



Better Business



By participating in a variety of activities, you increase your networking community and opportunities to gain clients and their trust

Turning friends into customers

YOU are involved in your community. You know successful people who would be great clients. They like you. They know what you do and where you work. But, they have never approached you.

So, how can you approach them without placing the friendship at risk? We have probably all been in this situation. You may have seen someone make the approach badly. That failed attempt may have changed the perception of how they are viewed in your social circle.

Write down the names of these successful friends and acquaintances you would like to approach. The following three strategies involve different cultivation styles. Determine which styles are most comfortable for your personality. Determine which strategy is most appropriate for each person on your list.

Most people you know have only a vague understanding of what you do for a living. You may be considered a financial adviser, a stockbroker, financial planner or insurance agent. Friends may assume you do one of those four items. In reality, your job may include part of each profession.

List friends, family and acquaintances who could be good clients or provide referrals. Only include people you are comfortable approaching. Apply an additional test: if they approached you to invest their money, would your answer be yes? If so, they belong on the list.

Meet informally with each person or couple. Nothing is planned. You are entering the clubhouse after playing golf and see one of these individuals sitting alone at a table in the bar. Ask permission to join him and order a drink.

Ask about his business. You probably have only a sketchy idea of what he does. Perhaps



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you start with: "Bill, we have known each other for years. I know you work for a bio-technology firm and that you are involved in research. I have been curious. What do you actually do?" Stop talking and listen.

Three things should happen. One of the cardinal rules of dating is the person talking is the one having a good time. Next, he will talk about the parts of his job that make him feel important. Finally you will learn things you did not know before.

Get him talking about your job. It is too direct to start talking about yourself. I have heard others use a great question: "Bill, you know I work at ---. When you tell your friends about me, what do you say I do?" Stop talking. It would be difficult for him to say: "John, I have never told anyone about you so I have never needed to know what you do." It is too rude. He will talk about your profession in general terms such as: "You are a stockbroker, right?"

Briefly explain your role, highlighting benefits. This can be easy. Re-state what he just said, add and briefly amplify. "That is part of my job, I also do..." Do not deliver a marketing statement or sell. Think of how it would benefit the friend knowing these things and use those words.

Suggest how he can help. You want him or his friends as clients. Because he is a friend, you do not want him to feel awkward. Make a couple of assumptions. For example, if you offer professional money management and he uses it elsewhere, he

probably has sufficient assets to work with you. "Bill, now that you know what I do, if you know anyone who uses professional money management and is dissatisfied with the relationship, I would be interested in talking to them."

It is easy to substitute "dissatisfied" with the "returns relative to the market". You have met him halfway. He may reply: "I am dissatisfied. What can you do for me?" He also has a good understanding of the type of investors with whom you work and can bring your name up in other conversations. It is important that you did not say you could do any better, you were "interested in talking with them". It is low key. Friends are not going "out on a limb" suggesting others call you.

THREE

People need to know three things about you: who you are, what you do and why you are good. Friends know the first, possibly the second. Continuously, communicate the third in a low key manner.

"How is business?" Most financial advisers are asked similar questions in social situations. Often you reply with a brief answer and move to another subject. Consider the following: you try to help people all the time; you make a difference in people's lives; you help find solutions to real problems. That is why you are good. Communicate the message.

Re-word the question in

your mind before answering as "How have you helped someone lately?" Tell a brief, anonymous story – client confidentiality. You may have a client who invests with you, spends modestly and hates her job. You recently met for a portfolio review and discussed her prudent spending. You next explained if she could live within a specific budget, accepted an early retirement package on offer from her firm and realigned some investments she could leave her job. She did and has never been happier.

Friends will start to realise you have made a difference in someone's life and help people towards realising their dreams. They may say: "Can he help me?" or "Who do I know in a similar situation? Maybe he can help them".

Help people avoid mistakes. Unfortunately these dramatic stories may not happen frequently. Consider the number of times you help people from making mistakes when they want to do "something stupid" with their money by offering sound advice and alternative solutions.

These situations probably happen more frequently. You may not be paid for them because you stopped them from taking an ill-considered action. The anonymous story should have the same impact of showing "why you are good".

NEEDS

Everyone has needs or issues keeping him awake at night.

As you get to know people you learn about these issues. Some may have a financial solution, others not. Help them solve the problem. Here are some tips to help with this:

● Identify the need. As you get to know people you learn what is important to them, perhaps ageing parents, educating their children, their own retirement, buying a second home. Research the issue.

● Discuss the issue and demonstrate understanding. Many people feel they are the only person who ever faced this problem and "reinvent the wheel" when trying to find a solution. They do not turn to others for assistance. You are offering help.

● Assess their level of comfort of unease. Your friend may welcome the advice. He did not know where to turn. On the other hand, this friend may be very private and feel you are intruding in a personal area. In these situations, you do not pursue the subject.

● View objectively. Sometimes people are too close to a problem to see all the options; they "cannot see the forest for the trees". Personal or family relationships may be involved. You can step back and look at different solutions to a problem. You are objective.

● Offer to do something. Here is the stage where trouble often develops. The solution may involve the friend becoming a client. When you explain the solution, your friend may suspect your motives or assume you are "looking for business". Saying "no" to you might compromise the friendship in his eyes. You do not want to make people feel awkward. You may work for a firm with resources. Perhaps the problem he faces would be solved by purchasing a specific type of insurance.

● Consider referring him to the person within the firm

specialising in insurance. "Bill, this is not the first time I have heard about this problem. You would be surprised at the number of people we have helped with similar problems. I know a fellow with our firm in Bristol. He has helped a lot of people with the same problem. He is kind of a specialist. Maybe he can tell you how he has helped other people with the same problem. Here is his number." If your friend does business with the firm, he is probably also doing business with you.

● Do a very good job. Present a turn key solution with pros, cons and costs. Work out all the details. He had zero solutions before; now he may have one complete solution.

● Follow-up – people do not usually make decisions on serious issues spontaneously. External factors may affect the timing. Touch base periodically but on a personal, not business level. "I heard about the flooding on the Welsh coast. How are your folks doing?" or "Easter is around the corner. Are they coming to London to visit or are you going to their house? I know you like to spend the holidays with your parents." Eventually, he will need to make a decision. You have provided an option that is researched and complete.

Some problems do not have an investment-based solution, but help anyway. That is what good friends do. When the problem has been addressed, he will remember your help. People want to give back.

He will probably realise doing business with you or referring business is a good way to say thank you.

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KEY POINTS

● Determine which strategy is most appropriate for each successful friend or acquaintance on your list of potential clients

● Meet informally with each person or couple, for example you are entering the clubhouse and see one of these individuals sitting alone at a table in the bar. Ask permission to join him

● Some problems do not have an investment-based solution. Help anyway. That is what good friends do