

## What to Say When a Friend Doesn't Want to be a Client

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Many great client relationships emerge from friendships.

That said, some investors are uncomfortable working with advisors with whom they have close friendships – something I was reminded of last week by an email from a veteran advisor in New York City with a question that confronts many advisors: How to respond when a good friend eliminates the possibility of working together, precisely because of your friendship.



Here's the email:

*"I wonder if you have any suggestions on how to respond when a close friend confides to you that they are looking for a financial advisor but prefer to keep business and friendships separate.*

*For years now I've periodically been in this situation but have not had a comfortable response."*

### **Mixing business and friendships**

It's not only clients who have concerns about mixing business and personal friendships – I've talked to advisors who make a conscious decision not to market within their personal network. In some cases this is because of concerns that marketing to friends will be seen as intrusive and position you as a salesperson; in other instances it's because advisors don't want to jeopardize friendships should people feel let down during choppy markets.

When friends say they're uncomfortable mixing business and friendship, you have three alternatives:

1. Try to change your friend's mind
2. Suggest that they consider working with another advisor on your team (depending on the size of your team)
3. Offer to introduce them to advisors at other firms.



Your response here is very much one of personal preference – and in some cases may depend on your relationship with the person with whom you’re talking.

### **Option 1: Changing your friend’s mind**

This would not normally be my recommended course of action –as professionals we all have to respect the stated preferences of our friends and family, no matter how much we might want to work with them.

That said, if you want to try to change your friend’s mind, start by defusing the tension they’ll often be feeling, with a response like:

*“I appreciate your sharing how you feel. This is very much a matter of personal preference. Many people are comfortable working with friends; others aren’t. And on this kind of decision I really think you need to follow your instinct. So I’m absolutely fine with your decision here.”*

Pause to allow your friend to respond. Then you continue with something like:

*“Just so I understand this better, I wonder if you could help clarify the background to your decision. Have you had bad experiences in the past with friends with whom you began doing business?”*

At this point, you need to sit back, listen and concentrate on acknowledging what your friend has to say. Don’t try to change their minds in this initial conversation; rather make a mental note of the conversation for future reference, for a time when you’re talking to your friend in a context that lends itself to comfortably raising this topic.

At the end of your friend’s answer, conclude the conversation unless they truly seem to want to discuss this further –don’t appear to be beating this topic to death. You might consider, however, closing by asking your friend if they’d like to stay on your email list, perhaps with a sentence like:

*“Thanks again for your honesty about this. Please let me know if I can be of assistance at any time – in the meanwhile, would you like to stay on the distribution list for my emails and invites to the lunches I hold, this is entirely your call, I’m happy to leave you on but am equally happy to take you off the list.”*

A word of warning here: Don’t try to suppress your friend’s objection with clichéd objection-handling techniques like *“Feel, Felt, Found:”*



*“I understand how you feel.”*

*“I’ve talked to friends in the past who initially felt the same way.”*

*“But what they found once we dug into this further is that we were able to come to a working relationship that fully met their needs and with which they were completely comfortable.”*

Lines like these work because people feel under pressure to conform to the experiences of others. And in fact, on occasion you may have success with this approach for that reason. Ultimately, though, you haven’t addressed the concern; you’ve buried it – and it’s unlikely that this “feel, felt, found” approach addresses your friend’s nagging doubts in the long-term. Meanwhile, any interaction where current or existing clients feel undue pressure undermines your relationships, rather than enhancing them, and risks positioning you as a product-pushing salesperson rather than a professional advisor.

## **Option 2: Working with other advisors on your team**

The advisor who sent me the email is one of three wealth managers with a 12-person boutique firm.

Again, first acknowledge the concerns that your friend has expressed:

*“I can sympathize with your point of view here. This kind of decision is very personal – while some good friends have become my clients and some clients have become good friends, you should absolutely go with your instincts here.”*

After pausing for a reaction from your friend (chances it will be one of relief for your understanding), this advisor could continue:.

*“There are a couple of options here, if you’re interested. First, I could introduce you to one or two advisors at other firms whom I respect. Alternatively, I could introduce you to one of the two other wealth managers at my firm who might be a good fit for you. These are outstanding colleagues; I’m confident that one of them could fit your needs. Just to be clear, you and I wouldn’t be working together directly but you’d still get the benefit of my thinking.”*

Having said this, again sit back and listen. Phrasing this as I suggest gives your friend a comfortable option should they feel that not only don’t they want to work with you, they don’t want to work with your firm.



The key is to put this in your own words, so that you can deliver this comfortably. One suggestion –keep your answer as short as possible.

### **Option 3: Making a referral to advisors at other firms**

In many regards this is the most comfortable response for both advisors and people in your network – all you're doing here is offering to help friends connect with someone who can meet their needs, with no vested interest on your part.

Again, start by validating your friend's concern:

*"I can sympathize with your point of view here – you're not unique, I run into quite a few people who feel the same way."*

Then go on to say:

*"The good news is that I'm not the only good advisor in this community, there are lots of excellent advisors. Let me know if at any time you'd like me to introduce you to one or two advisors who you could sit down with to get a sense of their approach, these would be advisors at other firms."*

And then leave it at that – at this point you've made the offer, now let your friend decide how to proceed. That said, if friends do take you up on your offer and you introduce them to other advisors, there's nothing wrong with letting these advisors know that you'd welcome reciprocating introductions should they run into the same situation that you did.

One of the reasons that advisors are unhappy with their response to a statement like "*I want to keep business and friendships separate*" is that they haven't thought their answer through beforehand. Even if you haven't run into this situation in the past, chances are you will in future – take time to rehearse how you'll respond. Chances are a two-minute rehearsal of a much stronger answer when you do run into this comment will pay dividends.



*[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, go to [www.clientinsights.ca](http://www.clientinsights.ca). Use A555A for the rep and dealer code to register for website access.*

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