

POWERED BY



FORESIGHT

# Turning Clients Into Advocates

By Steve Saenz



## The Referral Gap

Most advisors would agree that referrals are the best way to get new clients. Most would also agree that they do not get nearly as many referrals as they would like. Conventional wisdom says you have to ask for them. Sales trainers suggest that people are most likely to give you referrals just after they become clients; presumably when they are most delighted (or impressed) with you. If you have used all the “tried and true” methods and you still aren’t getting as many referrals as you would like, don’t feel bad, you’re not alone. Now, prepare yourself to say “good riddance” to the Referral Gap.

## Law of the Harvest

The secret to getting more referrals lies in your ability (willingness) to turn clients into advocates. BUT, before you can expect your clients to become stronger advocates of yours, you must first become a stronger advocate of theirs. In other words, advocacy begets advocacy.

If that sounds familiar, it is because that core principle is based on a universal truth called the Law of the Harvest. As any farmer knows, you reap what you sow. The Law of the Harvest applies to your clients relationships as much if not more than it does on the farm.

**Before you can expect your clients to become stronger advocates of yours, you must first become a stronger advocate of theirs.**

## Your Loyalty Process (or lack thereof) may be the missing link...

If you believe in the Law of the Harvest, you can probably guess why most financial advisors don’t get as many referrals as they would like. Like farming, turning clients into advocates is hard work!

Most, if not all, financial advisors have been through sales training at some point in their careers. The first thing they teach you in sales training is the sales process. The sales process is designed to turn prospects into clients. Few, if any, advisors have been through loyalty training. This is unfortunate because having a clearly defined loyalty process is exactly what it takes to turn clients into advocates.

## It’s the relationship...

In the 1992 U.S. presidential campaign, candidate Bill Clinton’s team coined the battle cry, “It’s the economy stupid.” That turned out to be a shrewd positioning statement because it caused voters to blame Bush for the slowing American economy and elect Clinton as their new president. When it comes to turning clients into advocates, advisors need their own battle cry...

**First, and foremost, it’s the relationship. Period.**



## Actions speak louder than words...

The next time someone asks you what makes you different. Your response should be, "I build the best client relationships on the planet!" The good news is that if you deliver on this promise, you won't have to say this to anyone. Your clients, who are on the receiving end of these relationships, will say it for you. That is the secret to getting more and better referrals. It is also why you should want to turn your clients into advocates.

In a world characterized by rapid change and unmet expectations, people everywhere are searching for this type of relationship. Your clients and prospects value their relationships with you more than you might imagine. You should never underestimate the power of your relationships.

### Principles of Client Advocacy

The best way to grasp the concept of Advocate-Based Marketing in your business is to internalize the Paragon Principles of Client Advocacy. You should make a copy of this page and post it where you will see it often.

1. Advocacy begets advocacy. When you become a stronger advocate for your clients, they will become stronger advocates for you.
2. Advocacy is a function of loyalty. You create advocates by building loyalty.
3. You build loyalty by adding tangible value.
4. You add tangible value by solving problems. The more problems you solve, the more value you add to your relationships with your clients.
5. You solve more problems by getting to know your clients at a deeper level. When you get to know clients at this level, you uncover breakthrough insights about them and their families.
6. You get to know your clients at a deeper level by spending more quality time with them.
7. What you say matters little. It is what you do that counts. Actions speak louder than words.
8. In a relationship business, those who build and maintain the best relationships will win the war.



## Marketing vs. Selling

If you are serious about taking your business to the next level, you must also understand the difference between marketing and selling. Most investment professionals do not, which explains why so many of them fail to achieve their full potential when it comes to bringing in new business.

Marketing is everything you do to get in front of the prospect. Selling begins when you get face-to-face with the prospect. Another way of looking at this is that marketing gets the prospect into the store. Selling rings the cash register. It is very difficult to ring the cash register before the prospect walks into the store! As preposterous as that sounds, investment "advisors" do it all the time. It's called "cold-calling." Most financial service firms still "train" their new advisors to use this technique as their primary way of developing new business. That is really good news for those advisors who understand the power of Advocate-Based Marketing.



## Marketing is the engine that drives your business!

It is also important to remember that marketing is the engine that drives your business. If you want your business to grow faster, you need to do more marketing, which means you need to spend more time marketing. Given that you probably don't have a lot of extra time in the day, you also need to do the right type of marketing.

Last, but not least, it is critical to acknowledge that marketing by itself will not make you succeed. You also need a clearly defined sales process and some sharp selling skills. The old saying, "nothing happens around here until someone sells something," is true. Regardless of what you call yourself (advisor, consultant, planner, etc.) you must be able to convince prospects they should do business with you. That is selling.

### About the Author

Steve Saenz is a marketing consultant with over 30 years of in-the-trenches experience in the financial services industry. His career began in 1984 as an account executive with Merrill Lynch. After five years of production, he moved into training and development as a marketing manager for Merrill Lynch Business Financial Services. In 1991, Steve joined Harris Bretall Sullivan & Smith as the managing director for the Southeastern U.S. In addition to raising \$300 million of new SMA assets, Steve helped hundreds of commission-driven advisors make the transition to fee-based investment management consulting. In 1994, Steve founded Paragon Resources and became one of the industry's first practice management coaches. Over the years he has coached and trained thousands of financial advisors in the United States and Canada. He has written about and trained advisors in five key areas – business optimization, client advocacy, practice management, teambuilding and wealth management. His corporate projects include designing the practice management consulting group for a major financial services institution.

You can learn more about Steve and his current projects by visiting his website at [SteveSaenz.com](http://SteveSaenz.com)