

### Overview

If you're reading this, there's a good chance you enjoy marketing. You appreciate clever ads like the ones you see for Super Bowl commercials and recognize good marketing talent when you see it. If you've studied marketing, you know that marketing is about delivering a message or telling a story to your intended target audience. If you've done any marketing, you would probably agree that referrals are the most effective form of marketing. You may not get as many referrals as you would like and you may not be completely satisfied with the quality (size) of the referrals you do get. If any or all of these statements are true, you will benefit from reading this. **The purpose of this paper is to share what we believe is the secret to getting more and better referrals.** We will also describe a system called Referral Builder™ that will enable you to create and sustain a pipeline of qualified prospects for your business. **If you apply the suggestions outlined in this paper, your marketing plan will produce better results with less effort.**

### Baseline

Before we get to the system itself, let's establish a baseline for you. There are a few key points you must be aware of if you want to reap the full benefits of this system. Collectively, these constitute our marketing philosophy:

**Marketing is very different than selling.** Marketing is everything you do to get in front of a qualified prospect. Selling begins when you get face-to-face with a qualified prospect. Marketing is about getting the prospect into the store. Selling is about ringing the cash register. It is very difficult to ring the cash register if the prospect is still standing outside!

**Asking for referrals is NOT enough.** If it were, those who are brave enough to ask for them would get more than they do. Later in this paper you will learn what it really takes to get more referrals.

**The strength of your relationships is defined by how *loyal* your clients are to you.** Loyalty, in turn, varies greatly and can be defined along a loyalty continuum that ranges from "Prospect" to "Raving Fan" (see *Loyalty Ladder* below).

**Advocacy begets advocacy.** In other words, if you want your clients to become stronger advocates of yours, you first have to become stronger advocates of theirs. The good news is that if you turn enough of your clients into advocates, you won't have to do *any* marketing. Your clients will do it for you!

**It doesn't really matter what you believe or say. It only matters what you *do*.** Actions speak louder than words. If you're serious about adding value, become an expert problem solver. The more problems you solve for your clients, the more value you will add as their trusted advisor. The more value you add, the closer you will move them toward advocate status.

**You become an expert problem-solver by becoming an expert relationship manager.** In order to solve more problems, you have to uncover them first. You do this by getting to know your clients at a deeper level (client intimacy). You do that by spending more time with them and taking a greater interest in them and their family members. You need to uncover "break-through insights."

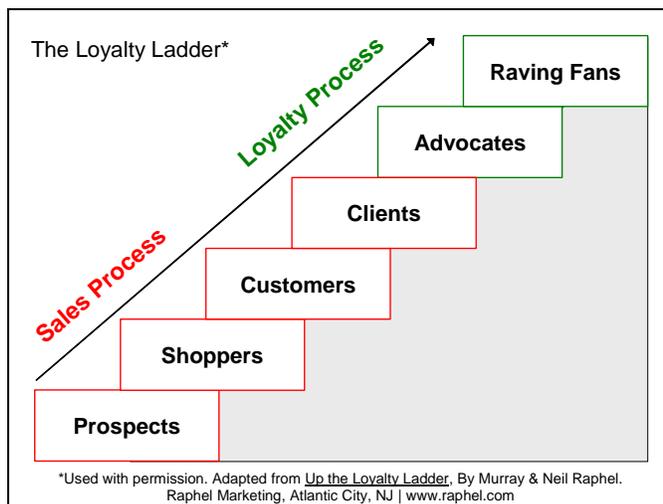
**If this is a relationship business, the "war" will be won by those who build and maintain the strongest relationships with their clients.** When everything becomes commoditized, the only thing left to compete on will be service. The good news is that in a fee-based business model, you get paid more to service (manage relationships) than you do to gather assets. Think about that for a few minutes.

**The System really IS the Solution.** We know, hearing the word "system" may make you feel queasy. Like most entrepreneurs the word conjures up all kinds of scary thoughts like repetitive, restrictive, boilerplate,

standardized, boring, predictable, lack of creativity, etc. AT&T had it right in their old commercial – “The System is the Solution”. If you’re interested in working smarter instead of harder, you must adopt a systematic approach to running your business. Systems are what make great companies deliver exceptional service. By definition, a *system* is a series of steps or activities that work together to produce a predictable and consistent result. When it comes to marketing, the desired result is getting in front of qualified prospects. The Referral Builder™ is an Advocate-Based Marketing™ system. It will help you get in front of qualified prospects on a regular basis by converting more of your existing clients into loyal advocates.

