Think Referrals
Develop the right mindset to generate more referrals
Integrate asking for referrals into the DNA of your business

Using referrals to build your business is more than simply asking a few clients for referrals on a periodic basis. It’s an attitude and a way of thinking that need to be ingrained into the DNA of your entire business. By training yourself to see all client relationships and strategic partnerships as opportunities for increased referrals, you’ll take the first step in creating a systematic referral process that can help you deliver a potentially unlimited supply of high quality prospects.

The SunAmerica Client Referral Program is a comprehensive multi-touch referral program that can help you generate more highly qualified leads than ever before. The program brings together the best practices of many of the top referral experts in the country, including Bill Cates, CSP, CPAE and President of Referral Coach International.

The Think Referrals module highlights the key components of a powerful referral mindset. It offers creative tips and strategies on how to enhance your referability and lays the foundation for using referrals to help grow your business to new levels of success and profitability.
LOOK INWARD: Develop a strong referral mindset

When most financial advisors think about ways to enhance their referral strategy, they focus on how they can get their name out to more people. However, many of these advisors don’t have the right mindset to generate a steady flow of qualified leads. Rather than starting with marketing and outreach activities, the better approach is to look inward and develop a systematic process for getting clients to refer friends and family to you. When you become more referable in terms of the value and services you provide, you’ll inevitably receive more referrals!

Here’s a 3-step action plan to help enhance your referability:

1. DEVELOP the right mindset
   Do you have the right attitude and approach to maximize your referral potential? Find out what it takes to create a powerful referral mindset, then determine if you are truly committed to growing your business through referrals.

2. COMMUNICATE the value of your practice
   What differentiates your practice from others in the industry, and how do you convey these traits and characteristics to prospects and clients? By carefully articulating your value and vision, you can differentiate your practice and create a unique brand that will make it easier for clients to convey the unique benefits of your business and to explain to their friends and family why they should meet with you.

3. CREATE “engaged” clients
   Research shows that high client satisfaction and strong customer service don’t necessarily lead to referrals. To build trust, engage your clients and turn them into strong advocates for your business. It’s important to get them more involved in your practice and to educate them on how to recognize referral opportunities.
Make referrals a part of the DNA of your business

Think of referrals as a strand of DNA that can help your business grow. To achieve referral success, it’s important to integrate referrals into every facet of your practice. Once referrals are ingrained into your way of thinking and the way you do business, you’ll have a ready-made source of new, highly qualified clients.

Unlock the code to referral success

To adopt a true referral mindset, it’s important to possess the following five traits. You need to be:

1. **COMMITTED to building business through referrals**
   Commitment doesn’t mean developing a few strategies to target 1-2 clients. It means reviewing all of the business processes in your firm and making sure that each contributes to your efforts to generate more referrals. It involves adding referral reminders to your client communications and planting referral seeds at every opportunity. When you’re truly committed, your goal will be to create a business that can grow primarily on referrals and word-of-mouth marketing.

2. **FOCUSED on developing relationships**
   When you adopt a referral mindset, you’ll look at each client not only for the assets they invest, but also for the business opportunities that may arise from their social, business and family networks. By building strong, trust-based relationships, you’ll be more likely to make deep connections that can lead to a consistent flow of referrals over the lifetime of the relationship.

**5 Key Components of a Referral Mindset**

- **Confident about receiving referrals**
- **Committed to building business with referrals**
- **Focused on developing relationships**
- **Collaborative in working with clients and partners**
- **Systematic in asking for referrals**
Objective: Determine if you have the right mindset to take advantage of referral opportunities.

Action Plan: Take the Referral Mindset quiz. If you answer “No” to any of these 5 questions, it’s time to re-evaluate your commitment to generating referrals and to re-focus your energy into laying a stronger referral foundation.

Referral Mindset Quiz: Are Referrals a Part of the DNA of Your Business?

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>1. Are referrals one of the top priorities of your marketing plan?</td>
<td></td>
<td></td>
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<tr>
<td>2. Do you have a strategy for building trust-based relationships?</td>
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<tr>
<td>3. Have you consistently provided referrals to your strategic partners?</td>
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<td>4. Do you have a comprehensive and systematic way of asking for referrals?</td>
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<td>5. Do you expect to get referrals from every client?</td>
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EXERCISE 1

Assessing your mindset

Objective: Determine if you have the right mindset to take advantage of referral opportunities.

