

Rules of Engagement

Financial advisors are taught early on in their careers about the power of graduating clients up the four levels of an advisor-client relationship. This is the process of developing a relationship with a prospect in hopes of securing them as a customer, turning that customer into a loyal client, and lastly having that client become your advocate. As **Michael Morrow** explains, this is attainable to the motivated advisor, but it takes dedication, excellent client service and, most importantly, regular client engagement



Regular engagement with clients is critical to creating long-term relationships. Incorporating even small improvements to your client engagement tactics can build and cultivate a mutually beneficial partnership, which will have a positive impact on your bottom line. The degree to which you foster client relationships will affect your level of success. The following are some simple strategies that you can implement in your practice that will help you retain clients while attracting new ones.



Client Retention Rate Formula:

First, calculate your current client retention rate. You can do this by plugging in the necessary information into the following formula: $((CE-CN) / CS) \times 100$.

CE = Number of clients at end of year

CN = Number of new clients acquired during year

CS = Number of clients at start of year

For example, imagine you start the year with 200 clients. You then lose 20 clients, but acquire 40 new clients, ending the year with 220.

The formula would look like this: $((220-40) / 200) \times 100$. Doing the math: $220-40 = 180$; $180/200 = .9$; $.9 \times 100 = 90$.

Your client retention rate for the year would be 90 per cent.

Review your client list annually and do a year-to-year comparison to find out where you stand. Take it one step further by calculating your client retention rate and watch the result each year. This will help you gauge how well you are executing your client engagement strategies and where improvement is needed.

We can't dismiss the fact that acquiring new clients costs more than retaining new ones, not to mention the investment of time and resources that goes into acquiring new clients. Fostering client loyalty through client engagement is really quite simple, and the financial investment can cost next to nothing.

CLIENT ENGAGEMENT STRATEGIES

From the first meeting you need to ensure your client knows they are valued. Whether people feel acknowledged and/or appreciated can influence their behavior as well as their decisions. Clients who are engaged feel valued. Consider incorporating the following into your practice.

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RELATIONSHIP MANAGEMENT

SOCIAL MEDIA

Using social media is an easy and cost-effective way to stay in touch with clients. These platforms provide the ideal environment in which to socialize, share information and provide insight; however, it's important to use your best judgment when communicating via these channels.

Facebook and Twitter: These are the most popular ways to find out about clients' life events. You can become an active voice by commenting, sharing or liking their posts.

Blog: This is a compelling communication tool that allows you to provide updates about significant events in your professional life. Sharing your blog with clients gives them insights into your business. Encouraging clients to share your blog is a great way to gain referrals.

LinkedIn: Join groups that your clients are part of and that are of interest to you. Initiate conversations in these groups, and share your own insightful or useful postings.

COMMUNICATION NOTES

It's vitally important that you nurture your relationships and show your appreciation to clients through the communication tools listed below.

Send a handwritten note: This is a timeless and powerful gesture to show your gratitude for a recent meeting, referral, or just because you were thinking of them. Consider a handwritten card for life events and holidays. For even more impact have your assistant put a thank-you card on the windshield of a client's car while he or she is in an appointment with you.

Text a thank-you: After your meeting send a short and concise "thank you for the meeting" text, or even one to remind the client about an upcoming meeting.

Draft an email: This is a quick and easy way to send a post-meeting thank-you, and an ideal way to share recent product news and articles of interest.

CLIENT APPRECIATION/ LIFE EVENTS GIFTS

Everyone enjoys being surprised with a gift to celebrate their birthday, retirement, wedding, or graduation. There are a variety of unique gifts that can help you score big with clients.

Send a book: You can send a book about personal finances to help your client better understand the financial planning process. Or, considering that most clients will have outside interests, you can send them a book about one of their hobbies.

Create personalized stationery: Have personalized note cards, sticky notes, letterheads, envelopes or pens created bearing your client's name. Clients can use these year-round, and each time they do they'll think of you.

Give a gift basket: Create a lasting impression with wine, cheese and crackers, chocolates, coffee, tea, cookies, and other confectionary items.

A framed autographed photo: This may take some effort on your part, but your client will appreciate it. Find out who their favourite athlete or musician is, for example, and try to get a signed autograph that you can have framed.

An historic newspaper or magazine: Find one from the day your client was born and send it as an authentic reminder of their special day. This collector's item is truly a one-of-a-kind gift.

Create "retirement business cards": This unique marketing tool gives the client's contact information and a brief (humorous) note about their schedule as a retiree. The cards will read "compliments of your firm or your name" in the lower right.

Make a charitable donation: Find out if your client has a favourite worthy cause and make a donation. Then send them a card letting them know a donation was made in their name.

Annual custom calendars: Create a laminated one-year-view calendar with a thought-provoking financial concept, personalized with your company name and logo.

SOCIAL EVENTS

These events present implementable, innovative marketing opportunities that require more time, but leveraging them will greatly improve your client retention, attract new clients, and more than likely increase your bottom line.

Office open house: Invite clients and prospects to your office for lunch or after work. You can order food and even invite a local politician, sports figure or musician.

Client lunch or dinner: Invite a client to lunch or dinner at one of their favourite restaurants or to a new hotspot.

Office lunch: Surprise a client by delivering lunch for everyone in his or her office. Delivering it yourself is a great opportunity to prospect.

Tickets: This may be a little more costly, but it will have an incredible impact. Invite your client to join you for an upcoming event, or give them a pair of tickets to a sporting event, concert, comedy show, play or ballet.

Fostering client loyalty through client engagement should be a systematic process built around your clients and the frequency that you feel is best. How much it costs you to engage your clients is entirely up to you.

IMPACT ON YOUR BUSINESS

Implementing these strategies will have a direct and positive effect on your business. If you maintain an ongoing appreciation program you will retain existing clients while attracting new prospects, exceeding your clients' service expectations, and boosting loyalty.

Now is the optimal time to put these marketing strategies into action to set your self apart from other advisors. These strategies are revenue-generating methods designed to help retain and attract clients. Remember that cultivating the advisor-client relationship is at the core of what financial advisors do and is the best way to serve your clients. You achieve this simply by staying in touch with your clients and showing them you appreciate their business. 📌

MICHAEL MORROW, CFP, is an MDRT member, international speaker and author of *Leading Marketing Strategies* and *The Picture Sells the Story*. He can be contacted through www.ideasforadvisors.com.