



Three Steps to Start Building a Powerful Center-of-Influence Network

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In a time when multiple referrals sources are required for profitable growth, it's imperative that financial advisors accelerate their referral-building efforts by proactively creating a powerful center-of-influence network.

Whether you're just getting started or have a network already in place that you want to develop further, several initial steps can help you sharpen the focus and efficiency required to cultivate relationships with those who are most likely to provide coveted introductions.

Step 1: Define the criteria for establishing your relationships

It's easy to peruse LinkedIn and, as many advisors have told me they do, become amazed, overwhelmed and even intimidated by others who have 200, 300 or more connections.

While impressive positions and connections are nice, they're not the most important qualities for a powerful center-of-influence network. Pursue relationships that promise to be compatible and mutually beneficial over the long term. Just as with a sports team, the "chemistry" has to be right for your network to function well.

What criteria should you look for when building your team? It's simple. You need to pursue relationships with professionals who possess all three of these qualities:

- They have regular contact with the types of individuals who fit the profile of your ideal client.
- They are trusted and respected by you and by others.
- They are willing to provide you with regular referrals.

Step 2: Look in the right places to find professionals to include in your network

When looking for center-of-influence professionals, broaden your search beyond the obvious and the immediate. CPAs and attorneys are great resources, but don't stop there.



Consider business executives, business owners, bankers, venture capitalists, insurance brokers, consultants and other professionals who meet the criteria established in Step 1. Bankers who are middle-market lenders or who work at institutions that offer limited wealth management services are especially good candidates.

To find potential referral sources, try the following approaches:

- **Join, regularly attend and serve on the boards of organizations and associations that attract the types of professionals you want to meet.** Consider business organizations, civic clubs, trade associations and philanthropic groups. Start close to home and expand your geographic horizons in the same manner that Deirdre Prescott, President of Massachusetts-based Sandy Cove Advisors described to me:

One thing I've learned from my twenty-plus years of working at wealth management and banking institutions is that it pays to expand your horizons when building a referral platform of center-of-influence relationships. There are many professionals outside of metro areas who are seeking highly reputable financial advisors that they can refer their clients to, and there are fewer advisors vying for their attention. I often look to establish new relationships with professionals that reside thirty, forty or even fifty miles away from my office.

- **Tap into your professional and personal networks, including your existing clients who match the ideal profile, and ask for referrals.** Often you may need a referral to a potential referral source. A prominent Boston-based estate-planning attorney told me that she prefers to provide referrals to those who are introduced to her by people she trusts and respects.

To leverage your existing contacts, explain that you are looking to expand your network and that you would appreciate an introduction to any professional service providers they hold in high regard. The credibility of your contacts may open more doors than you would ever expect.

- **Regularly review the names of professionals to whom you have sent referrals.** Ask those who fit your center-of-influence criteria if they'd be willing to refer potential clients to you. In these conversations, be sure to provide an overview of your firm, a clear description of your ideal client profile and your firm's approach to working with clients.

To gain the most traction from your efforts, try this strategy that a Wells Fargo wealth manager employs:

Twice a year I review the list of estate planning attorneys and insurance brokers I've sent clients to. I want to see which ones have provided me with



introductions and which ones I need to work harder with to develop reciprocal relationships.

Step 3: Evaluate whether the professional is someone you really want in your center-of-influence network.

Before establishing referral relationships with professionals you've recently met, dig beneath the surface to determine whether each individual possesses the essential qualities you desire. Rushing into a relationship without appropriate due diligence can lead to disappointment.

Expect to conduct three or four meetings in a variety of settings (e.g., over breakfast, on the golf course or at the potential referral provider's office) to help you determine whether the professional meets the criteria above to become a powerful referral source.

Here are a few questions to ask over the course of your conversations:

- Describe your typical client.
- What are the top two or three reasons why they choose to work with you?
- How do you develop strong personal relationships with your clients?
- What prompts you to refer your clients to other service providers?
- What qualities do you look for when evaluating a firm like mine before introducing us to your clients?

Use your findings from these conversations to decide whether it's worth your while to continue the relationship-building activities required to generate a steady stream of high-quality introductions from this professional.

You can never have enough strong referral sources.

Always remember, building a center-of-influence network for your firm requires diligence and persistence. You've got to stay at it month after month, year after year, regardless of the size of the referral network you already have in place.

It's easy to get complacent. You may think that you have enough of a referral platform or that you've exhausted all of your leads. But that's never the case. With a little creativity and determination, you can continue to expand your network and accelerate your firm's growth.



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