Get Connected
Ask for and get more client referrals
Did you know that 91% of clients working with a financial advisor say they are comfortable giving referrals, but only 29% actually provided a referral? One of the key reasons behind this large gap is that very few advisors ask for referrals on a regular basis.

In fact, according to the same study¹:

- 82% of clients say they have never been asked for a referral.
- 16% say they are asked occasionally.
- 2% say they are asked on a regular basis.

The SunAmerica Client Referral Program brings together the best practices of some of the top referral experts in the country, including Bill Cates, CSP, CPAE and President of Referral Coach International, to help you implement a systematic process of asking for referrals. The Get Connected module is designed to get you comfortable making referral requests and to help you generate a steady stream of referrals from existing clients.

¹Source: Advisor Impact, 2010 Economics of Loyalty survey of more than 1,000 clients.
Enhance Your Referral Strategy with This 4-Step System

Although most financial advisors understand the valuable role referrals play in growing their business, a surprisingly large number of them don’t have a systematic process of asking for referrals. In fact, 80% of those surveyed said that they either have no strategy at all or that they employ an “unfocused and/or inconsistent” strategy.\(^2\)

Get Connected shows financial advisors how to develop a consistent referral strategy that is easy to use, yet delivers effective results over time. This 4-step system is designed to help you:

1. **Identify the right clients**
   to ask for referrals.

2. **Ask for referrals**
   smoothly and confidently.

3. **Handle objections**
   in a professional and effective manner.

4. **Turn referrals into clients**
   by making a strong first impression and showing your appreciation for every referral you receive.

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*Source: 2004 Horseshmouth survey of more than 1,650 financial advisors on their referral marketing.*
Creating an Ideal Client Profile

Who should you ask for referrals, and how can you ensure that you receive the type of referrals you want? One way to make sure that you obtain high quality referrals from existing clients is to create an “Ideal Client Profile.”

An Ideal Client Profile helps you focus your referral efforts on clients who contribute the most to your bottom line and whom you enjoy working with both professionally and personally. Here’s how it works:

- **Start by analyzing your client base.**
  Determine who your best clients are by segmenting them into quadrants based on assets and growth potential. “A” and “B” clients typically have assets that make up about 80% of your book. They’re also more likely to contribute to the growth of your business through referrals.

- **Develop an Ideal Client Profile based on your top 10 clients.**
  Determine what characteristics make these clients ideal. Look for patterns in terms of key demographics, personality and financial situation. The Ideal Client Profile will then be used to find prospects that fit your business and can enhance the profitability of your practice.

- **Share your Ideal Client Profile with strategic partners.**
  In addition to asking current clients who fit your Ideal Client Profile for referrals, it’s also important to share this profile with CPAs, attorneys and other centers of influence (COIs). By making sure that your strategic partners understand the type of clients that you serve best, you’re more likely to obtain highly qualified referrals from these partners.

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Maximize Your Referrals through COIs.
For more ideas on how you can reinforce your partnerships with CPAs, attorneys and other centers of influence, please see the SunAmerica Client Referral Program’s *Build Networks* module.
**Objective:** Identify “A” clients with high growth and referral potential.

**Action Plan:** Review and rank your clients based on assets and growth potential. Use a four-quadrant worksheet similar to the example shown below.

**A:** List “A” clients who have high growth potential and assets that rank them at the top of your book. Use these top clients to develop your Ideal Client Profile (see Exercise 2). “A” clients may be an excellent source of referrals.

**B:** Write down the names of “B” clients who have significant assets, but with lower potential for asset growth. Although “B” clients may not meet all the characteristics of your Ideal Client Profile, they may know people who have significant assets to invest. “B” clients may be a good source of referrals.

**C:** List “C” clients who are currently in the lower 20% of your book, but who have the potential to become more significant clients. “C” clients offer limited opportunities for referrals.

**D:** Identify “D” clients who are low in assets and potential. “D” clients are unlikely to provide the type of referrals you want.

