



AKADVISORY PARTNERS LLC
Unlocking Real Value

GAINING REFERRALS ASAP

As a financial services consultancy, we have had many opportunities to assess a firm's success in attracting new assets. A common thread running through organizations that are thriving despite today's tough environment are cultures that actively promote referrals. These "referral programs" tend to share some important characteristics. They are not one-time events, but are an ongoing part of a firm's normal business practices. The process is not limited to a few employees, but includes *all* employees. And the program has senior management support. When senior management "walks the talk," the tone is set and the expectation is that regardless of your role, bringing new business to the firm is part of earning your place.

At firms that have instituted successful referral programs, every employee feels that he/she can play a key role in increasing revenues. Successful referral programs are characterized by training on the front-end and an ongoing financial reward for those that succeed. Money is, after all, a motivating factor with most people.

The first step in developing a referral system is to identify the personality type or types that you and your company feel comfortable working with; after all, not every prospect makes a good client. The key to establishing lasting relationships is working with people who are a good fit for your firm's personality. Too many firms make the mistake of taking on a new client because they are focusing solely on growing their assets. But the potential fallout is counterproductive and disappointing for both parties if your personalities are not suited to working together. In addition, if you have been referred into a situation that is a misfit for your practice and it fails, you risk compromising the relationship with the referring entity.

There are many considerations when trying to nail down your ideal client and prospect. A series of questions can help you identify exactly what you are looking for. For example:

- Has your idea for the perfect client changed over the years and if so, how?
- Have you kept your "ideal" client profile through all market conditions?
- What percentage of your client base drives the most revenue and do you consider them "ideal"?

If you know what kind of people you like to work with, the ones that stimulate you the most and those whose issues you find interesting and challenging, you can be more effective in your referral practice. Once you know who you want to work with, the question turns to where do you find them? The obvious answer is from your existing clients. However, many clients have no idea that you would appreciate referrals. One question to ask yourself is, have I earned the trust of my clients so that they would refer others to me? Another question to ponder is whether your clients feel that you are always available to help them, their family members, friends and colleagues.

Other sources of referrals include other professionals and spheres of influence. The question there is do you know who they are, and if not, how can you uncover them? If you do know them, are you as much of a value to them as they are to you? It must be reciprocal or you run the risk of offending, or worse, losing a perfectly good relationship.

A very important consideration to keep in mind is assuring your clients that if they do make an introduction to you and your firm, that their personal information will remain totally confidential. Lastly, in your conversations with your clients, do you ever ask questions that would lead to asking for referrals? Again, a series of questions could help you with how to approach the subject. For example:

- When meeting with a client, do you ask them if they are getting the experience they expected from you and your firm?
- Do you ask them if they are satisfied with what you have done for them?

These are questions that would, if the answer is positive, allow you to segue into asking if there are others that your client knows who would benefit from knowing you and your firm.

No matter what kind of formal referral system you establish, it is initially a very time consuming project. All employees must be trained on the protocol for asking for referrals. Again, senior management must be a key player in a successful referral program. It may even be something that senior management has never done. They too would benefit from working with a firm like AK Advisory Partners LLC to co-create a referral system and then get guidance on how to make it successful.

Without a tried and true prospecting system, finding new business is a very difficult task. One must take the time necessary to step outside of what has been a routine and break new ground. Referrals make your prospecting effort much more palatable. At AK Advisory Partners LLC, we can help establish a formal referral system and make it a win-win proposition!