

What a 29-Year Old Can Teach You about Referrals

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It all started with a simple request that, as it turned out, was not so simple. The resulting encounter with a 29-year old account manager at a leading bank provided important lessons for advisors around:

- ✦ Communicating your focus on customer needs
- ✦ Checking for satisfaction
- ✦ Letting clients know you're open for business
- ✦ Following up
- ✦ The right incentives for your team



A simple request

Given a growing amount of business in Europe, earlier this year I decided to open a euro-denominated bank account to make deposits and write checks. Even though I've banked at this branch for many years, I was told that I had to sit down with an account manager to do this ... and was introduced to a young woman who appeared to be in her late 20s or early 30s – let's call her Mary Smith.

"Mr. Richards, we have several different plans for foreign currency accounts," Mary began. *"To ensure that I open the right one for you, how many deposits and checks are you likely to make in the average month and what kind of balance do you expect to maintain in the account?"*

The paperwork wasn't onerous and we were through in about five minutes. And that's where it got interesting.

What else can I help you with?

After I'd finished signing all the forms, Mary said:

"Mr. Richards, is there anything else can I help you with, perhaps a line of credit or we could check to see if you can reduce your bank fees by switching to a different type of account?"



And then she did what everyone should do after asking that kind of question, she sat back and waited for me to respond ... after a couple of seconds I had no choice but to fill the vacuum.

“Thanks for the suggestion, Mary,” I said, “and I may take you up on your offer to look at my bank account at some point down the road, but I have an appointment in 10 minutes I have to head off to.”

The “net-promoter question” in action

“That’s not a problem at all,” was the answer. “Do you have two quick minutes just to touch on a couple of final things?”

When I answered yes, Mary went on:

“You may get a follow-up call about our appointment today, with seven or eight questions. The most important question is one that asks if you’d feel comfortable recommending me to a friend on a scale from 0 to 10. It’s important to note that 10, the top score, doesn’t mean I was perfect, just that I fully met your needs. And I hope that based on our conversation, if you do get that call you’ll feel comfortable giving me a 10.”

And again, she paused and waited for my response. There was no way I could turn Mary down. And indeed, if I’d gotten that follow-up call, I would have given her a 10 just on her interest and enthusiasm alone.

As an aside, this bank uses something called the “*net-promoter question*” to measure satisfaction. I’ve written in the past about this as the best vehicle to measure satisfaction and loyalty. Used by organizations like Apple, Schwab and American Express, it asks, “*From 0 to 10, how likely is it that you would recommend this individual to a friend or colleague?*”

Start with the 9s and 10s (the promoters), subtract the scores from 0 to 6 (the detractors) and you get a “net-promoter score” that is highly predictive of satisfaction and loyalty; indeed, several leading banks now use this to help determine their frontline staff’s bonus.

That conversation with Mary crystallized my thinking on the positive job she’d done. The key is that she communicated real concern and interest; we’ve all had similar requests from service departments at auto dealers and muffler shops, if I get a request for a 10 after getting ho-hum, indifferent service, it’s not going to turn a 6 into a 10, in fact it may even reduce it to a 5.



“I’d like to give you two cards”

Then Mary finished with one last request: *“I’d like to give you two of my business cards,”* she said, handing me two cards. *“I hope you’ll use the first card to put my information into your contact management system should there be anything you want to discuss in future. And the reason that I’m giving you the second card is in case you have a friend or family member who is having problems or needs some help on any aspect of their banking needs.”*

So there you have it – no muss, no fuss, and no pressure – but she’d planted the seed should I be talking to anyone who’s run into a roadblock at their bank.

Mary’s impressive performance didn’t end there, though. When I got back to my office, there was an email thanking me for taking the time to meet with her. And about four weeks later I got a voicemail from Mary reminding me that anytime I’d like to review my existing account, simply to let her know.

What does it take to get that kind of motivation?

I was intrigued and impressed by our interaction. I called Mary and explained that I’ve worked in the industry for many years (In the small world category, it turns out that one of her colleagues had a copy of my book, *Getting Clients Keeping Clients*, with its prominent green cover.) I asked Mary how long she’d been with the bank and, without getting into too many details, a bit about how she’s compensated.

It turns out that Mary had started working in the branch during her third year of university and after four years had successfully applied for a position as account manager, a role that she’s been in for three years. Mary was quite forthright about her compensation. Her base is \$44,000 but if she hits all her targets for sales and customer satisfaction she can make another \$10,000. She said that it’s unlikely that she’s going to get all of that bonus, but had earned \$5,000 last year and is aiming to earn \$7,500 this year.

This also provides a lesson on the power of the right variable incentives. This isn’t to suggest that money is the only thing that matters – far from it – if people don’t like their job and the people they work with, it’s unlikely that the prospect of a \$10,000 bonus will get them excited. But if the folks on your team fundamentally enjoy what they do, this demonstrates the power of well-targeted incentives, structured so people feel that earning that bonus is within their control.

It also reminds us that we can learn from everyone we deal with – from the positive attitude of the staff at Starbucks to the curiosity and enthusiasm of young folks just starting in the business. And indeed many of us could take lessons from that 29-year old account



manager about customer focus, checking for satisfaction, planting the seed for referrals and disciplined follow-up.

If you're interested in reading more about how to apply the net promoter question to your business, click [here](#).

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