Results-Driven Solutions September 2009 Newsletter

by Sarah E. Dale and Krista S. Sheets

"The ultimate success of a financial services practice means maximizing ROP - Return on People and Return on Process"
Sarah Dale and Krista Sheets

> *"Knowing others is intelligence; knowing yourself is true wisdom. Mastering others is strength; mastering yourself is true power."*

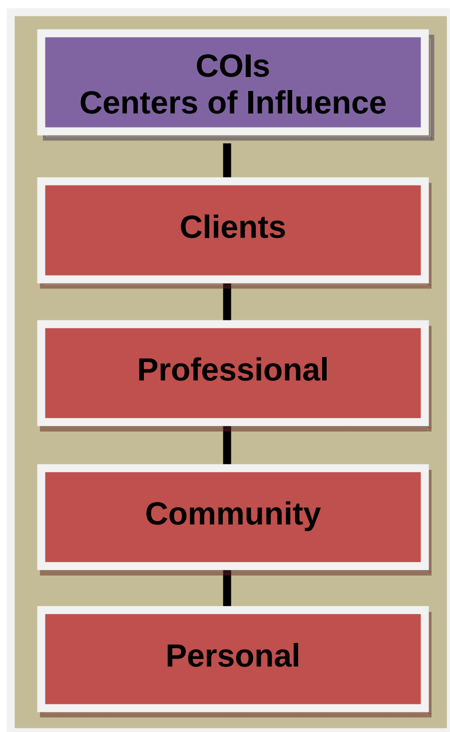
This month's newsletter, *Building a Referral-Based Business with Centers of Influence,* is written by Sarah Dale and reminds you of some influential people who have a great impact on your practice. Sarah expands your thoughts on who should be included in this group and encourages you to proactively deepen your relationships with them to increase your business' value. Please feel free to share the content of this newsletter with anyone who may be interested in the material.

Financial Planners Association Annual Conference – Anaheim, CA 10/9-10/13

If you will be attending, please be sure to stop by and say hello to Krista during her session – *Five Steps to Five-Star Service for Financial Professionals* on Monday, October 12th, from 8:15-9:30. There will be a book signing for *Know* Service following the session. Please be sure to stop by and say "hi".

Building a Referral-Based Business with Centers of Influence

Most advisors yearn to transform their practices into "referral-only" businesses. Traditional marketing can be both expensive and time intensive, and there is often so much "noise" that it is difficult to get your message through to anyone, let alone to your specific target audience. Having spent much of my career in the marketing arena, I am certainly not suggesting that you blow up your traditional marketing initiatives. However, we do suggest that your "FINDING" focus be referral-based (the warm approach) and supplemented as needed by more traditional marketing avenues (the cooler approach).



Referral-based growth can be derived from multiple sources. When discussing COIs (Centers of Influence), most advisors immediately think of Attorney and CPA relationships. Today's advisors know that in evaluating their PEOPLE resources and devising their referral-based strategies, they must further explore the concept of who can and should be COIs.

At Know No Bounds and Paragon Resources, we have identified four categories of Centers of Influence to help advisors generate referral-based business: ***Professional, Client, Community, and Personal.*** Let's begin by looking at a definition for COIs.

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Definition: *Centers of Influence (COIs) have the propensity to refer business to you. They understand your practice and the value that you and your team bring to clients. Ideally, they can articulate your story and your differentiation factors or unique value proposition. They are advocates and supporters of your business and again, ideally, they actively provide you with qualified referrals on a regular basis.*

Client COIs: As you know, Krista and I are proponents of driving both referrals and revenues through exceptional service. Over our years of experience, we have witnessed the notion that "MINDING" your existing relationships well, and at a 5-Star Service level, leads to "FINDING" the right new ones. For advisors who have focused on ensuring that they have a high-end, proactive service model, and whose clients have a clear understanding of the comprehensive value proposition that they deliver on, referrals have only increased during the last 18 months. As you go through your client segmentation evaluation of your practice each year, be sure to track and review where your current client referrals are coming from. Your largest clients, as defined by revenue or assets under management, are not your sole source for referrals. They can often come from other segments of your client base that may be influential in the community or well-connected to others. You will want to identify and appropriately serve your Client COIs who are crucial to the success of your business.

5-Star Service Resource:
Visit www.BoundlessPublishing.com and order a copy of Know Service: Connect with Clients. Shape Your Future. Differentiate You and the tools associated with the book.

Professional COIs: Attorneys and CPAs would certainly fit into the professional category of your centers of influence, but you should also think about other relationships in the professional realm. Some of these may depend on the type of firm you have chosen to work with and the internal resources at your disposal. As you further develop your COI list, you should consider professional associations, professionals with whom you have regular contact, and those professionals who refer to you as THEIR client.
Examples may include:

- Attorneys
- CPAs
- Banking professionals: Retail, Private, Business, Commercial, Mortgage, etc.
- Insurance specialists
- Real Estate Agents
- Medical professionals: Dentists, Doctors, etc.
- Estate planning specialists
- Trust officers

Community COIs: The third category of influence that you should begin to brainstorm are those who perhaps have stature in the community for indirect business reasons. Examples here may include:

- Minister/Faith based
- Political
- Social/Sports
- Educational
- Philanthropic

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Personal COIs: The fourth and final category is what we refer to as personal centers of influence. These would be your life relationships such as your friends, family, relatives, or even the parents of your children's friends. There may be many people in your "life" that could be a strong referral source for you and your business, but are not because you haven't approached them or maximized these relationships from a business standpoint. There is, of course, an old adage that says not to mix friendship with business. This may or may not apply to you, but so often it's hard to separate the two. Only YOU can make that determination based on your comfort level and understanding of your specific relationships with your family and friends. For some advisors, the personal COI list is not appropriate, while for others it is a great source for business development.