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**Example: Client Segmentation Score Card**

<table>
<thead>
<tr>
<th>Assets Under Management</th>
<th>Growth Potential</th>
<th>Focus your referral efforts on “A” clients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High Potential</td>
<td>These clients have significant assets and are major centers of influence with strong business and social connections. They have the potential to provide you with a consistent source of referrals over time.</td>
</tr>
<tr>
<td></td>
<td>Low Potential</td>
<td></td>
</tr>
<tr>
<td>80%</td>
<td>John Smith</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rich Jones</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marlon Wilson</td>
<td></td>
</tr>
<tr>
<td>20%</td>
<td>James Kilkenny</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marsha Warner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Doug Germman</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Richard Murphy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Michael Dickerson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Steve Good</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Frank Williams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jerry Lee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Todd Kosich</td>
<td></td>
</tr>
</tbody>
</table>
Objective: Create an Ideal Client Profile that you can share with existing clients and strategic partners to help ensure that you receive highly qualified referrals.

Action Plan: Write down the key characteristics that define a perfect “A+” client. Make sure to include a description of client type, family, location, assets, risk tolerance, employment, communication preferences and other key attributes. Also consider personality traits, community involvements, personal interests and where you may run across this ideal client.

Example: Who is the Best Fit for Your Business?

<table>
<thead>
<tr>
<th>Category</th>
<th>Ideal Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>48-55</td>
</tr>
<tr>
<td>Geography</td>
<td>Within 20 miles</td>
</tr>
<tr>
<td>Family</td>
<td>Married with children</td>
</tr>
<tr>
<td>Investable Assets</td>
<td>$350,000</td>
</tr>
<tr>
<td>Personality Traits</td>
<td>Type A, hard-working, diligent, extroverted, conscientious, stable, quick witted, down to earth</td>
</tr>
<tr>
<td>Profession</td>
<td>Business owner/self-employed in the service industry with less than 20 employees</td>
</tr>
<tr>
<td>Salary</td>
<td>$180,000</td>
</tr>
<tr>
<td>Risk Tolerance</td>
<td>Self-described saver, willing to accept some risk, 80/20 stock and bond investor</td>
</tr>
<tr>
<td>Investments</td>
<td>Mutual funds and the occasional hot stock, some SMAs</td>
</tr>
<tr>
<td>Communication</td>
<td>Quarterly meetings, regular emails, monthly phone calls</td>
</tr>
<tr>
<td>Organizations</td>
<td>Country club, charity involvement</td>
</tr>
<tr>
<td>Interests</td>
<td>Vacation, golf, boating, fishing</td>
</tr>
<tr>
<td>Where to Meet?</td>
<td>Local events, networking opportunities, charity benefits, golf course</td>
</tr>
</tbody>
</table>
The VIPS Method™

Many financial advisors don’t ask for referrals because they don’t want to appear too pushy or needy. Others are concerned that they’ll make their top clients uncomfortable or that they’ll damage their client relationships.

Developed by Bill Cates over nearly two decades of coaching elite advisors, the VIPS Method™ can help you overcome these concerns. The VIPS Method™ is easy to use and helps you ask for referrals in a natural, confident and professional manner. Here’s how it works:

**VALUE**
Start with the value discussion

**IMPORTANCE**
Treat the request with importance

**PERMISSION**
Obtain permission to explore referral opportunities

**SUGGESTION**
Suggest names and categories to explore

The VIPS Method™ has been tested and used by real financial professionals for almost two decades. Does it result in referrals every time? No. However, if applied consistently, it will generate great referrals for you – without having you look like you’re begging, unsuccessful, or pressuring your clients in any way.

— Bill Cates, CSP, CPAE
President, Referral Coach International

*Registered trademark of Referral Coach International.*
Start with the **VALUE** discussion

The best time to ask for referrals is when your client expresses satisfaction with your work or recognizes the value that you’ve provided. However, you can’t always wait for your client to initiate this conversation. To help set up your referral request, it’s important to ask value-seeking questions on a regular basis. For example, you can say:

**SAMPLE VALUE DISCUSSION SCRIPT**

"We’ve covered a lot of things today. I’m curious. What do you think was the most important thing we talked about?"

"Bob, as we’re wrapping up the first part of our process, I hope you’re finding value in the work we’ve been doing. What, in your opinion, has been the most beneficial part of this process so far?"

The goal is to encourage your clients to discuss the benefits of your services, and to get them to feel good about the relationship. A happy client who trusts you and recognizes the value of your work will be more receptive to a referral request.

