

When Clients Make You Livid

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I recently heard about an advisor who got a call from a significant client who was really upset about an investment that hadn't worked out. This client had a long history of being emotional ... on this call he got so worked up that he accused the advisor of having recommended that investment because he got paid better on it than other alternatives.



The advisor got livid. He told the client that he didn't like to have his professionalism questioned and they began yelling at each other over the phone.

Ultimately they fired each other.

Over the years, I've found that several principles are key to breaking the tension before situations like this become catastrophes.

Setting boundaries

Let's be clear, nobody should allow themselves or their staff to be abused by clients. Unfortunately, there are some people who are bullies – that's their nature and they are unlikely to change. And if you find yourself dealing with someone like that, I recommend that you figure out how to part company with that client.

I've talked to advisors with large clients so abusive that every time they had to call them or meet with them they got a sick feeling. When they finally parted company with them it was a huge load off their shoulders – as a result they became more productive in other parts of their practice and almost always ended up replacing that revenue more quickly than they'd expected.

Counting to three

I'm not talking about clients who are in the category. But let's suppose you have a client who may be emotional and sometimes difficult but who you ultimately want to retain.



And let's suppose they say something on the phone that upsets you, perhaps something like: "I don't know why I'm paying all these fees for atrocious performance."

When a client says something that pushes your buttons, consider doing two things.

First, before responding, count quietly to three, so that you don't say something that you'll regret.

And those three seconds of silence does one other thing –it lets clients know that they have crossed the line and they'll apologize right then and there.

Establishing a personal connection

Second, If a client says, "*I don't know why I'm paying fees for this crappy performance,*" I suggest responding with something like:

"I can understand that you're upset with your performance. This is something we need to talk about further. I wonder whether we could schedule a time to sit down in the next two or three weeks to discuss this."

That does a number of things. First, it gives the client a chance to calm down. Second, in some cases it lets them know that they've crossed the line.

And finally, emotional conversations are almost always better conducted face-to-face. So the chances are much better that by talking about this in person you'll have a better outcome.

Making meetings productive

Your top priority when you meet is to make clients open up about how they feel ... your main goal should be to ask questions and get clients talking, so you can better understand where they're coming from but also so they feel heard.

At the end of that conversation, you might finish with something like:

"First of all, thanks for taking the time to talk about the issues that are bothering you. What else is on your mind that I should know about?"

After giving clients a chance to respond, continue on:

"For a partnership to work, it has to work for both of us.

So I have two questions.



First of all, do we both want to continue working together?

And if we do, how do we ensure that we have a relationship that is productive and that works for both of us?"

This conversation won't always be easy ... but by being clear with clients that relationships have to work for you as well as for them, you'll significantly increase your chances of creating a sustainable, satisfying partnership with 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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