## Loyalty Ladder

The methodology behind The Referral Builder™ is illustrated in the diagram below. The idea comes from a great book called *Up The Loyalty Ladder*, by Murray & Neil Raphael (Harper Business, 1995). We adapted it slightly by adding “Raving Fans” to the top of the ladder, but the basic model remains the same. The “Loyalty Ladder” is a simple but powerful concept when it comes to marketing. **You might think of the ladder as a continuum that defines the amount of loyalty that exists between you and the various individuals who are in your pipeline and in your book of business.**



At the bottom of the ladder, we have PROSPECTS. You know who they are, but you should be asking if the individuals who fit this description on your Loyalty Ladder are *qualified* prospects. If not, they probably should not be on your ladder at all. On the next step up are SHOPPERS. These are individuals who have met with you to see what you have to offer but are also “shopping” to see what other advisors have to offer. Next comes CUSTOMERS. These are individuals who do some business with you but also do business with other advisors. You may or may not be their primary advisor. You probably have many Customers on your ladder. Next comes CLIENTS. This probably (hopefully) describes the majority of individuals

who are on your ladder today. Your Clients may also be doing business with other advisors, but you are either their primary advisor or at least a significant advisor to them. Next comes ADVOCATES. These are individuals who really believe in you and want to help you succeed. They strongly endorse you to family, friends, and business associates. They usually give you referrals if you ask for them, and at times, even when you don’t. You probably have a handful of these on your ladder, but if you’re like most advisors, you could use a lot more. At the top of the ladder are RAVING FANS. These are Advocates who go one step further. In addition to having a strong interest in seeing you succeed, these individuals are actively looking for opportunities to refer you more business. Think of them as flag bearers for your business. You may have some Raving Fans on your ladder, but again, probably not as many as you would like. Obviously, the goal is to get more people to the top of the ladder. The question is HOW?

## Loyalty Process

Why do so many advisors (and businesses for that matter) have such few Advocates and Raving Fans? **Most advisors spend the majority of their marketing time at the bottom of the ladder and very little, if any,**

**at the middle and top of the ladder.** There is a very good reason for this. Every advisor has been through plenty of *sales* training. Few, if any, have ever been through *loyalty* training. If you look closely at the ladder, you'll see why this is important.

Think back to any sales training you've had. You were probably taught (and still use) something called the *sales process*. You know – Approach, Present, Overcome Objections, Close – or something like that. If you think about it, the sales process is specifically designed to help you turn PROSPECTS into CUSTOMERS or (if you're good) directly into CLIENTS. **In other words, it forces you to focus on the bottom part of the ladder.** If your sales process is well-defined and your selling skills are sharp, you are probably very effective at turning Prospects into Customers and Clients, which is great if you want a lot of clients.

**If you would prefer to have fewer but larger clients, you should shift your focus to the middle and upper parts of the ladder.** Your marketing resources, time, and money will have a greater impact on your business if you invest them in turning CLIENTS into ADVOCATES and RAVING FANS. **The only thing that's keeping you from doing this is having a well-defined loyalty process in your business.**

### Working Smarter vs. Harder

If you've been in the business for a few years and have built a successful business, you are probably beginning to appreciate the notion of working smarter instead of harder. If that's the case, **you owe it to yourself and your business to put a loyalty process in place as soon as possible.** If you prefer to work harder, you would still be better off implementing a loyalty process. Think of the results you *could* achieve if you worked smarter AND harder! In addition to helping you optimize your business (achieve better results with less effort) there are at least three key benefits to implementing a loyalty process in your business right now:

1. By creating more advocates, you will get more and better referrals from your best clients
2. By building more loyalty, you will protect your business from those who would like to have your clients as their clients
3. By taking the time to get to know your clients better (and solving more problems for them and their family members) you will feel better about yourself and have more fun in the process

### Maximum Impact Marketing

The Referral Builder™ is an Advocate-Based Marketing™ system. It is a turnkey loyalty process you can implement in your business right away. As such, it serves as a good example of *Maximum Impact Marketing*, which we define as:

