

3 ways to turn contacts into clients

Dan Richards | ClientInsights | 03 December 2013

Most advisers routinely cross paths with people who are attractive prospects, whether at their sports club, get-togethers with neighbours or through activity in their community. The challenge is how to raise the possibility of working together without appearing to be one of those stereotyped hustlers who give salespeople a bad name.

Here's how one financial adviser put the problem to me in a recent email: "For the past 10 years, I've volunteered on the fundraising committee for the local hospital. I've received awards for my contribution and met lots of interesting and wealthy people in the process. While it's been hugely rewarding, it hasn't translated into a meaningful number of new clients, even though people know what I do. How can I convert my profile and relationships into clients without offending people and risking the goodwill I've built?"

Gregg's situation is far from unique. I recently met with an adviser, Phil, who is president of a fine-wine club. Four years ago, he made three changes in his interactions with other members of the club that led to a significant increase in the number that have become clients as a result. Critically important, he did this without the sense that he was alienating anyone in the process.

STEP ONE: CHANGING HIS MINDSET

The first step was for Phil to change his mindset with regard to talking about markets and financial matters with his casual contacts. In the past, he'd shied away from having these conversations, concerned that he would cross the line and offend people by getting into discussions about business.

Phil had to change his comfort zone about mixing talk on markets with talk on wine. He still lets other members initiate conversations – he never brings up what he does or raises the topic first. But, given that most of the members know that he's a financial adviser, investing-related topics come up with remarkable frequency.

The key is that once someone raises this topic, Phil is now comfortable engaging in casual conversations about his views on markets.

STEP TWO: ADDING A CLIENT-COMMUNICATIONS CATALYST

The second step was for Phil to find a way to unobtrusively bridge the gap from a general conversation about his views on markets to getting people to think about working with him. I've written in the past about the power of a communication catalyst – something you do for

clients in which you can invite prospects to participate. The key to an effective communications catalyst is that it has to offer clear, undisputable value. Typical candidates for communication catalysts include:

- Annual outlook lunches
- Quarterly webinars
- Monthly update breakfasts
- Monthly or quarterly newsletters that you write
- Monthly or quarterly articles from your firm
- Monthly or quarterly articles from third party sources

Phil already had a communications catalyst he could use. About five years ago during the throes of the global financial crisis, he began sending clients articles from credible sources like the *Wall Street Journal*. The response was extraordinarily positive (this was when many clients were losing sleep about end-of-the-world scenarios). Even after the GFC abated, Phil kept on doing this and each month selected one (and only one) article to send to clients.

His primary reason for doing this is to add value and stay top-of-mind with clients. But a side benefit is that he now has something of clear value that he can offer to people in his network. While some publications have started moving to paywalls that prevent readers from viewing articles without buying a subscription, for the moment, most publications allow people to read five or more free articles each month before making them subscribe.

STEP THREE: BEING PROACTIVE WITH HIS NETWORK

The final step was to invite people in his network to receive his monthly emails. Now, if someone brings up the topic of markets and investing, after a brief conversation, Phil will mention that he selects one article each month to send clients and that he'd be happy to add the person to that list. The person he's talking to almost always says yes - and now, once a month, Phil is top-of-mind with the person.

Phil has a policy of never extending this offer more than once during a meeting of the wine club and is very careful to do it in the privacy of a one-on-one conversation - after all, he doesn't want to become known as one of "those guys" who's always pitching.

The result has been very positive. At gatherings of the wine club, he'll have members mention the articles and sometimes ask him questions about them. He's had good success converting these preliminary conversations into more in-depth discussions and has seen a number of new clients emerge as a result.

REACHING OUT TO YOUR NETWORK

Last spring, Phil decided to go one step further. He identified five members of his wine club who he knows especially well and with whom the opportunity to make this offer had never presented itself. He sent these five members an email that gave them an opportunity to sign

on for his monthly emails. With Phil's permission, I reproduce the email below.

In my work as a financial adviser, each month I send an email to clients with one article or video that has stood out in the last while. These are drawn from a broad range of sources such as *The Wall Street Journal*, *Fortune* and *Forbes*.

Recently, I chatted with a fellow member of the [CLUB] who asked to be added to the email list for these articles. It occurred to me that you might be interested in getting them also. Here are links to some of the articles and one video that I've featured over the last while:

Title

Title

Let me know if you'd like to receive my monthly emails. As an aside, I recognise that we all struggle with the volume of email, so if you decide to pass, I'll absolutely understand.

Either way, I look forward to seeing you at the next wine-club event.

The response to this email was very positive – four out of five recipients responded immediately that they'd be happy to get the emails, while the fifth thanked Phil for being sensitive to the volume of email that crossed his desk and said he'd like to take a pass for now, but might take him up on his offer in future.

Even with that success, Phil has decided not to move forward to offer this to other members he doesn't know as well. Quite simply, for now at least, the risk of compromising his credibility outweighs the benefits of getting more prospects receiving his materials.

Any marketing approach must be tailored to your personality and situation. Other advisers would have aggressively rolled those emails out, while others wouldn't have sent them in the first place. You have to operate in a way you're comfortable, perhaps stretching the limits of your comfort zone a tiny bit but never risking your reputation or professionalism.

This brings us back to the New England adviser on the hospital board. If he wants to convert some of the people he's met into potential clients, he needs to adapt this three-step process to his own circumstances. He has to get comfortable talking about markets in social settings. He needs something he does for clients that is truly valuable and that he can credibly offer prospects. Finally, he has to find ways to give people in his network the chance to sign up for that communications catalyst, in a fashion that is comfortable for both him and for the people with whom he's talking.

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