

How to Follow Up Without Being a Pest

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How do you value your business? We all know the obvious candidates: assets, income, recurring revenue, client loyalty or the extent to which you've built a strong team. But a recent discussion with some top-performing advisors illuminated one metric that is absolutely critical – and typically overlooked.

It's a variable that won't necessarily drive value in the short term, but is essential over the mid- and long-term: the number of qualified prospects with whom you're effectively communicating on a regular basis – your "pipeline." While those prospects aren't generating revenue today, they are the key predictor of revenue down the road.



Two advisory practices could look alike in every respect, but if one advisor is communicating on an ongoing basis to a large number of prospects and the other with few or none, the first practice is much more valuable.

Predicting future success for advisors

The reason that the number of prospects in your pipeline is so important arises from lengthy decision-making cycles by investors. This wasn't always the case – in the 1980s and 1990s, prospective clients often made up their minds fairly quickly after initial conversations. At that time, a pipeline of prospects was much less important; when you met with prospects back then, they might not sign on, but at least you typically got a yes or a no, so you knew where you stood.

In essence, client development was an event.

While that's still sometimes the case, more and more prospective clients are taking longer to decide whether to work with an advisor, in large measure because building trust takes time and can't be rushed. That's especially true when you connect with prospective clients through broad-based marketing activity, but it's increasingly the case even when someone is referred to you by an existing client.



In a world where it takes prospective clients much longer to decide, business development has become a process. And that shift has fundamental implications for how you follow up with prospects.

First, you are going to have to be more patient in communicating with prospective clients than was the case historically.

Second, the number of qualified prospects in your pipeline is a key measure of your future success – and just like any other key variable, you need to set goals for the number of prospects in your pipeline, and put processes in place to achieve those objectives and track your progress against those goals.

Finally, you need a way to build trust and to stay in front of prospective clients. Calling to say “*Just checking to see if you’re ready to buy yet*” may be better than no call at all, but certainly won’t maximize the chances of those prospects becoming clients.

“Just checking to see if you’re ready to buy yet”

I recently made this point during a keynote talk at an advisor conference. Later that day I got an email from an advisor in the room, putting his finger on why the “*just calling to check in approach*” risks positioning you as a pest, in the prospects’ mind as well as yours.

Here’s how he started his email.

“I worked for Xerox many years ago where we made many, many calls on potential customers.

I quickly realized that busy people running successful businesses... the ones we want to connect with... hate the calls that begin “...Just calling to touch base/see how you are doing/ask if you are ready to sign up the paperwork yet? If you are not bringing value to a prospect you are wasting his time. Therefore it was my goal to always have something of value to share with them.

In the copier business it was some feature he might have missed and a new way I had thought their firm could take advantage of the capabilities. As an advisor, it was some fact about a company in his industry, or something I knew they were following or maybe currency changes if I knew he does cross border business.”

Step one – Foundation follow-up

In fact, the best follow-up happens in two stages. First comes low-key follow up that precedes and lays the foundation for a direct follow-up call. Then comes direct follow up – the call itself that this advisor focused on. What they have in common is that they both require permission from the prospect. In fact, if someone hasn’t given you permission to



communicate with them, if all they are is a name in a directory or a casual acquaintance with whom you've never discussed financial issues, they aren't a prospect, they're a suspect.

Lower key foundation follow up keeps you top-of-mind, builds credibility and demonstrates value. The best form of that follow up is to share with prospects the communication that goes to your clients. Here's what a conversation to get a prospect's permission to send them that communication might sound like:

"Given turbulent markets of the past few years, once a quarter I invite clients to a breakfast to discuss recent events. As well, I send clients a twice monthly email where I select one or two articles from my ongoing research. I've had a great response to these breakfasts and the articles. With your permission, I'd like to add you to the distribution list for the articles and the invitation list for the breakfasts."

Most prospects will agree fairly readily. For some, it's a low-cost commitment on their part that holds the promise of value. For others, it's simply the route of least resistance to simply say "yes". You can't expect prospects who receive this low key follow up to act on it – and in fact any direct action arising from this is a bonus. Low key follow up is designed to prime the pump, to lay a foundation of awareness and credibility for when you do call with direct follow-up.

This presupposes that you're sending material worth sharing with prospects. If you're not doing this, then now is the time to consider implementing ongoing communication, to ensure clients feel that you're on top of markets.

Step Two – Direct follow-up

The second step is direct follow-up, where you pick up the phone and place the call. Many advisors shy away from these calls – because it's here that it can feel like you're bothering prospects.

The first step to getting past that reluctance is getting permission to call. Here's how that might go:

"I hear loud and clear your concerns about (fill in the blank -- ways to increase income without incurring additional risk, strategies to reduce your overall tax bill, ways to help your children and grandchildren.) I'd like to think about this further and explore some opportunities that could meet your needs and with your permission check back in about 90 days."

Then pause and wait for an answer. Note that you're not asking a question, you're making a statement to which you're asking the prospective client to respond. If you've tapped into a genuine concern, almost always you'll get agreement that you can call. Depending on



the tone of the conversation and any urgency on the prospect's part to take action, 90 days might be too soon or too far away – what's important is not the duration until the follow-up, but that you get the client's permission for you to call.

When you do call (and quite likely leave a voice mail), your follow up should relate back to your last conversation:

"It's Dan Richards. When we last spoke, we agreed that I'd be following up about now. I have a couple of specific ideas that I'd like to discuss with regard to the concern you expressed about increasing income without incurring additional risk."

This is a classic needs-based sales approach – one that many advisors say they practice, but few actually do. The reason is simple – it's much more work to use this strategy than to say: *"Just following up to see if you have any questions on the article that I sent you"* (which in truth is a more elegant way of saying *"checking to see if you're ready to buy yet."*) To maximize your chance of success, your call has to relate back to the specific concerns that the prospect articulated.

Note that identifying someone's hot button is key to turning them from a suspect into a prospect. That can happen at a variety of points and will in part depend on how you first meet them. In the perfect world, you'd get answers to their hot buttons, the "what's keeping you awake at night question" from every prospect at an early stage. In the real world, in some cases you may have to "earn the right" to ask them about their key problem, by first demonstrating value.

So for example, if someone you meet agrees to receive your email newsletter to clients, assuming that it does provide real value, follow up with a call that says:

"Just following up on my client emails that I've been receiving, i hope that you find them of value."

"If you have two minutes, I'd like to see if I can better understand any specific issues that you'd be interested in getting more information on. For example, I've recently worked with a number of clients who are retired like you and whose focus is on increasing tax efficient income. To what extent does this apply to you, or what other issue concerns you when it comes to your finances?"

Implement this follow up process and your results will go up dramatically. All it takes is a few simple steps – getting prospective clients to buy in to receiving ongoing communication, obtaining agreement to a follow-up call and ensuring that the call relates to their specific situation. In the process, your conviction and confidence in the value that you bring will go way up and the risk of being seen as a pest will go way down – with the result that more effective follow-up conversations will ensue.



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