

THE ENGAGED CLIENT EXPERIENCE

*Concepts and ideas
are adapted from **Economics of Loyalty**,
research conducted by
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The study defined the range of clients as:

Disgruntled → Complacent → Content → Engaged

- ✓ **Engaged** clients gave 2.3 referrals to their advisor. In fact, those referrals *define* an Engaged client.
 - ✓ Only 30% of those clients who gave referrals, were asked.
 - ✓ And it was to do a favor for a friend, not for you!
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So, what does the **Engaged** client consciously or subconsciously say to herself? Consider the processes you can put in place to elicit the following thoughts.

1. Personal Relationship

- a. My advisor is always interested in my how my personal or work life is going. She asks great questions that make me think in a more insightful way.
- b. She is very patient and clear when explaining complicated financial concepts.
- c. She makes it clear on a regular basis that she values my business.
- d. I trust that she has my best interests in mind.
- e. She or someone on her team is always very responsive to my calls and emails.
- f. The team always remembers I drink green tea.
- g. She treated me and a friend to my favorite Symphony performance.

2. Feedback¹

- a. My advisor is always checking to make sure that what we're doing is helping me.
- b. He cares what I think about the services he provides to me and other clients.
- c. He makes it easy for me to express my discomfort, confusion or displeasure with any part of our interactions.
- d. He regularly asks me what he could improve going forward – so I'm not in the awkward position of complaining about a minor issue.

3. Family²

- a. She knows (*those that are most important to me*) and/or (*my family members*).
- b. She takes care of their financial needs and/or financial education.
- c. My son/daughter/parents/sibling doesn't meet the minimum, yet she is willing to take care of them for me anyway.
- d. She has offered to provide my minor (or) college age children with a financial orientation.
- e. She helped my son apply for and understand his 401(k) at work.

4. Expectations/Service Standards

- a. I am asked ahead of meetings with my advisor to contribute to the agenda.
- b. I always know what we will be discussing ahead of time
- c. I always know my part in our meetings and what I need to be prepared for ahead of time.
- d. After a meeting, I know what to expect from him and his team and what my actions are; it's all in a written post-meeting summary.
- e. He is very clear about what his firm does and does not do.
- f. I am invited to meet with my advisory team 3-4 times per year.

¹ When you are asking the client for feedback, set up the question so they tell you how they are feeling, how this process has made them feel or what it has solved for them. Basically, you want them to put into their own words how they perceive your value. This helps them practice saying why they appreciate you, which prepares them for a good referral when asked.

² This is also a strategic effort. It allows you to manage across generations retaining the assets when they transfer.

- g. I am regularly kept up to date on anything related to my financial status, whether it be trades that occurred in my account or a conversation that occurred between my advisor and my CPA on my behalf.
- h. Even though I get notified at the time these activities happen, my advisor summarizes them for me when we meet formally, in case I want to discuss further.

5. Holistic/Full Service

- a. He knows what matters to me most, and the filters I use to judge events or financial matters.
- b. He incorporates those values into my financial planning and discussions.
- c. He makes sure that every aspect of my financial life is explored, understood and in order.
- d. When it comes to the performance of my financial plan, I know what is under my control and what is not under my control, and I'm reminded of that often.
- e. I know, specifically, what I need to do to reach my financial objectives.
- f. I have a written financial plan.³

6. Coordinate With Other Advisors⁴

- a. My advisor collaborates with my CPA
- b. She has met/talked with my trust attorney
- c. She has introduced me to other service providers I need (e.g. realtor, insurance agent⁵)
- d. With my permission, she rounds up their thoughts and ideas when we are considering a significant financial event. When appropriate, she sets a group meeting with me and my other advisors.

³ Even if you provide scenario-review type of planning, be sure to provide a deliverable, i.e. an electronic or paper summary or document they can refer to later that defines the components of their plan.

⁴ Always introduce your client to a service provider in one of two ways: Personal meeting or lunch is best, but at least ask the client for permission to introduce them via email so that your referred partner knows you are making the referral and he can directly follow up with the client making it easier for the client to get this task done.

⁵ In the Economics of Loyalty client surveys, the most in-demand service introduction request is to a trustworthy insurance source.

- e. She keeps them informed about relevant activity with my permission.

7. Pro-Active Contact

- a. 12 touches per year.
 - i. My advisor's team always provides me with context and perspective when the financial markets are roiling.
 - ii. I'm updated on what is happening in the market regularly.
 - iii. I receive information, tips, and direction relevant to managing my financial life regularly.
 - iv. Someone on the team always solicits my input regarding agenda items for our next meeting.
 - v. I'm always notified when there has been a transaction in my accounts with the reasons behind the activity (e.g. rebalancing, or tax loss harvesting.)
- b. 3 to 4 in-person review meetings per year
 - i. Even though I don't always accept, my advisor's team invites me to a meeting (3 or 4) times a year.
 - ii. If it's been almost a year since I've accepted a meeting, my advisor insists on a meeting so I don't fall too far behind being in touch with my financial life.

Regarding Referrals

From the Economics of Loyalty study text:

"Perhaps the most important point to recognize is that there is a difference between being comfortable providing referrals and actually providing referrals. It is up to the advisor to leverage client comfort and that is what is likely to produce results."

"...the reason clients refer is to do their friend or colleague a favor, not to do their advisor a favor."

"The data suggests that the reason clients refer is to do their friend or colleague a favor, not to do their advisor a favor. If that is the case, it

substantially changes (or should change) our approach. This is not an issue of just asking for names because you have provided outstanding service. It's about helping the best and most engaged clients to understand the kinds of problems an advisor can solve for their friends, making you a resource that clients want to share. The focus has to be on problem-solving for their friends, not business building for the advisor."

"Remember that the issue of fit doesn't have to be about assets, but more about the needs of that client."

Get back to basics and refine the way in which you communicate the value you deliver to clients.

Top Reasons Clients Don't Give Referrals

No. 1 reason: "I am not comfortable discussing financial issues with my friends/colleagues." 56%

No. 2 reason: "My advisor has a minimum asset level and I cannot know if others are above or below that minimum." 44%

Tips:

- Ask to be introduced in a joint email introduction so that you can follow up with the referred prospect directly. Even better, see if you can all grab lunch or coffee together. If they have some interest in common, that can guide your invitation and begins the personal relationship.
- Clients are more concerned about whether you will serve the friend well, versus whether there are enough assets to meet your minimum.
- Regarding amount of investment assets, many times clients won't know, so make sure to assure them you will send them to right advisor "if the fit is not right."
- Define your ideal client, so you can articulate "the kinds of problems we solve..."

AbsoluteEngagement.com conducts on-going research into the drivers of personal, client and team engagement and translates that in powerful presentations, training and thought leadership programs.