Treat the request with **IMPORTANCE**

The second step is to ask for referrals with confidence. The way you ask for referrals will help determine how your clients respond. If you ask for your referrals in a nervous or apologetic manner, your clients will get anxious too. However, if you make the request with poise and assurance, your clients are more apt to pay attention, and as a result, you’ll have a better chance of obtaining referrals.

Here are three ways to help ensure that you treat each referral with importance:

- **Prepare an agenda for all client meetings.** Add “value discussion” at the end of the agenda to remind you to ask value-seeking questions.

- **Allocate plenty of time to ask for referrals.** Rushing through a referral request will make it less effective.

- **Be professional.** Use a transition phrase, such as “I have an important question to ask you,” to get your clients’ attention and to prepare them for the actual request.
Next, you want to obtain permission from your clients to brainstorm and discuss referral opportunities. The politeness of this request can help reduce resistance and increase results. For example, you can say:

**SAMPLE PERMISSION SCRIPT**

“Steve, I was hoping to get your permission to brainstorm for a few minutes about whom you know that might truly value the work I do. Could we do that for a couple of minutes?”

If you simply ask for referrals and then wait for a response, you may be confronted with an awkward silence that’s difficult to overcome. However, by obtaining permission from your clients to explore referral opportunities, you can direct the conversation into areas that may be more conducive to generating referrals.

**SUGGEST** people and categories to explore

When brainstorming, it’s important to limit the universe of friends, family and acquaintances for clients to consider. By suggesting a specific person or a category of people to explore, you can narrow your clients’ focus and guide them into making qualified referrals. Here are some examples:

**SPECIFIC NAMES**

“Thanks Steve. You mentioned your brother-in-law last week. Do you think he might value the work that I do?”

**CATEGORIES OF NAMES**

“Thanks Steve. I know you’re very active in your industry association. In fact, I think you said you were on the board of directors. Let’s start there. Would you feel comfortable introducing me to the other board members?”
VIPS Method™ Sample Scripts

The following sample conversations illustrate the VIPS Method™ in detail. Remember, your goal is not to necessarily memorize the scripts, but to find language that sounds natural and genuine for you, and that will allow you to ask for referrals more often.

Sample Conversation I

This sample conversation picks up after the “value discussion.”

<table>
<thead>
<tr>
<th>“Ideal Client Profile” Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YOU</strong> Well, Steve, that’s great to hear. I’m glad you’re seeing the value of my work. And, of course, I hope to continue to be of value to you through my service and in other ways. With that in mind, I have an important question to ask you.</td>
</tr>
<tr>
<td><strong>CLIENT</strong> Okay.</td>
</tr>
<tr>
<td><strong>YOU</strong> I’m hoping we can talk for a few minutes about whom you know and care about that just might benefit from the work I do. Could we do that for a few minutes?</td>
</tr>
<tr>
<td><strong>CLIENT</strong> Sure.</td>
</tr>
<tr>
<td><strong>YOU</strong> Great. First, I’d like to show you a profile of the type of person I serve best. You’ll see they’re people much like yourself… Now that you’ve seen the profile, let’s begin with that large family of yours. Do you think your sister can benefit from the services that I provide?</td>
</tr>
</tbody>
</table>

**TIP:** To help ensure that you receive referrals that fit your Ideal Client Profile, you may want to share this profile with your top “A” clients and strategic partners.
Sample Conversation II
This sample conversation starts with the Permission request.

“Who Do You Know?” Approach

YOU  Do you think we can talk for a few minutes about whom you know and care about that just might benefit from the work I do?

CLIENT  Yes, that’ll be fine.

YOU  Great. I’d like to suggest some categories of people whom I serve quite well, and you can tell me if you know anyone in these categories. Fair enough?

CLIENT  Sure.

YOU  Perfect.

• Who do you know who might also be selling their business – as you have just done?
• Who do you know who is about to retire?
• Who do you know who might be changing jobs and may need help in moving their 401(k)?
• Who do you know who might be inheriting an estate from a parent who has recently passed away?

SUGGESTION

TIP: You may want to ask trigger questions, such as “Who do you know…” to get clients to think about particular groups of people who could be referred.