Action Plan: Take the Referral Mindset quiz. If you answer “No” to any of these 5 questions, it’s time to re-evaluate your commitment to generating referrals and to re-focus your energy into laying a stronger referral foundation.
Create a unique brand for your business

Branding is not simply what you think about your practice. It is how your clients perceive you, your business and the products and services you provide. A unique brand can set you apart and give you a competitive edge that can lead to more business and a boost to your bottom line. If your brand is distinct and resonates strongly with investors, it gives your clients another reason to refer your name and services to others. You can start the process of creating a unique brand for your business by analyzing your practice and crafting the core messages that highlight what makes your practice distinct and successful: your value proposition, mission statement and 30-second elevator story. Here’s how it works:

3 steps to articulating your vision and value

1. **Differentiate your practice through your value proposition**
   The first step in refining your core message is to define what makes your business stand out from the competition. How you position and talk about your business will certainly impact the thoughts and feelings clients experience when they think of you and your services. An effective value proposition can help crystallize your vision and purpose in the minds of your clients and allow them to deliver more referrals by making it easy and comfortable to talk about your competitive advantages.

2. **Help clients better understand your business using your mission statement**
   Your clients will have a difficult time referring prospects to you if they don’t understand the type of clients you serve and what you can do for them. A good way to educate your top clients about your practice is to share your mission statement with them. This statement should encapsulate the strengths and advantages of your business in a way that is concise and easily repeatable by your clients.

3. **Reinforce your message by creating a 30-second elevator story**
   To strengthen your message, it’s a good idea to create a 30-second elevator story that you can use with prospective clients. A short, compelling story will make a long-lasting impression and can also help clients explain your value to friends, family and acquaintances.
**Objective:** Identify the characteristics that make your business different from your competitors.

**Action Plan:** Ask clients what they feel are the unique benefits of your practice. Write down their answers and use the feedback to craft your value proposition.

**Sample Value Proposition Worksheet:** What Makes Your Business Different?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q: What is the first thing that comes to mind when you think of me?</td>
<td>A: Great service. The way you keep your word, and do exactly what you say you’re going to do.</td>
</tr>
<tr>
<td>Q: What do you perceive to be my greatest accomplishment or achievement?</td>
<td>A: Creating a plan that can help me achieve financial security and peace of mind. You keep me on track with my long-term financial goals, no matter how the market is performing.</td>
</tr>
<tr>
<td>Q: What do you perceive to be my greatest strength?</td>
<td>A: You’re easy to talk to. You relate well with people. You listen to what I have to say, and then you help turn my thoughts into action.</td>
</tr>
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**Analyze what your clients have to say and then use this information to craft your own value proposition:**

I help my clients achieve financial security and peace of mind through great investments and exceptional customer service.
EXERCISE 3

Craft a Mission Statement

**Objective:** Create a mission statement that incorporates your value proposition and includes a vision of where you want your practice to go.

**Action Plan:** Make sure that your mission statement embodies the strengths and competitive advantage of your practice. Keep your statement simple and clear, and limit it to 2-3 sentences.

**SAMPLE MISSION STATEMENT**

“We seek to provide financial security and peace of mind to high-net-worth families through innovative wealth management strategies. We put the needs of these families first, delivering unrivaled service and support through life-long client relationships.”

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EXERCISE 4

Turn Your Mission Statement into a 30-Second Elevator Story

**Objective:** Create a short compelling story that highlights what you do and how you help clients. The story should be easily repeatable for your clients. This will lead to more word-of-mouth opportunities and a potential increase in your client referrals.

**Action Plan:** Start with your mission statement and then develop the message by adding real-life stories about how you’ve worked with clients to meet specific goals and solve problems. The goal is to help clients better understand your business and to recognize the type of clients you serve, so they’ll be able to share your name when the opportunity arises.

