

CLIENT REFERRALS



For financial advisors, client referrals have played a large role in acquiring new clients for many years. Some sources suggest up to 40% of new clients come from just this one method. Not only can referrals boost revenue, they indicate customer happiness and loyalty.

Ask a client whether they would recommend their advisor to a friend or family member, and the vast majority would say yes. However, some of the biggest reasons clients don't refer are that they aren't encouraged to do so, and the Advisor hasn't provided the current client with an easy way for the referral to take place.

Why Don't Clients Refer?

As well as not getting asked to refer, other potential reasons include:

- No awareness of your ideal customer
- Unsure of how to introduce the advisor
- No explanation of the services you provide
- Concerns that the referral will end badly
- A need to keep privacy
- A less-than-perfect experience

Top Tips for Referral Success

Keep it Simple – Make it as easy as possible for clients to recommend your service (you could even provide helpful documents or tools to help the referring client introduce you).

Explain the Benefits – Ensure the client understands the benefits of a referral and how it can be a positive event for both of you.

Prioritize – We're sure some clients have more value than others, so be sure to ask the high-value clients for referrals first.

Don't Panic – Just because a loyal, valuable client doesn't want to refer, this doesn't mean they suddenly dislike the service.

Improve the Service – Always look to improve the service that clients receive from you.

Write a Script – It doesn't need to be Oscar-worthy, but a small script might make it easier to ask.

Compliment – If you tell clients how much you enjoy working with them, they're more likely to make the referral.

Choose a Preference – Don't leave it up to clients to choose their method of referring. Tell them how you would like new clients to get in touch. Do you want them to discover your social media channels, website, or something else entirely? A drip email marketing campaign is also an effective way to make it incredibly easy for your clients to refer you to their friends. Match your drip emails with credibility-building articles through the CredKEEPER™ application, and you'd be surprised how easy it is to capture more referrals.

Follow Up – Finally, follow up with your client and thank them for helping the business. Also, encourage the prospective client to give feedback to your existing client.

Three Steps to Start Getting Referrals

If you want to start benefiting from referrals now, here are three steps to follow:

- 1** Lay the Foundation – If you want referrals, you need to get into the habit of asking for the referrals and ensuring each client has a simple mechanism to introduce you. Also, make sure you have a system to track successful referrals and potentially reward those clients who have referred someone to you
- 2** Plan for Each Client – Some clients are perfect to target for referrals, and some you don't want to replicate or extend the relationship.
- 3** Execute – All that's left to do is gather referrals and ensure it's a core aspect of your service; it needs to be tracked and measured.

Sharing the Referral Process

How do you inform all clients of the referral process? We recommend creating a brochure, blog post, or even an email to ensure they all see it. The content should explain:

- How you wish to help more people
- The type of people your service can assist
- What happens if the prospect isn't a good fit (you can pass them on to services more appropriate for their needs – it's a win-win situation)
- What clients get from you
- Your mission statement and commitment to clients
- How you want new clients to contact your business
- Any accolades the business has earned
- Privacy policy
- A short bio on the business
- Contact information