Investing $15 to Create an Unshakeable Client Bond

By Dan Richards
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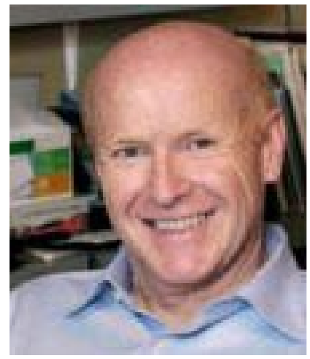

Recently, I hosted a roundtable lunch with a group of affluent investors on behalf of a midsized, independent investment firm that wanted to test some new ideas.

One attendee was a senior partner in a leading law firm and made a comment that caught the attention of everyone in the room:

"*I don't know how she does it,"* she said, "*but my financial advisor is amazing."*

One client's story

This woman continued:

"Just after we started working together about twenty years ago, I made an offhand comment that I was taking up golf and three days later this very funny book on golfing came in the mail with a note from her wishing me luck. I showed it to the pro that I was taking lessons from and he just about fell over laughing.

"Then maybe ten years ago we were talking about our kids and I told her that my daughter-in-law was expecting our first grandchild. The next day, a courier arrived with a note of congratulations and three hilarious books of cartoons – one for me on becoming a grandparent and one each for my son and daughter-in-law on the joys of pregnancy from the mom's and dad's perspective.

"And then, to top it off, when we were booking a meeting earlier this year, I told her that my husband and I were taking our six- and eight-year old grandchildren to Disneyworld … and wouldn't you know, she comes into the meeting with a guide to taking kids to Disneyworld, with all kinds of tips and ideas.

"I ask you … how could you not love someone who cares that much?"

How much do you care?

That led to a conversation about how much the investors in the room felt their advisors truly cared about them and their financial success, beyond the revenue that they generated from their accounts.

Most felt fairly comfortable about this, but a few harbored some doubts … and no one came close to the first client's level of enthusiasm for her advisor.

In fact, after the lunch I noticed one of the other attendees ask this woman for her advisor's name.

The power of consistency

I was intrigued by this story – and asked the woman for her advisor's name as well … and called this advisor later that afternoon.

She laughed when I told her about the lunch.

"I'm glad that Susan's impressed," she said, *"but there's really no magic to this.*

"When I came into the business 30 years ago, I decided early on that I needed to do something to ensure clients knew how much I appreciated their business. I also wanted to do something that really stood out.

"I talked to some other advisors about what they did. Some took clients out golfing, or to lunch or dinner or to the theatre, but that's not really my style … and besides, I was just starting out and didn't have much money to spend.

"So what I thought about were key moments in clients' lives like buying a house or having kids – and whether there was something I could do to tap into those."

Making this happen

And what did she do next to make that happen?

"I spent a Saturday afternoon at a bookstore looking for inexpensive, funny books that related to these moments.

"I found some great books of cartoons on these themes for about $3 to $5 each, remember this was 1980 and bought five copies of each – and whenever a client or prospective client mentioned that they were having a baby or buying a house, I would mail it to them with a note.

"I still do that, it's kind of become my signature among my clients, it's what I'm known for."

Evolving an approach over time

That was 30 years ago – how has this approach changed over time?

"The books still aren't very expensive; they're typically paperback books of cartoons that are light and funny that might cost $10 to $15.

"It's amazing how often clients talk about this – but the impact isn't because of the cost.

"The reason this works is because these books are personal, they tap into positive moments in clients' lives, they're unexpected and they're upbeat and fun … and also because I do this consistently.

"Some things have changed, though.

"First I've expanded the list of topics on which we send out books – there's a cabinet in my office where we keep copies of books on about 20 different subjects that represent highlights in clients' lives; travel is a particularly popular topic.

"Second, I'm 30 years older and so are my clients. Today, most of the books are on topics like retiring, turning 60 or going on a trip … as an aside, one that gets a great response from women clients who are getting divorced is a hilarious book called "How to ruin your ex-husband's life."

"Finally, today it's not just me who interacts with clients but also my team of two associates and an assistant. Whenever anyone is talking to clients, we listen for things going on in their lives that we can respond to with one of our books. The key is that whenever a book is sent out, everyone signs it – so that clients know it's from the whole team.

"I also encourage my team to suggest other topics that we should have a book on. We're always looking for new subjects that we can tap into."

Connecting across generations

Does she have any other ways she uses the books?

"We also keep books on issues that relate to adult children of my clients.

"Today, it's unlikely that my long term clients are expecting a child, buying a house or sending a kid to camp … but their children are.

"And I've found that sending clients a book for them to pass on is a great way to open a conversation about meeting their kids with a view to possibly working together, so that I can establish relationships with my best clients' heirs.

Opening doors with prospects

She does this for clients – how about prospects?

"I don't do this just with clients – if I've been talking to a prospective client for a while and they tell me they're retiring or their kid is buying a house, I'll send them a book on this.

