

How Charity Leadership Deepens Client Bonds

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by Dan Richards

Many advisors volunteer in their communities, quietly and anonymously as a matter of personal choice. But recent conversations with advisors show that over a period of time, letting clients know about your involvement with the right charity sends a hugely positive message that deepens bonds.

Here are some important lessons, whether you are thinking about supporting a charity or currently volunteering but not letting clients know about it.



Show don't tell

For clients, the first and paramount considerations in working with an advisor are whether he or she is trustworthy, capable and a good communicator. Once clients are confident of those dimensions, however, other factors come into play. For many, these factors may include an advisor's personality and values.

That's why having pictures of your family in your office helps convey a sense of who you are beyond the advice that you provide. And that's why letting clients know about your charitable activity will communicate your values to clients.

The question is how best to do this.

We've all heard the expression "actions speak louder than words." When it comes to writing, Ernest Hemingway was a proponent of the "show, don't tell" technique, which states that writers should engage readers by actions and feelings rather than by exposition. Here's how Hemingway explained his "iceberg" theory of writing:

If a writer of prose knows enough of what he is writing about, he may omit things that he knows and the reader, if the writer is writing truly enough, will have a feeling of those things as strongly as though the writer had stated them. The dignity of movement of an iceberg is due to only one-eighth of it being above water.

In communicating your values to clients, the same principle applies; what works isn't what you say but what you do. Here are four lessons from advisors who've let clients know about their commitments to good causes.

What are you doing next?

Conrad is a veteran advisor who celebrated his 60th birthday five years ago. To mark the occasion, he climbed Mount Kilimanjaro to raise funds for an orphanage in Haiti that was devastated by the 2010 earthquake. While he didn't approach clients for contributions, he did feature his training regimen and his progress towards his goal in his quarterly newsletter. And since that initial climb, he's done adventure challenges in Alaska and Morocco to raise funds for this orphanage in 2012 and 2014 and next year is planning a climb up Machu Picchu in Peru.

Here's what Conrad had to say:

I've had an amazing response from clients to these treks. A number of clients have offered to support me with donations. But beyond that, many will start meetings by asking about the orphanage and also what I'm doing for my next challenge.

I think there are a number of reasons for this. First, I've kept these treks top of mind with clients. I visited the orphanage to deliver the first cheque and featured photos of that in my newsletter and on my website and also have pictures of that visit in my office. In fact when I meet with prospects, they'll sometimes see the pictures and ask about the orphanage or about the things that I've done.

Second, this wasn't a one-off effort. I have built this into my routine to the point that clients now are used to this. The

fact that it was unusual also helped. People are accustomed to weekend walks and runs to raise money, but my adventure treks stand out as being different. The cause is also a bit different. No one can quarrel with supporting a Haitian orphanage. Now that I'm 65, I think these treks also send a positive signal to clients about my health and energy level. In fact I have had clients ask if I'd talk about my experience to friends who are considering a climb up Kilimanjaro.

Seeing you in a different light

James is an advisor who has used his volunteer work to build deeper bonds. For the past decade, he and his family have spent a week each summer volunteering at a Habitat for Humanity build site in his community. But he doesn't stop there. For the past five years, he has invited clients to a fundraiser for Habitat for Humanity at a local comedy club, featuring stand-up comics who donate their time.

I've been astounded by the response to my work with Habitat for Humanity. Clients really like the idea that this is something that I do with my wife and kids and a couple in fact have picked up on the idea and have started volunteering with their families also.

And the fact that I invite clients to the comedy night fundraiser lets clients see me in an entirely different light. The key is that there is absolutely no sales pitch here – it's purely a chance to thank my clients and also to support a great cause. As one of the sponsors, I get to say a few words of welcome, so that helps as well. And this isn't a high cost event. I take 50 tickets at \$50 each, so it costs me about \$2500 to send an incredibly positive signal to everyone that I work with.

What's important is that I'm not just writing a cheque. In fact, donating money is easy by comparison. It's the sustained commitment of time and effort to which clients respond.

Getting the benefit of the doubt

Jennifer runs a practice that focuses on group benefits, for which someone in the human resources department at client companies is normally her contact. A few years ago, her church organized a group of volunteers to build a school for a remote village in Guatemala. Since then, she has helped organize annual trips back to this village, working with residents to improve water supply and irrigation for the fields. As part of her commitment, she's also on the organizing committee for an annual fundraising evening at her church, featuring performances by local musicians.

For many years, I sent clients a card at Christmas letting them know that in lieu of holiday gifts I was paying for the education of children from a poor family in Ecuador. I only got positive responses to that – no one needs another box of chocolates at Christmas.

But nothing compares to the response from clients to the volunteer work I do in Guatemala. I've invited some clients to the fundraiser. They always have a great time and when we meet will often ask how things are going at this village. And when we do have the occasional service stumble, clients are always understanding. It's hard to get mad at someone who spends two weeks each year volunteering to help villagers in Guatemala.

Unexpected consequences

Martin was the final advisor who I talked to about his volunteer efforts. Six years ago, a client asked him to join the organizing committee for a gala evening to fund the annual Santa Claus parade in his city. Martin's efforts have grown each year to the point that last year he was asked to co-chair the evening. Here's what he had to say about his experience.

This is a very big time commitment but has been incredibly rewarding personally. What's been entirely unexpected has been the reaction from clients. Clients love that I'm helping make the Santa Claus parade happen and a number have mentioned that they were at the parade with their kids or grandkids. I've realized that clients want to feel good about their advisor and this lets me show clients a different aspect of who I am.

The other thing that's unexpected is the way it's helped me broaden my network. The client who first asked me to join the committee is still involved and our bonds are much deeper as a result of the time that we've spent working

on this. But I've also met members of the organizing committee through this that I would not have met otherwise, and even though this was never my intent, two have approached me about taking on their investments. These are high profile, successful people – one of them told me that he gets calls from advisors all the time, but that working together and getting to know me made the decision to move his account to me an easy one.

Lessons that you can take away

As I reflected on these conversations, there were four common elements that allowed these advisors to translate their charitable commitment work into goodwill with clients:

Continuity: In no case was this a one-off event. These advisors had all volunteered their time for a number of years. One of the things that has made their efforts resonate with clients is that they were in it for the long haul

Tapping into Emotions: In every instance, the causes these advisors selected tugged at clients' heartstrings and had an emotional connection. There's nothing wrong with supporting the symphony or ballet in your city, but for most clients it won't make the same impact as the causes that these advisors chose.

Leadership: All four of these advisors had made very big commitments of time and taken leadership roles. The key to their success was that they hadn't just written a check to support a charity; they had rolled up their sleeves and gotten involved personally.

Communication: Each of these advisors had sent clients a low key message about what they were doing. Whether by inviting clients to fundraisers, via photographs in their offices or featuring their work in newsletters, they had allowed clients to see them in a different light.

Volunteering is a very personal decision and doing this quietly is a legitimate decision. At the same time, there's nothing wrong with sharing your activity with clients. As you think about your volunteer work, consider whether there is an opportunity to use that work to allow clients to see you in a different light.

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 commentaries, visit www.danrichards.com.