

A Sentence that Tripled Referrals

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Every advisor recognizes that the best source of new clients is referrals. Despite this, many established advisors struggle to get introductions.

Recently, a successful advisor told me how he added just one line of text to his website – and got surprising referral results as a consequence.

That line:

New clients accepted by referral only

Positioning yourself as a “referral-only” advisor

Over the ensuing months, this advisor added a “*New clients by referral only*” agenda item to client meetings, saying:

“If you’ve been on my website recently, you may have noticed that I have a new policy that I only accept new clients who are referred by my existing clients or by accountants and lawyers I work with.”

That’s because I have limited capacity to take on new clients – and in my experience, the new clients who I work with best and am able to help the most are referred by my existing clients, as they’re much more likely to be a good fit. So should you be talking to friends who might be interested in sitting down with me, let my assistant Lori know – I’d be happy to schedule a time to meet.”

In fairness, this didn’t mark a big strategic departure for this advisor – almost all of his new clients were already coming from referrals. But by putting this in writing on his website and using this as a jumping-off point for conversations with clients, the number of referrals to prospective clients more than tripled.

What’s interesting is that these referrals didn’t happen immediately in client meetings. Rather, the impact typically flowed in during the weeks that followed those meetings.





This advisor isn't alone in making a public written statement that he only accepts new clients by referrals. For example here's a line from the bio of a chairman's club producer with Merrill Lynch in Dallas:

She accepts new clients on a referral basis only, from a national network of accountants, attorneys and other professionals as well as her existing clients.

But cases like this are rare – even advisors who get the bulk of new clients from referrals don't typically put this in writing as their policy.

Creating exclusivity

There are at least two reasons that this approach works.

First, it allows the advisor to have conversations with clients that raises the awareness of referrals and gets them thinking about who might be a fit.

But second – and just as important – the written policy elevates this advisor's positioning and creates a sense of scarcity. Human nature being what it is, we tend to undervalue things that are readily available and want the things we can't have. Being overeager can actually work against you – some of us might remember that from our experiences dating in high school. It can also hurt your chances when interviewing for a job.

This applies to attracting new clients. When sitting down with qualified prospects, your goal is to communicate that you'd **like** to work with them but that you don't **need** to work with them; even a hint of desperation can sabotage your efforts. By posting "*new clients accepted by referral only*" on his website, this advisor communicated a level of self-assurance, confidence and exclusivity that made him more attractive to existing and prospective clients alike.

Communicating confidence

This isn't the only instance where communicating a sense of exclusivity or scarcity enhances your positioning as a confident, expert advisor and makes you more attractive as a result.

A couple of years ago, I talked to an advisor who had assumed some management responsibilities in his branch and could only devote half his time to clients. He'd written all clients a note about this change and said that as a result he'd only be able to work with clients with assets of at least \$750,000.

Two interesting things happened. First, some clients with less than \$750,000 suddenly came up with additional assets to hit that threshold. And other clients asked whether he might be able to make an exception for friends who only had \$600,000.



Along similar lines, I recently talked to an investment counselling firm that raised their minimum to \$2 million – and found that the demand for their services actually increased as a result. By saying they weren't for everyone, they raised their appeal to clients in their target group.

Finally, I talked to an advisor who'd acted on a suggestion in an article I wrote in early February about getting prospects off the fence. Again, the strategy was to communicate scarcity and confidence. When someone you meet with expresses strong interest and then doesn't respond to voice mails and emails, I suggested leaving a message along the lines of:

"Just following up on our last meeting. I have capacity for six new clients in the next 90 days. When we met, I thought we might be a good fit and that I could help you achieve your goals. It sounds like you're really busy right now, I'll touch base in April. Let me know if you'd like to talk in the meantime."

Feeling he had nothing to lose, he left this message for a prospective client who had seemed interested but then hadn't returned his calls. To his pleasant surprise, the prospect called back the next day.

Here's a [link](#) to that article on getting prospects off the fence:

Less is definitely more

After his success in posting "*New clients accepted by referral only*" on his website, this advisor told me that one of his team members had suggested putting this phrase on his business cards and including it in his newsletter – and asked me what I thought.

I advised against this for two reasons.

First, the reason this works is that this is a sincere expression of where this advisor stands, rather than a sales pitch. And my concern was that adding it to business cards or newsletters would cross the line to the point where some clients would see it as a marketing pitch for referrals.

Second, what makes this successful is not the line on the website itself but rather the subsequent opportunity to raise this in conversation with clients. The only reason to add "*new clients by referral only*" to other elements of his communication would be doing so facilitated more client conversations about this policy. And in my view, adding this to business cards is unlikely to achieve that goal.

Remember the fundamental dynamic that makes this work: It enhances your positioning as confident and successful – and having done that, you can use this as a jumping off point to initiate conversations with clients. Communicating the line more broadly risks putting you



into the “overeager” category and undermining the sense of exclusivity and scarcity that has made this approach successful.

A final concern

Some advisors might be concerned that taking a “by referrals only” stance means you have to turn down prospective clients who would otherwise want to work with you – and that you will lose business and limit opportunities as a result.

Just to be clear, posting this on your site is a statement of philosophy and expression of intent. While you can’t run prospecting workshops or be cold calling if you go this route, there’s nothing to prevent you from making exceptions if you encounter people who’d be a good fit on a charitable board or at a community event in which you’re involved. In fact, those people may well value the opportunity to work with you even more because you are making a special exception for them.

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