1. The right STORY
2. Told to the right PEOPLE
3. Using the right APPROACH

### The Right Story

At the end of the day, marketing is about telling a story. The clearer and more compelling your story, the more effective it will be at achieving the desired result of getting you in front of more qualified prospects. **In order to be clear and compelling, your story must answer six basic questions about you and your business:**

1. **Why are you in business?** You answer this question through your Business MISSION STATEMENT. You might also include a Personal Mission Statement and a Community Mission Statement in your story. An effective mission statement is one or two sentences long. It also answers the question (from the client's perspective) *"What's in it for me?"* Your mission is the *high purpose* of what you do.
2. **What can your clients expect from you?** You answer this question by defining your CORE VALUES. When articulated well, your core values represent the implicit *promises* you make to your clients. It's not enough to put nice sounding words like *Integrity* and *Service* on a piece of paper. If your story is going to have "teeth," you must take the next step and articulate how you plan to *deliver* on those promises.
3. **What do you believe?** You answer this question by defining your PHILOSOPHY. Depending on the business model you are trying to build, this could be your Investment Philosophy, your Financial Planning Philosophy, or your Wealth Management Philosophy. Or, it might be a combination of the three. The key to developing an effective philosophy is to articulate those key *beliefs* you have about what to do and what not to do when it comes to investing, managing wealth, etc. You will have to call upon your knowledge and experience as an investment professional when defining your philosophy.
4. **How do you do what you do?** You answer this question by defining your PROCESS. Your business model will determine *what* you do (investment management consulting, financial planning, wealth management consulting, portfolio management, etc.). The goal here is to articulate *how* you do it. If you're in the process of evolving from one business model to another, this exercise is especially helpful because it forces you to take a hard look at what you do and how you do it. When defining your process, use images and text.
5. **Who are you?** You answer this question partially by quantifying your KNOWLEDGE and EXPERIENCE. This includes your credentials, professional designations, and positions held over the years. The other part of the answer comes from who you are *outside* of work. This includes information about your family, interests, personal achievements, and/or community involvement.
6. **What makes you different?** You answer this question by defining your POINTS OF DISTINCTION. PODs, tell the reader (listener) of your story why they should do business with you. Compelling PODs are tough to define. A good way to identify your PODs is to start by identifying the key challenges and frustrations faced by your target audience (business owners, corporate executives, etc.) when it comes to obtaining financial services. Brainstorm with your team and come up with as many as you can. Enlist the help of your existing clients if possible. Then, go back and prioritize the list of frustrations and identify 3 – 5 that you feel are most troublesome. The next step is to come up with solutions for each of the key frustrations. What can you do to eliminate or at least minimize these frustrations for your clients and prospects? The answer to this question forms the basis for your Points of Distinction.

### Branding YOU

Once you have developed a clear and compelling story for your business, the next step is to turn your story into a marketing brochure. This is a positioning piece you will give to clients and centers of influence when you go out to meet with them as part of the Referral Builder™ system. Even if your firm has its own marketing materials, you still need your own brochure if you want to have maximum impact. **Having your own marketing piece allows you to establish your own identity, which is essential when it comes to**

**differentiating yourself from your competition.** It also empowers your clients and centers of influence to tell your story for you.

To illustrate the point, consider for a moment how similar your firm's investment management consulting brochure is to those of your competitors. If you aren't sure about this, order some of your competitor's marketing materials and see for yourself. They all say the same thing, right down to the diagrams and terminology. Now, think about what happens when you give your clients or centers of influence some of these brochures. If they, in turn, pass them along to friends and clients, what are the friends or clients going to think when they see the brochure? What if they are talking to two other financial advisors and one of them has his/her own brochure? Which one is going to stand out most? **An effective marketing brochure "speaks" for you even when you're not there to speak for yourself.** A corporate brochure, regardless of how nice it is, cannot do that for you. If you want to have maximum impact, you have to start branding YOU!

### The Right People

As stated earlier, *Maximum Impact Marketing* is about telling the right STORY to the right PEOPLE using the right APPROACH. You now have a blueprint for creating the right story. The next step is to identify the right people. For the purposes of this discussion, the "right people" are those who can have the greatest impact on your business. These would include your key (best) clients and other professional advisors or centers of influence in your community. **These individuals are uniquely qualified to have an extraordinary impact on your business by virtue of the fact that they can put you in front of qualified prospects on a regular basis.** In other words, they are in a position to refer you the types of clients you should be working with.