Creating Your Target COI List

As you begin to develop your "FINDING" strategic plan, you also need to develop a targeted COI list. A great way to start is to block one hour of your time to brainstorm names in each of the four categories. You should commit these names to writing so that you can subsequently prioritize your list and create your action plan to further develop those relationships.

Name	Contact Info	Type of COI	Notes
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	
		❑ Professional ❑ Community ❑ Client ❑ Personal	

Considerations:

Ideal Client Relationship Definition: Be sure to keep the definition of your ideal client in mind as you brainstorm your list. You want to build a business of ideal clients and avoid those who do not fit your specific market or niche. Be sure to identify COIs who have the propensity to refer IDEAL prospects to you.

Client - Referral Source - Both. Some people on your list will be existing clients, others may make great clients, and others may purely be referral sources. Think through these different channels as you develop your list and write down appropriate notes. You may find that you are developing both a COI list and a prospect list.

Connecting with your new COI List. This article has focused on list generation, but we should also mention one critical factor that you need to consider when meeting with your new potential COIs. The most successful relationships are those where there is benefit to BOTH parties involved; therefore, you want to make sure that you set the stage to achieve a win-win for everyone. Having said that, you don't want to anticipate it being 50/50 or you'll potentially set yourself up for disappointment.

- Your Business: Remember the definition of a COI - you need them to understand your true value proposition and understand your ideal client relationship so that they can provide you with QUALIFIED referrals. You need to share your story, your business model, information about your team, the products and services that you offer, your investment philosophy, and HOW you work with clients. Your COIs need to understand what a referred client can expect to receive when doing business with you. In order to illustrate this, you should articulate your process for turning a prospect into a client and discuss the service model that you offer.

- Their Business/Life: For those on the professional list, you need to understand THEIR business and ask questions about what you can do for them that would create value or benefit. For those on the community list, you will need to identify elements that will create "reward" or benefit for their passions, associations, etc.

By expanding your definition of a COI and spending some time generating an initial list, you will be well on your way to building an important part of your "FINDING" strategic plan. This plan should be executed throughout the year; consistent and persistent execution is the only activity that will lead to results! Be sure to block time on your calendar for appointments with your COIs so that you begin to evolve and subsequently maximize those relationships!

TEAM RESOURCE

If you believe you need to turn reactive client service into proactive relationship management, visit www.BoundlessPublishing.com and take a look at our book*, Know Service: Connect with Clients. Shape Your Future. Differentiate YOU*. Filled with instructional content and specific tools, this resource will help ensure that you build a service model that is differentiating and will lead to driving new business! Additionally, the tools included in the book are available for download.

DRIVE REVENUE WITH 5-STAR SERVICE Workshop for Branches, Firms, and Industry Associations!

In order to retain ideal client relationships and attract new ones, SERVICE is paramount. You must have a service model in place that adequately articulates, demonstrates, and validates your value proposition. Our workshop provides participants with a simple process and enumerable tools which lead to dramatic results including:

- An **increase in both assets managed** and **revenues generated**
- An **increase in asset retention, client retention,** and **loyalty**
- An **increase in referrals**
- A more **efficient practice and team**

This program is being offered to branches, firms, and industry associations as a ½ day, 1 day, or 1½ day program.

Visit our website at: www.paragonresources.com/services/knowserviceworkshop.php for more information.

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TEAM DEVELOPMENT PROCESS

Our Team Development Process is an ideal solution for building awareness about the people who drive your business. This process includes personalized consulting on the strengths, motivators, and unique attributes of your team members. We utilize well-researched and validated online assessments to identify the talents of each of your team members, and give you tips on how to define your team infrastructure, individual roles and responsibilities, and increase communication and management effectiveness. Included in the process are two 60-90 minute telephone consulting sessions to help you act on the results.

Visit our website at: www.ParagonResources.com/products/team.php for more information.

PRACTICE MANAGEMENT EXPERTISE

Are you a firm leader who is interested in further developing your practice management offerings? We provide corporate consulting, train-the-trainer(s), and program content based on our **People + Process = Performance™** and our **Find-Grind-Mind Model for Financial Professionals**. Please contact Krista Sheets at 770.319.0310 or Sarah Dale at 757.258.0008 to discuss your specific needs.

If you have any comments or suggestions on how we can better assist you and your practice, please know that we welcome your input. If you are looking for assistance on a specific project, please feel free to contact us so we can craft the best solution for you using our own expertise or that of our strategic partners.

Warmest regards,

Krista & Sarah