

Becoming the Fall Back Advisor for High End Prospects

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Once you've developed a clearly defined and differentiated value proposition, there are many different routes to getting the word out to high end prospects.

You can establish your reputation as the "go to" resource within a defined client group, build referral relationships with accountants and lawyers or focus on developing a media profile in your community.



And then there's the role of patience.

Recently, I talked to an advisor about the fine line between communicating that you'd *like* to work with prospects on the one hand, but that you don't *need* to work with them on the other. In these conversations, you need to avoid anything that makes prospects fear that they may be rushed or pressured when talking to you.

This brought to mind a conversation some years back with a highly successful, Chairman's Club-level financial advisor, who had decided to retire after a long career with one of the bank-owned brokers.

He'd mapped out his retirement plans carefully. Most importantly, a couple of years before, he brought his daughter, who had been an analyst with a well known institution, into the business; among her other qualifications, she held a CFA.

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He involved her in all his client meetings and increasingly let her take the lead in managing key relationships. As a result, none of his clients were surprised when he broke the news that he was stepping back to a part-time role.

As a matter of courtesy, he paid a personal visit to his top ten clients to let them know of his plans. All of the conversations about this went well.

All except the talk with one of his very largest clients, a highly successful serial entrepreneur.

This client's response took him aback:

"Joe, I've really enjoyed our relationship and you've done a great job for me. But I have to tell you that I'm going to be moving my account."

Caught completely off guard, the broker replied that this was obviously his prerogative but confessed to being surprised. He asked his client to tell him more.

"This is no reflection on you or your daughter" was the reply. "Let me tell you what happened.

"For some time, I've sat on the board of a local hospital - among the other board member is one of your competitors. Over the course of time, we chatted at meetings and got to know each other a bit.

"About three years ago, this guy called me and said he'd like to buy me breakfast, to talk about some investment strategies he'd put in place for some business owners who he worked with that might be a fit for me.

"I told him that you and I worked together, that I was happy where I was and that this wouldn't be a good use of his time."

The client paused and then went on. "The other broker's response surprised me.

"He said - I'm delighted to hear that. First, I'm delighted that you're being well served. And second, in light of that I'm happy to hear that you aren't looking at alternatives - because I wouldn't want my clients who I'm doing a good job for to be talking to competitors either. But why don't we have breakfast regardless."

"So we had a very pleasant breakfast, talked about what was happening at the hospital and our families, didn't really talk about investments much at all.



“But I started getting his newsletter and invitations to things he was putting on for his clients.

“And about six months later, he called and invited me to a luncheon to hear a money manager in town from New York.

“Since then, he’s been in touch two or three times a year. We’ve had lunch a couple of times, we played golf on one occasion.

“About a year ago, we were having lunch and he says to me: ‘I understand that you’re happy in your current relationship and I respect that. But should there ever be a change, I hope that I’d have the opportunity to compete for your business.

“I told him that I thought that was a reasonable request ... and in light of that I really feel that I have an obligation to give him a chance to show what he can do.”

So here’s the interesting question: What had the incumbent broker and his daughter done wrong to lose a multi million dollar account?

The answer: They really hadn’t done anything wrong ... it’s just that a competitor had done something very right, by positioning himself as the logical fallback should there ever be a change in the status of this client’s relationship.

It takes a couple of things to make this approach work for you – the right candidates and the right approach.

Start by identifying potential prospects with whom you want to position yourself in a similar fashion to the broker described above. They should have three qualities – first, they would be a very substantial addition to your book, second, you have an existing relationship and third you like them and are comfortable with them. Chances are that if you like them, they like you.

Once you have identified potential prospects, you have to sort out the approach that works for you.

To be effective, this approach should be both more and less aggressive than you’d use with a typical prospect.

More aggressive because the frequency of personal contact is higher than with a normal prospect.

And less aggressive because the interactions are lower key. In fact, when it comes to using the “fallback advisor” approach, you have no expectations of that



individual becoming a client in the near term. There should never be any pressure - instead, you are patiently positioning yourself for the eventuality of a change in their situation. Remember, one of the reasons this works is the level of patience being demonstrated.

Because of the amount of time and patience required, you want to focus on only a few prospects in this fashion. In the long run, however, that time and patience can pay very big dividends.

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