



Stop Wasting Time and Money on Client Communication

By Dan Richards
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The world has changed in all kinds of ways. What worked in terms of client communication as recently as five years ago doesn't work nearly as well today. As a result, you need to fundamentally change how you communicate with clients.

Attention spans have shrunk dramatically. Everyone is much more time pressed.

And the level of skepticism has spiked among existing and prospective clients.

Let's be clear, clients still want to hear from you – in fact, chances are they want to hear from you more often. But they typically want each of those interactions to be shorter, more objective and more relevant.

Short, relevant, objective

What are the implications?

First, send something short once every month or two, rather than a longer piece once a quarter. And second, clients are looking for communication that's tailored to their situation and, given today's skeptical mood, is based on credible third-party support.

Suppose a client received two emails from you.

One was a quarterly, four-page glossy newsletter from your firm talking about the outlook for the economy, interest-rate forecasts, opportunities in global investing and tax-savings strategies.

The other was an email with an article from *Fortune*, *Forbes*, *Barron's* or the *New York Times*, discussing a topic in which the client had expressed interest such as the direction of the dollar, prospects for the US economy or trends in global investing.

Which do you think clients prefer?





Naturally, almost everyone goes for the monthly articles – they provide not just shorter and more frequent communication, but also tap into credible third-party support. All in all, monthly emails with those articles are much more closely aligned with what most clients actually want.

Tapping into hot buttons

So once we've agreed that for most clients, the most effective communication will be shorter and tap into objective sources, the final question is how to make it relevant.

Every advisor recognizes the importance of providing information that taps into the hot buttons that motivate key clients – the things that are really important to them and, in some cases, keep them up at night.

The question is how to identify those hot buttons.

The obvious answer is to ask – and that's a good starting point. The difficulty is that the way we ask may not always give us clear answers.

Suppose you're talking to a key client and you say, "*What are the most important things for you when it comes to your money? What keeps you awake at night?*" The problem is that the answers you get may be the obvious ones that are on the surface, like losing money or not having enough money in retirement.

The challenge is that there are often other hot buttons that are just beneath the surface that we won't know about unless we ask in a different way. So in addition to asking "What are the most important issues for you when it comes to your money?" advisors should also ask some closed-end questions.

Asking closed-end questions

The advantage of closed-end questions is that they're easy to answer.

One option is to ask clients to go through a list of 10 to 15 areas which they'd like to talk about at some point, on which they'd like to receive information or on which they'd be interested in attending a lunch or evening session.

You could ask clients to complete this survey when they meet – this might work better for older clients.

Alternatively, you could send clients an email with a link to one of the online survey tools such as Survey Monkey, Zoomerang or Survey Gizmo.

Conducting an online survey



A common question I hear from advisors is what kind of response rate to expect from an online survey.

As part of a pilot test of a new initiative my firm, Clientinsights, launched last spring, 20 advisors sent clients an email asking them respond to a short online survey. The average response rate was just under 60%, well above average.

Three things boosted the response rate. First, the subject line said “A favor” – so the email got opened.

Next, the email said that advisors were looking for three minutes of the clients’ time to complete a survey to allow them to serve clients better – and we made sure that the survey took in fact three minutes to complete.

And finally, in the P.S. each advisor said that as a small thank-you, one of the clients who responded would be drawn to receive a copy of *The Snowball*, the best-selling book about Warren Buffett.

Today’s hot buttons

The survey asked five questions, the last of which listed 12 topics on which clients were asked whether they’d be interested in receiving articles and video interviews with experts.

Of these 12 topics, the percent of clients who expressed interest in receiving information varied from a low of 10% to a high of 60%.

Overall, the responses fell into four categories.

There were three topics that got the most interest, with over 50% of clients expressing interest:

- The subject that got the most interest was retirement income strategies – a case can be made that this reflects the aging client base on which most advisors.
- Then were predictions for the economy.
- And in third place was the outlook for the stock market.

In the next category were four topics with 30% to 40% of clients expressing interest in receiving information:

- Interest rate forecasts;
- Information on wills and powers of attorney;
- Tax saving strategies for business owners;
- Interviews with money managers;



In the next tier down were three additional topics:

- Family communication on financial issues;
- Alternative investments and hedge funds;
- Elder care;

And at the bottom of the list, with less than 20%, were two final topics:

- Succession strategies for vacation homes;
- Charitable giving strategies.

Identifying if material is well received

There is still a role for those four-color quarterly newsletters.

First, some advisors won't email articles – and some communication is better than none. Second, there may be branding benefits for the advisor or the firm. Third, it's an opportunity to profile in house experts.

And finally, some clients prefer getting those newsletters in the mail rather than emails with articles – especially older clients.

We're all heard the expression "*one size doesn't fit all*" – what you need to do is to send the newsletters only to clients who want them.

To do that you need to ask clients in a way that makes it easy to provide an honest response. If you ask a client, "*Do you find those quarterly newsletters I send you useful?*," chances are they'll say "*Sure,*" even if they never look at them.

Suppose instead you say:

"We're taking a hard look at all of our communication to clients. Some clients tell me they're swamped by all the things they get to read. If you find the newsletter I send you helpful, I'll keep sending it to you, but if it's just one more piece of reading you don't have time to get to, I'm happy to take you off the list."

So now if clients do find it of value, they can say "*No keep sending it.*" But if they don't, they'll say "*You know what, just take me off the list.*"



What's easy or what's effective?

Many advisors are happy with the generic newsletters that go out under their name or the quarterly communication they send out now – after all, it's easy and doesn't take a lot of thought.

But going forward, the standard for success isn't what's easy – it's what's effective.

And to communicate effectively, with more and more clients generic communication doesn't cut it – if you want the things you send to be read, you have to think about building in the time to find a third-party article from a credible source to send each month or two and then getting approval from compliance to email those articles.

Yes, it will take more time – but it will also be much more likely to be read and to be persuasive.

Isn't that what communication is all about?

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