



Dynamic Relationships!

Your client base is your business's most valuable asset. It is the result of all your marketing, selling, planning and implementation efforts. High quality relationships secure your future trail revenue. The quality of your trail revenue will, in turn, impact on the value of your practice should you decide to sell.

High quality client relationships can provide you with a flow of motivated and pre-positioned referrals. And most importantly, the quality of the relationships you have with your clients will directly impact on the level of enjoyment you experience in your business.

How would you describe your relationship with your clients, particularly those you consider your most valuable? Are your clients providing you with unsolicited referrals? Do you receive ongoing positive feedback? Are you spending sufficient time with your most valuable clients and avoiding lengthy communication with clients not in this group? Are you effectively communicating the value that you bring to the relationship?

If these questions have produced a few "no's" or "not sure's", you may need to take steps to improve the relationship you have with your clients. The implementation of a client relationship system into your practice is a relatively simple exercise and the results are usually dramatic.

Business experts are unanimous as to what action is necessary to create dynamic relationships with your clients – effective communication.

You can implement an effective client communication system by following this 4 step process:

Step 1: Segment your client base

Client base segmentation is one of the most important management actions you will make. Too many advisors treat all clients as equals – but they are not.

The key is to focus your efforts on those clients that are important to your practice, not on those who demand your time. When you have clarity (after segmenting your client base), on who you should spend time with – and who you should not! – you can comfortably suggest to your high-maintenance but low value clients that either they seek another advisor, or they should adjust their expectations of your relationship and your fees..

Most practices would have three client segments:

- A. Clients who are important to your business
- B. Clients who may become important to your business; clients you need to service because they are family, friends, or have been referred by important referral sources; and clients who are profitable and who are satisfied with a limited service and a more distant relationship
- C. The rest (clients whose business you plan to sell or hand over to a junior colleague to service)



An easy way to start segmenting your client base is to identify segment A – your most important clients. These clients would have the following qualities:

- Clients generating significant fee income (or have the potential to generate significant fee income)
- Prospects with significant potential
- Centres of influence
- Key alliance partners
- Clients with whom you have a close relationship
- Clients who are good referrers (or potentially good referrers)

Step 2: Create a communications' program for each segment

A communications program defines the contact mode, content and frequency for each of your segments. Instead of having a variety of different contacts with different clients, you create a consistent menu to deliver to each and every client in a particular segment.

Of course some of your clients may want a slightly different experience (for example a segment A client may want minimum communication). This request is managed by your contact system (see step 3) and not by continually modifying your communications' program.

Because the program is consistent over a particular segment, the whole experience can be systemised to ensure consistency and minimum effort on your part. This approach contrasts markedly with the approach taken by many advisors who try to fit client communication into their “quiet” periods and who always have a bit of a guilty feeling that they should be spending more time on client communication. Most research indicates that you should be making at least 20 “touches” a year with your most valuable clients.

A sample program is included at the end of this article.

Step 3: Create a system to manage your communications program

A communications program that is not supported by some system is very difficult to manage. If you have 20 segment A clients and have created a program with 20 touches, this is in itself 400 big and small activities.

Your system should be run off a calendar. This approach can be as simple as a paper diary or as sophisticated as using state of the art client relationship management (CRM) software.

Using your communications program, allocate activities throughout the year. For simple activities, for example “Hi howdy” out-of-the-blue phone calls, you would merely enter the client name and telephone number into the calendar.



You may need to break up some activities into logical steps. It's no use entering "06 Mar – All Segment A clients – Motivational Seminar". You would need to break this activity into steps and enter each step into the calendar.

Because each activity is supported by a system – a calendar – you give yourself every chance of making it happen.

Whilst using a paper diary or the calendar function in your software is quite sufficient in most cases, CRM software would provide you with a superior system. A typical CRM system would have a calendar plus a couple of other useful features to support your efforts - such as the ability to record client notes and task management:

Client notes: All communications with your clients can be recorded. This enables you to review prior contacts and create the impression that the client is top-most in your mind. If your client proudly mentioned that their daughter won a medal in say a gym competition during your last conversation a few months ago, you will win big points if you ask how the little champion is doing and whether she's competed in any recent events. By using family names and recalling previous conversations, your communication will be so much more personal and relevant.

Client notes support your compliance efforts by allowing you to record the content of your communication. Once entered, you cannot make changes, thus an audit trail is created.

Task management: All action points can be input into the system and directed to the relevant staff member. This is essentially a mini work-flow function.

Step 4: Obtain client feedback and make adjustments

Your communications program is your relationship blueprint for your client base. To ensure you continue to create the maximum positive impact, you should regularly obtain feedback. This can be done in three ways:

- You could mail or email a survey to all (or a selected sample) of clients within a segment. In order to motivate a response you might include movie tickets or a gift voucher.
- You could discuss your communications program at client reviews and complete a feedback form to make any adjustments for the particular client.
- You could create an Advisory Board of 3 or 4 selected clients that you consider representative of their segment and discuss the existing program and any new initiatives with them.

Whichever course of action you choose, it's important to ensure that all the effort you put into your relationship management is achieving your objectives – a loyal, positive and appreciative group of people to work with.



Sample Communications Program

CONTACT MODE	CONTENT	FREQUENCY PER SEGMENT		
		A	B	C*
Face-to-face	Plan tracking / portfolio review	2 x year	1 x year	
Face-to-face	Social event	1 x year	1 x year	
Face-to-face	Lifestyle seminar	1 x year	NA	
Face-to-face	Marketing event	1 x year	NA	
Face-to-face	Financial seminar	1 x year	1 x year	
Mail	Post review recap	2 x year	1 x year	
Mail	Printed newsletter	4 x year	4 x year	
Mail	Birthday card	On birthday	On birthday	
Mail	Anniversary gift and card	On anniversary	NA	
Mail	Festive season greeting	Year end	Year end	
Mail	End of year recap / reflection	Year end	Year end	
Mail	Interesting article	On occurrence	NA	
Phone	“Howdy” or “what’s up?” call	4 x year	NA	
Phone	Key event	On occurrence	On occurrence	
Email	New article on website	6 x year	6 x year	
Email	Need to know	On occurrence	On occurrence	
Email	When you are in the news	On occurrence	On occurrence	

* Minimum contact allowed whilst remaining compliant – this depends on your dealer group’s interpretation of the requirements of FSR

I would like to acknowledge that the format and concept of the Communications Program was developed by Impact Communications (www.impactcommunications.org)

The views expressed in this article are the authors. You should seek expert advice to determine the suitability and applicability of the content for your particular needs.