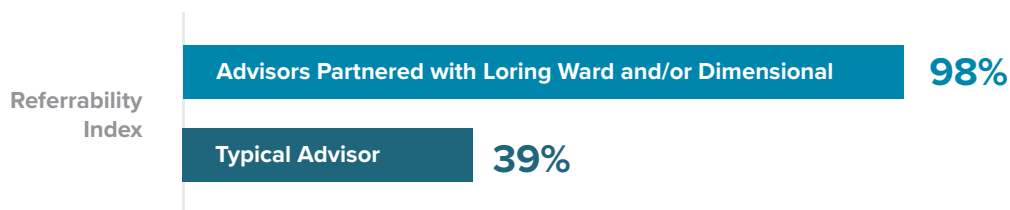


# 5 Ways to Make Your Business More Referable

Implementing a Consistent, Client-centric Approach

Research has shown that 70-80% of business growth comes from referrals but fewer than 1 in 4 advisors have a referral process.<sup>1</sup>

Our 2017 Investor Survey with Dimensional Funds (DFA) found that financial advisors who have partnered with Loring Ward and/or Dimensional are 250% more referable than the average advisor.<sup>2</sup>



In a successful referral-based business, your ideal clients are not just those you enjoy working with but those who enjoy working with you. In fact, these clients think so highly of your business that they become true advocates.

But advocacy is about more than just enthusiasm — to be effective it requires clients who meet all of the following five criteria. The good news is that these criteria can be nurtured and developed to transform “fans” into true advocates.

## 1 Client Advocates value your services and the experience your deliver

We believe it is not a client’s job to refer, but the advisor’s job to provide an experience that is referral-worthy — with the natural result being more referring (and referred) clients.

You’ll never know if clients value your services unless you ask. When you ask, be ready

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<sup>1</sup> LW/DFA 2015 Benchmarking Study

<sup>2</sup> LW/DFA 2017 Benchmarking Study; Wall Street Journal, “Ultrawealthy Investors Aren’t Inclined to Recommend Their Advisers,” May 31, 2016.

for the answers, and be open to opinions. If a client suggests you could improve, don't get defensive, but thank them for their willingness to share.

Here is one way to ask: *Now that you have been a client for some time, what do you feel is the **most valuable aspect of the experience** that we try to give our clients? Where do you feel we can **improve**?*

## 2

### Client Advocates fully understand everything you do

How often have you discovered that a client turned to another financial professional for a product or service you could have helped them with? And when you asked why they didn't come to you, their answer was, *"I didn't know you did that!"*

Like many relationship-based advisors, you are likely providing exceptional service. However, your clients develop a definition of "what you do" based upon what you have already done specifically for them. Therefore, as their needs change, they tend to seek help from others.

This can significantly limit the number of people your clients refer to you. They won't recommend that their friends talk to you about a particular service if they aren't even aware you provide it.

Usually the specific area where you started working with clients — life insurance, portfolio management, etc. — dictates how they see you, leading to statements such as, "She's my broker" or "He's an investment advisor."

It's important to cross-educate your clients to ensure that they fully understand your complete offering. They may never need all the different services, but it's important for

them to know you can provide them. Their needs may change or they may have a friend with a need who can be referred to you.

If you already have a menu of services that you currently use, make sure it includes everything you provide.

If you don't have a simple, one-page overview, you can start with [Loring Ward's LifeMap](#).

When you have presented your menu of services, here are some follow-up questions you can ask:

*When I presented our products, services, and solutions, were there **any areas that you didn't know** we provided? Were you aware of **all the complementary professionals** we work with? When you think of your life, in what areas are you **still lacking complete peace of mind and confidence**? Are there areas where **we could improve** on what we've provided to you already?*

### 3

#### **Client Advocates know exactly the types of clients you work with**

When asked why they don't refer, clients frequently answer that they didn't know that their advisor was seeking new clients. Another common answer we hear is that clients don't know whether someone they might refer is a good fit for their advisor.

To make successful introductions, it is important that your clients understand the people you can help and serve best.

Have you ever documented the attributes of your ideal client? Here is a simple way: Think of three clients you feel you best serve, and write down some of their traits and the

ways you have helped them. Then turn these into stories (without using any client names) you can share with clients.

Using a story allows you to better communicate the qualities of the types of clients you best serve, and why you love working with these clients. Stories help you paint a more vivid picture, and make it easier for your clients to think about others who might benefit from an introduction to you.

4

**Client Advocates are comfortable referring**

Make sure you know which clients are — and are NOT — comfortable referring others. If you're uncertain, you may end up tiptoeing around all your clients. By doing so, you successfully avoid those who won't refer, but never fully embrace those who will, and your most "promising" advocates will never become "effective" advocates.

Again, the only way to find out is to ask. Here is some sample language you may want to use:

*As you may know, our firm has grown organically through the years. We don't market to the public or advertise our services. We have taken this approach because we prefer to grow by helping our clients and the people they care most about. This means that most of our growth happens through referrals.*

*As you know, referrals can be an uncomfortable topic for some people, which is why I don't generally bring them up with my clients. I never want clients to feel uncomfortable, and I like to stay focused on their priorities. I have learned, however, that if I don't ever bring up the topic of referrals, many of our clients will assume that we don't want to serve more people and those they care about may not get the help they deserve.*

*From your point of view, how can I bring up the topic of referrals, if at all, without ever compromising our relationship or making you feel uncomfortable?*



**Client Advocates know how to make an introduction if they come across someone who may need some help**

How many times have your clients told you they gave your name to a friend and then you never heard from the referral?

A referral needs a proper introduction to be successful. Remember, working with a prospective client isn't a selfish endeavor. It's an opportunity to help someone with a specific need. Only through a formal introduction from your client can you begin to help that person in need.

Ask your clients to reach out to you before just giving out your name and number. That way you can discuss the client's relationship with that person and work out a way to make the introduction without anyone feeling uncomfortable.

Referrals are the lifeblood of our profession — it's just a matter of finding willing advocates, helping them understand what you do, who you benefit, and providing a comfortable way of discussing the topic. Ultimately, by integrating this approach into your practice, you'll deliver a better client experience and be able to help more clients.