Building Personal Connections with Clients

By Dan Richards*
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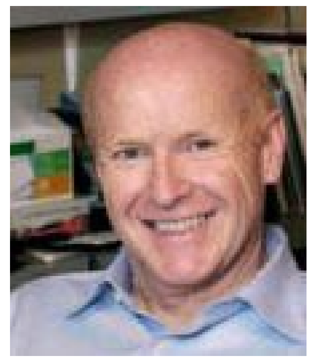

Over the past few months, we've all read about "the new frugality" that has become part of our culture.

Consumers are rethinking their spending plans – yielding some surprising results about how people decide their priorities in tough times.

A recent Wall Street Journal article described the impact of personal connections on decision making. One West Coast woman said "Lawn and pool services that send a different crew every week are easy to cut. It's much harder to pull the plug on someone that has cut your grass or cleaned your house for years, who has brought vegetables from their garden and shown you pictures of their kids."

Some owners of independent restaurants were interviewed for the story. "One of the few advantages I have over the chains," one restaurant owner said "are the personal connections I make with my customers. I make it a priority to recognize my regulars and know where they like to sit and how they like their coffee. I ask about their kids and show them pictures of mine. It's the connections that I create as a result that lead to real loyalty."

Financial advisors can learn important lessons here.

Some advisors take the stance that they're in the business of providing a professional service – and have little interest in exchanging the personal details of their lives. And if that's your style and where you're comfortable, that's fine.

But understand that if you just focus on the business part of the relationship you are missing the opportunity to develop the deeper connections that lead to loyalty in tough times and referrals in good ones.

My recent conversations with some successful advisors drove this point home.

One is a Memphis-based advisor who sends clients a short weekly email. Part of it talks to what's happened in markets in the past week – but in the other segment she talks in her own voice. Her personality and humanity really comes through here – whether it is inviting clients to come in to figure out if they need to cut back on spending, talking about the impact of lower gas prices while driving to visit family, describing a visit to her daughter in university or highlighting how her bar-b-que team did in a local competition – and offering to share their winning recipe.

Another advisor has, over the years, let clients know about his support of a children's home in Africa that he came across while participating in a climb up Mount Kilimanjaro to raise funds for cancer research. He commented that he's amazed by how long-standing clients often ask how the children's home is doing when they come in to meet.

Along the same lines, another advisor joined a two-day bike ride last summer to raise funds for a local hospital and offered to match contributions from clients interested in supporting him. He was overwhelmed by the response from clients – not just in terms in terms of the money raised, but also to the periodic notes he included in his newsletter about his training schedule for the ride.

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Years ago, a veteran advisor told me he spent the first fifteen minutes each morning calling clients celebrating birthdays, with the simple words "I just want to be among the first to wish you happy birthday." In his experience, the time he took to do this was often the most important fifteen minutes he spent each day.

Your paramount goal is to ensure clients are well-served in the financial advice they receive. Yet, in many cases, your personal connections to clients are just as important as the advice they receive. To build truly deep bonds, focus on both the professional and personal aspects of your relationships.

** 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 and to reach him, go to www.strategicimperatives.ca.*