The Referral Builder™ includes a carefully designed 3-step process that will help you identify the right people:

1. Develop your Key Client List
2. Design your Professional Services Network™
3. Identify Exceptional Business Owners for your PSN

### Key Client List

**Your Key Clients and the relationships you have with them represent the single most valuable asset you have in your business** (except you, of course). In essence, they represent the core of your business. In most cases, your Key Clients are individuals or families who have achieved a high level of success in life. As such, they have money and know other people who have money. This puts them in a unique position to have an extraordinary impact on your business.

Your Key Client List should contain the names of your Top 25 to 50 clients. You should use *net worth* as your main selection criteria, because one of the objectives here is to replicate your best clients. Having said that, you should also include clients who are Advocates already, even if they don't meet the net worth criteria. They may not know as many people with big money, but they can still have a nice impact on your business. While not mandatory, it is also helpful if you include those clients who live nearby. You'll learn why as you read on.

### Professional Services Network™

In addition to your Key Clients, there are certain individuals in your community who are uniquely qualified to have an extraordinary impact on your business. You probably know some of these people already but, if you want to have maximum impact, you need to know more. **The PSN is a powerful tool to help advisors first identify and then establish strategic relationships with these individuals.** The PSN goes far beyond

traditional advisors like accountants and attorneys. It is a broad-based network of advisors and service providers in various disciplines or professions. Each is an expert problem solver in his/her own right. As such, everyone in your PSN will become indispensable as you begin turning more clients into advocates.

**The key to building an effective PSN is to design it around professionals and disciplines that are relevant to *your* Key Clients.** If you have lots of business owners and corporate executives in your Key Client List, you will have certain types of professionals and service providers. If you have mostly retirees and widows in your Key Client List, you will have other types of professionals and service providers. You identify relevant professions and disciplines by thinking about what your Key Clients need. A business owner might need a good web developer, while a retiree might have an interest in meeting a good pro golf instructor.

### Exceptional Business Owners

Besides yourself, how many Exceptional Business Owners do you know? We mean *really* exceptional. If you're like most people, you can count them on one hand. This is partly due to the fact that there just aren't that many of them out there. It is also due to the fact that most business owners today are stretched beyond capacity. **As a result, they are not capable of running their businesses very well, much less delivering exceptional customer service on a consistent basis.** You may even find *yourself* in this predicament. It's all too common and most consumers complain about this all the time.

**Given this sad but true state of affairs, think how valuable it would be if you were to have your own private network full of Exceptional Business Owners!** Imagine having a professional concierge service at your fingertips that could put you in touch with an Exceptional Business Owner (pick the profession or discipline) on a moments notice! That's your Professional Services Network. The best part is that your clients will help you identify the Exceptional Business Owners for your PSN if you just ask them.

### The Right Approach

OK, you now have the right STORY and you know who the right PEOPLE are. The last thing you need to know is how to get out there and tell your story to the right people. We call this the right APPROACH and it really gets to the heart of how you turn more clients into advocates. If you go back to the point about lack of service, you will get a sense of where we're going with this. **In the process of *identifying* Exceptional Business Owners for your PSN, you are going to *become* one yourself!**

The Referral Builder™ System incorporates two primary strategies or campaigns that have been designed to help you tell your story to the right people. The first is called the Client Advocate Campaign™. The second is called the Professional Advisor Campaign™.

### Client Advocate Campaign™

As the name suggests, the ultimate purpose of this strategy is to turn your clients into advocates. By implementing the CAC, you will be looking to achieve 5 key objectives:

1. Spend more quality time with your clients
2. Get feedback from your Key Clients on how well you're doing
3. Learn more about your Key Clients and their families
4. Identify potential problems and challenges they may be facing in the next few years
5. Get names of Exceptional Business Owners for your PSN

If you look at each of these objectives, you will note that they all take you down the same path, which is to develop a deeper *relationship* with your Key Clients. Remember, if it's a relationship business, work on the relationships! To paraphrase a tired but effective slogan, "It's the relationship, stupid."

