



Your Most Important Resolution for 2013

By Dan Richards
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With the first month of 2013 behind us, many of those New Year resolutions relating to diet, weight or exercise are distant memories. That's why this is an opportune time to make a new resolution for 2013 for your business: This is the year that you will excel at bringing new clients on board.



I was reminded of this by two different conversations last fall with advisors frustrated by the lack of prospecting activity among their teams. There was a consistent theme to their comments: While the large majority of advisors do a reasonably good job of communicating with existing clients, other than hoping for referrals from their client base, most advisors displayed little emphasis on prospecting activity and attracting new clients.

Four primary reasons explain the lack of prospecting focus: loss of confidence, lack of priority, no clear prospecting plan and failure to establish a prospecting routine. Let's talk about what you can do in 2013 to address each of these.

Confidence

When talking to potential clients, you need to believe that prospects would be better off working with you than where they are now or with other advisors. But for prospects to believe that, first you have to feel that way.

I've talked to advisors who lack that fundamental conviction and are questioning the value they provide to their clients. I recently spoke with an advisor who feels that over the past 15 years she's let clients down, as tough markets have meant that plans that clients had back then have had to be adjusted downwards, with retirements postponed, holidays deferred and lifestyles scaled back.

The first necessary condition to develop prospecting momentum is to have the gut feeling that prospects would be fortunate to work with you. If you don't have that confidence, then you won't succeed in developing prospecting momentum.



Something that helped one advisor was adding an agenda item to his Monday morning team meetings, in which someone shares an experience from the previous week where a client thanked them for the job they'd done or the difference they'd made. Alternatively, they select a plan they've reviewed the week before and talk about how the client is better off as a result of the decisions that were made.

Priority

When most advisors entered the business, prospecting was a survival issue – if you weren't successful in attracting new clients, your career in the industry would be a short one. This is a stark contrast to today's mindset – while most advisors know they should prospect, many see this as a "nice-to-do" activity rather than a critical issue for the health of their businesses.

As advisors have built up client bases and become successful, many have fallen into a comfort zone, caught up in the day-to-day routine of serving client needs. After all, until the fall of 2008, most advisors were confident that a healthy market would boost assets and they'd see a steady stream of referrals from happy clients. The market turmoil of the past four years has changed expectations on both those fronts – but while the world has changed, the behavior of many advisors hasn't kept up.

In *The Seven Habits of Highly Effective People*, the late Steven Covey wrote about the tendency for things that are urgent to delay things that are important. Prospecting isn't urgent in the short term, so it is easy to put off as a result – but for most advisors it is absolutely critical in the long term.

To be successful, you need to ensure that you assign prospecting activity the right level of priority.

Consider what percent of your time and energy should go to bringing new clients on board. Whether it's 5% or 50%, chances are that the actual level of thinking about your business and effort is well below that number.

A path to success

One of the common complaints I hear from advisors with regard to prospecting is that "Nothing works." Things that got results in the past are a waste of time – public seminars, educational sessions, cold calling, advertising and direct mail all worked well 10 and 15 years ago (or that's how advisors recall it) and draw meager results today. As a consequence, some advisors throw up their hands and simply focus on doing a good job for clients and hope they'll see referrals as a result.



Referrals are a key source of new clients – and have been the number-one driver of new clients in the past, are the number one today and will be so as far in the future as we can see.

But a couple of things have changed when it comes to referrals. Choppy markets mean that clients are less satisfied than in the past and even some clients who are on balance satisfied are reluctant to jeopardize relationships by introducing friends to their advisors. And second, even when someone is referred to you, often the decision-making process is much longer than was the case historically.

In 2013, 16 of my columns related to attracting new clients, only three of which touched on referrals:

Jan 10	<u>How an Advisor Doubled New Clients</u>
Feb 7	<u>A Conversation that Tripled Referrals</u>
March 20	<u>Hot Buttons that Motivate Prospects</u>
April 17	<u>Two Words to Get in Front of Prospects</u>
June 12	<u>A Proven Strategy to Attract Multi-million Dollar Clients</u>
June 19	<u>How to Follow Up Without Being a Pest</u>
Aug 7	<u>The Game-Changer for Attracting Affluent Clients</u>
Aug 14	<u>How One Advisor Adds Three Clients a Month</u>
Aug 28	<u>The Wrong Way to Ask for Referrals</u>
Sept 25	<u>The Best Question to Engage Affluent Prospects</u>
October 2	<u>A Daily Reading Plan That Attracts New Clients</u>
October 16	<u>How an Advisor Lost a \$3 Million Referral</u>
Nov 6	<u>The Three Most Important Hours for Your Business</u>
Nov 13	<u>Harvard's #1 Strategy Guru on the Key Decision for Your Business</u>
Nov 26	<u>Accidentally Landing a \$3 Million Client</u>
Dec 4	<u>How to Turn Acquaintances into Clients</u>

This year's columns will continue to emphasize strategies for attracting new clients, including some new research relating to what motivates clients to provide referrals. A particular focus will be on how to build and cultivate a pipeline of potential clients with communication that provides clear value and that sets you apart.

Prospecting habit

The last obstacle to prospecting success relates to the role of routine. We're all creatures of habit – and unless you have a well-defined set of habits around prospecting, chances are that getting new clients isn't getting the attention it deserves.

Here are three suggestions to help build your prospecting habit.



First, ensure that you have a new business development component in all your planning – whether it be daily or weekly, on your own or with your team.

Next, create a file in your computer labeled *Prospecting Diary*. Enter the percent of your business effort that should be dedicated to prospecting. Then in the last three minutes of each day, write down the answers to three questions:

- *What did I do to attract new clients today?*
- *What did I learn from this?*
- *What am I going to do to attract new clients tomorrow?*

Finally, carve out regular time in your calendar dedicated to prospecting. Don't worry for the moment about how you'll fill that time – that can come later. Start by scheduling 90 minutes a week solely dedicated to prospecting. Initially, perhaps all you'll do with that time is read and reflect on what is working for other advisors or other industries. Then perhaps you'll schedule a weekly coffee with an accountant or lawyer for one of your top clients or another professional in your community who is open to talking about joint marketing activity. Ultimately, you may find that one 90-minute time block isn't enough and you'll increase the amount of time you spend on prospecting.

When advisors ask me about the one thing they need to do to attract new clients, H.L. Mencken's famous aphorism comes to mind: "For every complex problem, there is an answer that is clear, simple and wrong." There are no simple solutions to attracting new clients. But by ensuring you have the right confidence level, priority, plan and routine, you will make 2013 the year that lays the foundation for your prospecting success for many years to come.

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, go to www.clientinsights.ca. Use A555A for the rep and dealer code to register for website access.

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