Looking for more scripts?
The Referral Speak brochure contains more scripts, covering everything from the VIPS Method™ to handling objections. Please contact our Sales Desk at 800-232-1230 to order a copy.
No matter how you ask for referrals or how satisfied a client might be with your services, you'll always have clients who are reluctant to give referrals. Some of the most common objections include “I don’t give referrals,” “Let me think about it,” or “He already has an advisor.” Here’s an effective, five-step strategy from Bill Cates that can help you handle these objections and turn them into potential referrals in the future.

The Objection Formula

1. **Validate** your clients’ position
2. **Explore** the objection
3. **Reframe** their thinking
4. **Revisit** the request
5. **Back Off** and plant a seed

*Copyrighted by Referral Coach International.*
Here’s how the formula works:

1. **VALIDATE your clients’ position**
   The first step is to listen to the objection and then acknowledge it. Let your clients know that you understand, and that it’s not a problem. Avoid using the word “but” in your response. This will erase your validation. Instead, try transitioning into the next step with the word “and.”

2. **EXPLORE the objection**
   You want to continue this conversation carefully. Ask a few questions to gain greater insight into your clients’ concerns. The initial objection is usually an intellectual response, such as “I don’t give referrals.” However, the real objection is usually an emotional response, such as “I had a bad experience in the past and I don’t want to experience that again.”

3. **REFRAME their thinking**
   Once you understand your clients’ concerns about giving referrals, you should be able to suggest a way for them to reframe their perspective. However, don’t try to change their perspective without thoroughly exploring the objection. If you try to just rebut your clients’ thinking without understanding their perspective, you’re unlikely to make any progress, and you may even further irritate your clients.

4. **REVISIT the request**
   If you’re successful in reframing your clients’ perspective, you can start exploring referral opportunities by suggesting names and categories of people to discuss. If your clients repeat their objection, it’s time to move to the next step.

5. **BACK OFF and plant a seed**
   Once your clients repeat the objection or give you a new objection, it’s time to back off and plant a seed for future referrals. Just as it’s important to ask for referrals with confidence, it’s also critical to end the conversation with grace and professionalism. Here’s an example of how you can do this:

   **SAMPLE PLANT A SEED SCRIPT**

   “Steve, that’s fine. We don’t have to talk about referrals right now. One simple request, if you think of anyone who might get value from the work I do, please don’t hesitate to give me a call.”
### Sample Objection Script

#### “I don’t give referrals.”

| YOU | I was hoping we could brainstorm for a couple of minutes to see if we can identify some people who should know about the work that I do. Could we try that for a minute? |
| CLIENT | I’m sorry. I don’t give referrals. |
| YOU | I understand. I know that some folks don’t like to give referrals. Can I ask you a quick question about that? |
| CLIENT | Well, I guess so. |
| YOU | A few clients have told me they don’t like to give referrals. It seems there are usually two main reasons. Either they’ve had a bad experience and they don’t want anything like that to ever happen again, or they’re not sure how their friends or colleagues might react to their name being given out. I’m curious, what’s true for you? |
| CLIENT | Well, actually, I’ve had a couple of bad experiences with referrals. |
| YOU | Sorry to hear that. What happened? |
| CLIENT | I gave my best friend’s name out to a car salesman. This guy bugged my friend for two months. My buddy, to this day, won’t let me forget it. I’ve sworn to not give out another referral again. |
| YOU | I can appreciate your reluctance. I’m wondering if you might indulge me for a second. I’d like to explain how I make contact with the referrals I receive. If you feel comfortable with that, we can go on. If not, no big deal. Okay? |
| CLIENT | I appreciate your efforts here, but I’m just not comfortable with this. |
| YOU | I understand. We certainly don’t have to do this. I just wanted you to be aware of the fact that I’m never too busy to help any of your friends and family with my services. Sound good? |
| CLIENT | Well, I guess so. |
Make a good first impression

Developing a good relationship that will lead to new business begins even before you meet your new prospect. To lay the foundation for a long-lasting relationship, it’s critical to:

- Find out as much as you can about the prospect before initiating contact. Don’t just get a name and a phone number from your referral source. The more you know, the better your chance of having a quality conversation.

- Make contact as soon as possible. It doesn’t help to wait, especially if your referral source has already mentioned your name to the prospect. Any delays may be perceived as if you don’t really care about servicing this potential client.