**SAMPLE ELEVATOR STORY**

“Hello, I’m Joe Smith, and I help high-net-worth families achieve financial security and peace of mind through innovative wealth management strategies. My goal is to deliver unrivaled service and support through life-long client relationships. In fact, I recently celebrated a 25-year anniversary with one of my clients, Tom, a former surgeon who I helped retire with nearly $5 million in savings. We just created an estate plan that will save his family millions of dollars in taxes. And now, Tom’s son wants me to help him and his new bride with their own financial plan.”
Client education and relationship building are keys to increasing referrals

Do you ever wonder why some financial advisors don’t receive more referrals, even though they receive high marks for client satisfaction and customer service? According to a recent survey, 77% of clients gave their financial advisors a satisfaction rating of 8 or higher (out of 10) and 93% said that they would continue working with their advisors. However, only 18% of clients were asked for referrals, and only 29% actually provided a referral over the last year.¹

As the survey shows, advisors are missing out on referral opportunities because they don't regularly ask for referrals and because they don’t take the next step of creating “engaged” clients—clients who become advocates for their practice. To enhance your referral strategy, it’s important to deepen your relationships by getting clients more involved in your business and showing them how to recognize referral opportunities.

Tips to help you engage clients and encourage more referrals

- **Maximize client engagement by forming a Client Advisory Council**
  The more involved your clients are in your practice, the deeper the relationship and the higher the potential for referrals. One way to raise client participation is to establish a Client Advisory Council, which is made up of a diverse group of your best clients. You’ll be able to maintain an ongoing dialogue with your top clients and obtain valuable feedback on topics such as how to improve your client services, investment reviews and client communications. This invaluable information can also be used to help you strategically grow your business.

- **Gather feedback through an annual Client Survey**
  Another way to engage clients and obtain feedback is through a detailed written survey that you can deliver at your clients’ annual reviews. The survey allows you to measure your clients’ perception of your services, monitor their investment needs and obtain feedback that can be instrumental in making your business more efficient and profitable.

- **Teach clients how to spot referral opportunities**
  To help optimize the number and quality of referrals you receive, it’s important to help clients recognize potential referral situations. For example, you can have clients keep an eye out for friends or family who are at a crossroad in their lives, such as a colleague who is selling a business or a relative who is planning to retire.

¹Source: Advisor Impact, 2010 Economics of Loyalty survey of more than 1,000 clients.
**Objective:** Educate clients to identify potential referrals among their social, family and business contacts. Make it easy and second nature for your clients to recognize a financial need and refer prospects to you.

**Action Plan:** Create a Referral Opportunity Checklist for your top clients. To help your clients focus on more targeted prospects, consider including your mission statement and some language about the type of clients you’re seeking. If you’re providing this checklist to top clients, you may even want to share your Ideal Client Profile.

**Referral Opportunity Checklist:**
Do You Know How to Spot a Good Referral Candidate?

Look for people in transition and money that’s on the move. Keep an eye out for friends, family and acquaintances who are:

- Retiring
- Changing jobs
- Inheriting substantial assets
- Selling a business
- Selling real estate
- Going through civil or legal actions (divorce, personal injury, etc.)
- Having a baby or adopting a child
- Becoming an empty nester
- Recently widowed or has experienced a death in the family
- Getting married
- Getting divorced

According to a recent survey, 100% of engaged clients—those who are satisfied, loyal and have deeper connections with advisors—gave at least one referral to their financial advisors over the last year. And more than 50% gave 2 or more referrals!²

²Source: Advisor Impact, 2010 Economics of Loyalty survey of more than 1,000 clients.
Grow Your Business through Relationships by Adopting a Referral Mindset Today

In today’s crowded marketplace, building a successful financial practice is more difficult than ever. However, by adopting a referral mindset and using your current clients to acquire new business, you’ll be able to:

- Establish a referral culture that can help you generate a steady flow of high quality leads.
- Enhance your referability through exceptional service.
- Create “engaged” clients that can be the best advocates in promoting your practice.

Start putting referrals to work for you and your business with the SunAmerica Client Referral Program!

Contact your SunAmerica wholesaler or call our Sales Desk at 800-232-1230 for details.