

Practice Management—Networking with Centers of Influence

Financial advisors learn early on that building a wealth management practice is as much or more about attracting new clients as it is about demonstrating technical expertise. Advisors with a steady stream of new prospects are well-positioned to build a practice in which most of their time and energy are focused on their “ideal client.” These advisors are continually “raising the bar.” They can afford to devote less effort to clients who fall short of the ideal-client profile and more effort to those clients who are most rewarding to serve, both personally and financially.

The opportunity lies in creating a steady stream of new prospects that reflects the characteristics of the kind of client on which the advisor wants to focus. While new prospects can flow from various sources and activities, the most successful advisors tend to generate many of their new prospects through referrals and introductions from centers of influence (COI).

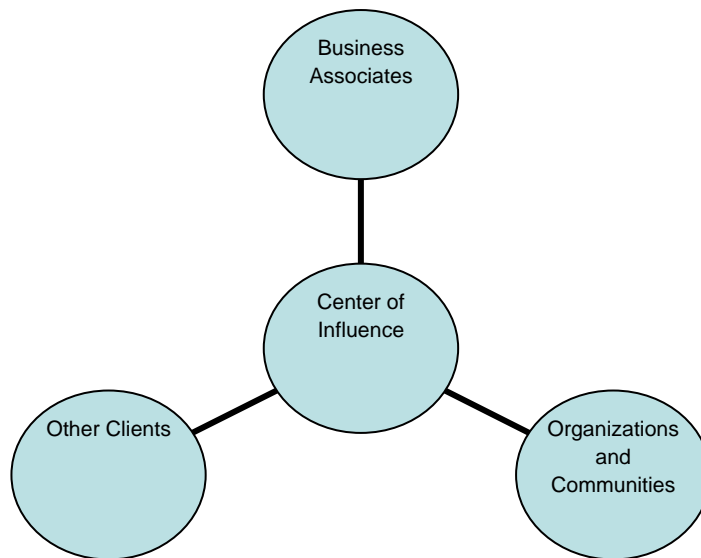
COIs are individuals who others tend to look to for advice, guidance, and direction. COIs tend to be highly respected due to their demonstrated track record of success, their knowledge, and/or their leadership skills. Their sphere of influence reaches to not only other individuals, but to groups of individuals, and sometimes entire communities. COIs may be clients, industry leaders and/or community leaders that set the standard. Often, they are clients’ other professional advisors, their attorneys and accountants.

These professional advisors not only influence clients you share in common with them, they also influence other clients. Their often intimate knowledge of their clients’ business, legal, and personal financial affairs, cause their clients to listen when they speak. An introduction or referral from a professional COI is a golden opportunity.

The Challenge

A challenge advisors face in networking with professional COIs is competition from other financial advisors. The more influential the COI, the greater the likelihood that other advisors have also identified him or her and are seeking to build a relationship. To become part of a COI’s inner circle, you must differentiate yourself from the crowd. The most successful advisors employ strategies that go far beyond simply meeting with their clients’ other professional advisors and asking for introductions and referrals to other clients.

Figure 1



The most successful advisors work at becoming the COI their clients' other professional advisors want to meet.

Here are some ideas for doing that:

Focus on Your Best Clients—Your time is valuable and limited. Identify and focus on your top clients, those you most enjoy spending time with, those who represent the niche markets you most want to serve. Work deep, not wide, and really get to know what makes these clients tick. What are their greatest hopes and fears? What circles do they move in? What philanthropic endeavors do they support? What business and professional associates do they most value? Who are their other professional advisors and how did they choose them?

Solve Problems—You may not have a product or service that addresses a client's pressing need for a new IT solution for his company, but if you could find an IT firm that did address that client's need, how would the client view you? Is it likely that other similarly situated clients might have a similar need? Is it likely that the IT firm might serve others that fit the profile of your ideal client? You may not be in the business of recruiting legal professionals, but if you were aware that your client's attorney was seeking a new associate and you could provide a referral, how would that position you with the client, the attorney, and the new associate?

Get Involved— You may lack the financial clout of your wealthiest clients, but you can nevertheless get involved in the philanthropical endeavors that they support. We are most often viewed in the best light when we are working on behalf of others. Clients will not only have a higher opinion of you, if you are involved in helping the charitable organizations they support, the odds are that you'll find yourself in the company of their other professional advisors. What opportunities might arise if you and your client's accountant organized a fundraiser on behalf of a mutual client's favorite charity? What new contacts might you make by working with a PR firm that specializes in promoting the charities that your best clients wish to promote?

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The key is to think outside the box.

Get Noticed—If you've successfully addressed the wealth management needs of existing clients in your niche, it's probable that your expertise will be valuable to others who are similarly situated. Writing articles, speaking at seminars, and attending industry events gets you noticed. These activities also create opportunities for networking with other professional advisors. How much more powerful would it be to write an article with your client's attorney than to publish it on your own? What if you co-hosted a seminar with your client's accounting firm? What if you or your firm sponsored a seminar that featured your clients' advisors?

Connect the Dots—If you know what keeps your best clients awake at night, if you're involved in the charities they support, if you are an expert problem-solver in your niche markets, you are well positioned to connect the dots. Instead of seeking introductions and referrals from your clients' other professional advisors, you are the one making the introductions and referrals. If you could connect a prospect that left her business card at your booth at an industry trade show to an attorney who specializes in raising capital for other similar companies, where is that likely to leave you with both the attorney and the prospect?

The Bottom Line

Professional COIs are influencers because they are networked with their clients and have developed expertise and wisdom people need. They are likely to have little patience for the next in a long line of financial advisors who calls on them seeking introductions and referrals. Successfully networking with these professional COIs means getting plugged into the networks they share with mutual clients, it means offering them value, it means developing your own expertise, and it means positioning yourself to become a “connector.”

All of that makes you the professional COI others want to get to know.

Practice Management and similar topics are covered in great detail in many of Cannon's professional development solutions. To find out more visit: www.cannonfinancial.com.

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