



Separating Prospects from Suspects

By Dan Richards

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What's the difference between a prospective client and someone who's just a suspect? An advisor I recently spoke to gave me the answer.

This advisor recently became president of the local alumni association of the business school he attended – and he told me how enthused he was about having 200 prospective clients from among the graduates of this school.



My answer was that, while the members of his alumni association were suspects, I wasn't sure whether they were prospects ... or at least not as of yet.

As an aside, this advisor is far from atypical – many advisors count everyone with whom they come in casual contact as a prospect.

Three qualities that make up prospects

Three qualities define a prospect.

First, you've qualified them as meeting your criteria for being a client, even at a very general level – no matter what those might be. Sometimes the kind of work they do, the school they attended, where they live or activities they participate in are sufficient to qualify them, other times you have to dig deeper.

Second, they have to know you're interested in working together. You might have played golf with someone every Saturday for ten years, but if he or she doesn't know you're interested in having them as client, then they're not truly a prospect.

Finally – and most challenging – they have to shown some level of interest in hearing from you, even a low level.



So if someone has met with you to discuss what's happening in the markets or their finances, almost certainly they're a prospect. If they've given you permission to send them copies of articles, newsletters or invitations to client events, they're a prospect. If they've said they're too busy to meet now but agree to a call in six months, they're a prospect.

But if investors haven't done any of these things and haven't given you permission to stay in touch in some other fashion, they may be suspects but chances are they're not prospects.

Turning suspects into prospects

How could this advisor convert his involvement in his alumni association into effective prospecting?

Suppose he set a goal of engaging one or two attendees in conversation about their company or the economy as a whole, looking for an opportunity to say: "*Talking about the direction of the US dollar, I recently sent my clients who run businesses an article from Fortune Magazine on this subject. If you like, I'd be happy to email this to you.*"

The key is to limit the number of these conversations you have ... no one wants to feel that they're dealing with someone who's always pitching their services. And as part of that, you may want to identify the one or two people you want to talk to beforehand.

As you think about your client development initiatives in 2011, it can't hurt to widen your circle of suspects ... but if you're looking for a real payoff, the bulk of your focus needs to be on turning suspects into prospects and ultimately prospects into clients.

Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.strategicimperatives.ca.

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