You will accomplish all five objectives by having a *CAC Meeting* with each of your Key Clients. Ideally, you will take your Key Clients out to their favorite restaurants. During this lunch, you will conduct a comprehensive *Client Survey*, which is how you capture all of the pertinent information. Part of the survey gets mailed out to your clients before your lunch meeting. This is a 2-page worksheet you will be asking your client to complete and bring with them to the restaurant. One side helps them identify significant life changes that may affect their families in the future. The other side asks them to provide you with the names of Exceptional Business Owners. They are previously briefed about the fact that you are building a PSN. They are also instructed to provide you with names only if the business owners they know are truly exceptional at what they do. Typically, your clients will provide you with 3 to 5 names each for your PSN. This is significant for two reasons. First, it provides you with plenty of names for your PSN. Second, it tells you that your clients are advocates of these business owners. In other words, they have strongly *endorsed* these business owners. As you will learn shortly, this makes the PSN Worksheet the best door opener you will ever use.

### Professional Advisor Campaign™

As soon as you get back from lunch, your next move is to call the Exceptional Business Owners referred to you by your Key Clients. This is a fun call to make! Basically, it goes something like this:

"Hi, Alice. This is John Smith with Paragon Wealth Management. I got your name from a mutual client of ours by the name of Ralph Crandon. Ralph tells me you designed that magnificent house up on Silver Oak Trace for him a couple of years ago *<pause for proud response>*. Well, Alice, I don't know much about you, but from what Ralph tells me, you are one of the finest architects in town. It's not often a key client of mine like Ralph endorses someone as strongly as he endorsed you *<pause for embarrassingly proud response>*. Listen, I know you must be extremely busy, but I would really appreciate the opportunity to come out to your shop and learn more about what you do. I am very interested in meeting you because I am in the process of forming a network of Exceptional Business Owners in town and I am looking for an architect like you to include in my network. When would be a good time?"

Again, this is a fun call to make and it works like a charm. We won't go into all the details (that's what the system does) but we will share some tips on how to have a *very* productive meeting with an Exceptional Business Owner who has been referred to you by one of your Key Clients:

- First and foremost, keep the focus on the Exceptional Business Owner.
- Keep your hands in your pockets. (Most advisors walk in with arms stretched out, palms face up.)
- Reiterate that you are trying to build a network of Exceptional Business Owners because you want to be a stronger advocate for your clients and the best way you know how to do that is to solve more problems for them.
- Approach the meeting as if you were conducting an interview.
- Learn as much about their *business* as possible – what they do, how they do it, who they do it for.
- Ask them how they manage to keep a client like Ralph so happy through the long process of *<whatever they do>*.
- Ask them what their challenges and frustrations are and how they are dealing with these.

- Ask them what you can do to help, if appropriate.
- Ask them for several copies of *their* marketing brochure.
- Give them several copies of yours.
- Get the heck out!

If you conduct yourself as suggested above, you will have an incredible impact on the person you are meeting with for the following reasons:

1. Because you were referred by one of your Key Clients, the Exceptional Business Owner will perceive you as an advisor who works with affluent clients. (Perception is everything when it comes to marketing.)
2. By positioning yourself as an advocate for your clients, you are letting them know that you are also an Exceptional Business Owner.
3. By keeping the focus on them and your hands in your pockets, you will probably differentiate yourself from every other investment advisor they have ever met.

### The Net-Net-Net

- You turn your clients into stronger advocates of yours by first becoming stronger advocates of theirs
- The system really IS the solution (The Referral Builder™ System)
- Spend more time at the top of the Loyalty Ladder
- Work smarter, not harder
- Maximum Impact Marketing = Right Story + Right People + Right Approach
- Brand YOU
- Develop your Professional Service Network™
- Identify and meet more Exceptional Business Owners
- Become an Exceptional Business Owner yourself
- The “war” will be won by those who build and maintain the strongest relationships with their clients

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*The Referral Builder™ is a turnkey system for turning more of your Key Clients into Advocates. This 150-page system comes in a 3-ring binder and contains everything you need to develop a clear and compelling story for your business, build your Professional Services Network™ and implement the CAC and PAC.*

*Please phone us at 770.319.0310 or visit our website at [www.ParagonResources.com](http://www.ParagonResources.com) to place your order.*

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