The Keys to Successful Client Appreciation Events

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Often overlooked, client appreciation events are an effective prospecting tool in today's climate. Even a couple of years ago, many firms would do a single event in a year, writing it off as little more than a fun opportunity for clients and employees to get together, with no expectation of a return on their investment. Today, however, many advisors have told me that referrals through traditional pipelines are slowing. Instead, they have turned to events and found that they go a long way towards building trust with clients and prospects and driving new business.

Social events provide a mutually beneficial opportunity to ask clients for referrals, especially when the message is, "Bring your friends!" This type of events-based business development strategy suits advisors – people who make a career out of listening to people and understanding their hopes and dreams.

If you don't have a lot of experience hosting events for your clients, this strategy may seem daunting, but it's easy to execute with the right approach. First, you need to identify the type of client you would like to attract when holding specific events. You can then invite existing clients who fit the targeted segment, as well as centers-of-influence (COIs), to help prospect. Drive traffic by encouraging your network to bring friends and colleagues. You'll find that having a mutual relationship goes a long way towards establishing trust with a new prospect.

The first question I hear after I've convinced a firm to do an event is, "What type of event should I do?" My response is always, "What are you trying to accomplish? Who would you like to attend?" The segment you are targeting will dictate the type of event you organize. Generally speaking, there are three main types of events you might choose:

Financial Education – The financial crisis rattled investors, leading many to seek a greater understanding of their finances and the markets. Holding educational events is a great way to attract prospects looking for a serious, intelligent partner to guide them. Designing such events is easier than you'd think as well. An advisor at your firm can reflect on the current market environment or on a particular area of expertise.

When Roth Conversions became a hot topic, for example, one firm had a young adviser who became an in-house expert on the subject. The first Roth event featuring his insights was so successful that the firm started repeating it via webcasts, getting more prospects to attend virtually, many of whom later came to meet at the firm. You can also tap external partners, such as custodians and technology providers, who may have access to intriguing speakers.

Lifestyle – Reflect on the life stage of the segment you are trying to attract and build an event around a relevant topic. For example, the college admissions process is a particularly fertile issue for middle-aged prospects. If you're looking to draw younger families, you can speak about raising financially literate children. If you're looking to market to an older, retired set, focus the discussion on intergenerational wealth transfer.

Social – If you want to take the more traditional route of a client appreciation event, consider doing something unexpected by having a special performance or activity, such as a casino night where the proceeds go to a local charity. Supporting existing philanthropies with events is great way of getting positive exposure in the community without assuming the full responsibility for running the entire event yourself. It is also effective to plan social events around communities of interest. For example, to stand out among the myriad social events in tech-centric Silicon Valley, one firm was able to secure access to the Computer History Museum the night before its grand re-opening. There was so much interest in the venue that the firm was able to attract its target high-net worth audience with 40% prospects, 40% COIs and 20% clients and friends in attendance.

The first event is the most challenging. Begin by mapping out your budget and your target segment; these should direct you to appropriate venues. When in doubt, imagine what the attendees would appreciate.

The good news is that the logistics become easier with practice. One firm I've worked with traditionally held two events a year, one being a client appreciation event and the other featuring a tenured advisor speaking about investment philosophy. Just two years later, the firm has expanded to over 30 events annually, targeting different segments, such as retirees and women, and even expanding to new regional markets where they have pockets of clients. The events are so popular that the crowd has shifted from almost all clients to predominantly prospects and COIs.

While a printed invitation is a nice touch for some events, email or online invitations that allow you to capture responses and views are crucial to building metrics and analyzing ROI. You should place phone calls to your list a week or two prior to the event. People appreciate the prompting and you will find that even those from whom you haven't heard a peep genuinely intended to respond and are glad you reached out.

Each guest should be greeted warmly upon checking in and receive a name tag. Study the attendee list and determine in advance with whom you are going to spend time, particularly when known prospects are coming, and resist the temptation to only spend time with clients and staff.

To maximize the business development potential of an event, you must quickly and diligently follow-up with prospects and COIs. If you like, you can add a personalized touch, such as a handwritten note or a relevant gift. One firm, for example, did a spa day for female clients and prospects and sent a hand cream. Often, however, all it takes is a simple phone call to make your prospects even more receptive – and ready to consider a formal relationship.

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