Get introduced to your new prospect

Research has shown that referrals are most effective when existing clients make the initial contact with a prospect. In fact, the success rate is three times as high if there is prior permission from the prospect to take your call or meet with you. Here are 3 different ways that you can work with your referral source to get introduced to the new prospect:

1. **Ask your referral source to call or email the prospect first**
   This will help ensure that the prospect won’t be surprised by your call, and it allows your referral source to say good things about you before the meeting.

2. **Get everyone together for lunch or a round of golf**
   If you have a good relationship with your client, and he/she knows your new prospect well, you may want to invite the two of them to lunch or for a game of golf. It's a great, informal way to meet your prospect and to see if there’s an opportunity to work together.

3. **Use a pre-approach note or letter**
   You can write a pre-approach letter and then ask your referral source to add a personalized note, which will make your introduction warmer and more impactful. For even greater effect, you can ask your referral source to write a custom note on a marketing brochure and enclose it with the letter.

*Source: Sandler Sales Institute.*
Wow your prospects with exceptional service

To help turn your prospects into clients, you must establish rapport and provide them with clear reasons to choose you over the competition. Make sure that your prospects understand your value proposition and the unique services that you provide, and work to build trust in every client interaction. The following are 5 additional tips to help make sure that your service is exceptional and one of a kind:

1. Create a great referral experience
   A great referral experience starts from the very first meeting, phone call or email. Your prospects’ perception of your business is based on their experiences, so it’s vital to make sure that they are treated with the utmost respect. Take the time to train your staff to interact effectively with prospects and clients, and be sure that everything in your office, from the appearance of your lobby to the professionalism of your receptionist, inspires client confidence and reflects success.

2. Do what you say you will do
   Perhaps the most important way to build trust is to deliver on your promises. Once you make a commitment, do everything possible to keep your word. If something unexpected occurs and you cannot honor your promise, let your prospect or client know as soon as possible.

3. Be honest
   The truth may hurt, but prospects will respect your integrity. The quickest way to lose a potential client is to get caught in a lie.

4. Communicate frequently
   The reason advisors lose clients is often not due to their skills or expertise. According to one study, 78% of clients said they changed advisors because “they didn’t feel appreciated.” If your prospects or clients feel ignored, they’re likely to take their business elsewhere. Make prospects and clients feel special by contacting them on a regular basis by phone, email or newsletters.

5. Ask for feedback
   Client feedback can be invaluable in helping to enhance your service. Plus, if prospects or clients have complaints, you’ll have the opportunity to solve the problem and turn a potential crisis into a sales opportunity.

*Source: Sandler Sales Institute*
Always say thank you

Don't wait until the prospect becomes a client to express your gratitude to your referral source. After you receive a referral, send a thank-you note or letter, along with a small gift.

Regardless of whether or not the prospect turns into a client, it’s important to keep the referral source in the loop. Make a phone call or send an email to let the referral source know the progress of the referral. If the referral turns into a sale, you may want to send a more substantial gift, perhaps something that has special meaning to the referrer or is tied to their hobbies or interests.

Team up with your new client to thank the referral source.

This powerful, effective strategy allows you to show your appreciation, and emphasize the value of the referral process. It also helps you create a memorable experience that will encourage more referrals in the future. Here are a couple of ways to make it work:

- **Pass on thanks:** You can simply ask your new client to say thank you the next time he/she sees the referral source.

- **Deliver a gift:** You can prepare a nice card or small gift like a leather portfolio for the new client to deliver to your referral source.

- **Invite everyone to a thank-you lunch:** You and your new client can treat the referral source to lunch to show your appreciation. Of course, you would pick up the tab.
Enhance the Quality and Quantity of Your Referrals with a Systematic Referral Process

Don’t be a financial advisor who just occasionally asks for referrals. Help maximize the number of high quality referrals that you receive from clients by:

- Identifying the best clients to ask for referrals
- Asking for referrals in a natural, confident and professional manner
- Handling objections and turning them into future referrals
- Providing exceptional service that can help ensure you’ll receive a lifetime of referrals from clients

Create a potentially endless flow of quality prospects with the SunAmerica Client Referral Program!

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