"Or if I'm talking to a client's accountants and they say they're going to Europe on holiday, I'll send them one of Bill Bryson's hilarious books about European travel. They're always astonished – it's amazing how often they call to thank me and a couple of times I've had people say that their advisor has never done anything like this.

The power of focus

And what about cost?

"The cost of doing this really is trivial – I still don't wine and dine clients like other advisors in my office. If I spend $15 every two or three years to send a book to a client, that's a fraction of what other advisors spend, but I consistently get phenomenal feedback from this, so know it's working.

"In fact, a couple of years ago, my firm surveyed the clients of our top producers and also did benchmarking of performance measures among this group of advisor.

"I ranked almost last on annual expenditures on client entertainment – but right at the top on client retention and overall client satisfaction."

She finished by saying:

"There are a couple of keys to making this happen.

"First it's something that my team and I really focus on. When we meet on Monday, we always take two minutes to talk about the clients that we sent a book to in the last week.

"Remember, we don't do a lot of the stuff other advisors do; this is really it in terms of relationship building activity, so we can really concentrate on being good at this one thing.

"The second key is that we've organized this so that it's easy to do. We keep those books in one place, already in envelopes, so all we have to do is grab a book, get everyone to sign it and pop it in the mail.

"One of my assistant's jobs is making sure we always have an inventory of all of our books – if we had to actually go out and buy the books we send, this just wouldn't happen."

The gap between intention and action

I told her how impressed I was by the discipline and focus that she brought to this idea … and her success in making this her "signature activity" with clients.

I also asked for permission to use this as a topic for a column and whether she'd be willing to give me a couple of examples of the books she sends.

Her answer was instructive:

"You're more than welcome to write a column on this … and I'll email you a list of the books I use. Feel free to include it in your column.

I responded that this offer was very generous – but was she at all concerned about losing her competitive advantage by sharing this list?

"Frankly, if I thought that many advisors would copy this, I might hesitate … but over the years I've been asked to talk about this idea at our Chairman's Club meetings three times.

"It always got a great response and I've had lots of other advisors ask me for a list of the books I send. But as far as I know, no one is actually doing it, so I'm not too concerned about a flood of advisors copying this idea."

Five key takeaways

Whether or not this idea is one that appeals to you, there are at least critical lessons from this conversation:

1. *Letting clients know you care*

   It's not enough to care about clients … you have to let them know that you care in ways that really stand out and that are disconnected from anything that generates short term revenue.

2. *The importance of little things*

   Things that seem minor on the surface can make a big impact, if they're aligned with something that clients really care about.

What struck me the most about this whole conversation was that the client who brought this up had received books on three occasions over a 20-year period … and not only remembered them all, but saw those books as symbolizing her advisor's commitment to the relationship.

3. *Removing any direct benefit to you*

   One reason that these books have the impact that they do is that they're unambiguously operating from the agendas of the clients who receive them, not the advisor's –none of these books directly talk about financial topics.

4. *The power of consistency*

   This advisor demonstrates the importance of commitment and consistency in doing one thing and doing it well over a long period of time.

   These books are this advisor's "signature" activity with clients – what's yours?

5. *Building automatic processes into your business*

   The final message is the need to find ways to streamline the execution of any ideas you have to ensure they can be sustained over time.

Meanwhile, here's the list of books this advisor sends her clients:

Books for clients:

Grandchildren:

The unofficial guide to Disneyworld with kids (Bob Sehlinger & Lilian Opsomer)
Baby tips for grandparents (Simon Brett)

Divorce:

How to ruin your ex-husband's life, one day at a time (Angela Martin)

Gardening:

Soiled reputations (David Hobson)

Golf:

How to line up your fourth putt (Bobby Rusher)

Promotions:

The New Yorker book of business cartoons (New Yorker)

Retirement:

What you don't know about retirement (Bill Dodds)

Travel:

Europe: Neither here nor there (Bill Bryson)
Great Britain: Notes from a small island (Bill Bryson)
Australia: Notes from a sunburned country (Bill Bryson)
Africa: Bill Bryson's African Diary (Bill Bryson)
Caribbean: A rotten person travels the Caribbean – A Grump in paradise discovers that any place it's legal to carry a machete is comedy just waiting to happen (Gary Buslik)

Turning 50:

Dave Barry turns 50 (Dave Barry)

Turning 60:

What you don't know about turning 60 (Phil Witte)

Books for adult children of clients:

Buying a first home:

Homes and other black holes (Dave Barry)

Children going to camp:

"PS I hate it here" – kid's letters from camp (Diane Falanga)

Marriage:

A perfectly funny marriage: A humourous view of creating a successful marriage (Susanne Alexander)

Pregnancy:

Motherhood – David, We're pregnant (Lynn Johnson)
Fatherhood – She's having a baby … and I'm having a breakdown (James Douglas Barron)

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.

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