

## Stop Client Complacency: An Exponential Relationship is the Key

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### Building Trust

#### Importance of Relationship

*"The aim of marketing is to make selling superfluous; to know and understand the customer so well that the product or service fits him and sells itself."* – Peter F. Drucker

#### Head, Heart, & Feet

**W**inning prospects' trust doesn't begin with building rapport— despite years of expert testimony to the contrary. To kick off solid relationships with prospective customers, you'll need to focus on one thing: positioning yourself as an expert.

Suppose a prospect, after spending an hour in your office, leaves thinking exactly the same way he did when he arrived. Somewhere in that hour, you've fallen short. To win new business and forge solid relationships, you need to change prospects' perspectives, build trust, and demonstrate that you can deliver on your promises. I call this three-step process "head, heart, and feet."

Let's start with "head." During your meeting with a prospect, you want him to undergo a transformation: to add to his knowledge base and change the way he views things. He may come in thinking one way, but he leaves with greater knowledge, more information, and a new perspective that challenges him and demands that he respond.

The next step: "heart." Prospects are always on the lookout for evidence of whether or not you're trustworthy. To convey your credibility quickly and effectively, engage each prospect in a dialogue during the profiling process—a give-and-take that demonstrates that you understand her and her particular configuration of needs. Doing so will help you earn her trust and respect.

Finally, "feet"—the stage where the prospect contacts existing clients and learns that you've made a difference in their lives, that you do what you say, that you show up on time, and that your team follows through on what you promise. Now he's ready to engage his feet and to build a relationship with you.

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For years, experts have maintained that, before you can build trust, you need to build rapport. But these days, everyone knows the basics of marketing and selling—a strong handshake and straightforward eye contact, for example. These techniques are now so overused that the stronger the handshake and the longer the eye contact, the more uncomfortable the prospect; she's afraid that she's dealing with a used-car salesman rather than a professional.

Over the last decade, surveys of baby boomers have consistently yielded the same result: investors are chiefly interested, when dealing with financial advisors, in information that can help them make better, more informed decisions. They want an expert, someone who knows what they are talking about and can provide them with better knowledge. Rapport building is not the beginning of the relationship process—expertise is.

How should you approach the “head, heart, feet” relationship building process? First, you'll need to identify whether a client or prospect is a thinker or a feeler. Prospects who are feelers tend to process information in their hearts. Typically, a feeler will accept the advice or recommendation of a third party regarding your expertise. When attending a conference or workshop where the speaker has the endorsement of a larger group, for example, the feeler will tend to assume that she is an expert, then spend the bulk of his time trying to see whether he feels comfortable with her. He will ask himself, “Do I feel I can trust this person and what she's saying?”

A thinker, on the other hand, will spend the bulk of his time trying to figure out whether the speaker knows what she is talking about. He will continually ask himself, “Is this person an expert?” Once he determines that the speaker is indeed an expert, he'll trust her implicitly, then move quickly to the “feet” stage.

Very rarely do prospects have enough information to understand whether you can truly deliver on the promises you make. This is why using references or advocates is a critical step in the marketing process. A solid reference will bolster a prospect's trust and reassure him about the quality of your performance.

As you review this relationship-building process, take a moment to answer these three distinct questions:

- Do you take time upfront to disclose your expertise on the topic at hand?
- During the profiling process, do you allow an exchange of dialogue where trust can be built?
- Do you use reference advocates to help the client better understand your ability to follow through on your promises?

Using this approach to building relationships allows you to better understand and meet your prospects' needs. And by identifying whether a particular prospect is a thinker or a feeler, you'll be able to focus your time and attention on the area of your presentation that's most important to your prospective customer.

### **The Three Questions That Build Trust**

Purpose: Asking the Why Question (Head)

Motivation: Asking the Who Question (Heart)

Environment: Asking the Where Question (Feet)

### **The Three Statements That Create Client Action**

Policy: Stating What - Solution (Head)

Strategy: Stating How - Experience (Heart)

Timing: Stating When - Referral (Feet)

### **Stop the Client from Peeking Behind the Curtain**

Have you ever wondered why the client is so concerned with understanding what you do? It is as if the client wants to peek behind the curtain, to see what is going on behind the scenes. The problem stems from the fact that we have spent most of our time in the client relationship focusing on the backstage – the processes, the systems, and the services we provide. It is the front stage; however, that should concern the client the most. The front stage experience the customer is looking for is a better understanding of having their needs understood and met.

Now as we consider this in more detail, keep in mind the difference between backstage and front-stage items. The delivery of your products, your services, the tools you have, the resources, the software, the technology you have;

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all of these are backstage items that assist you in delivering the performance on the front stage. Without them, the front-stage performance could not happen.

Likewise, you could have all the backstage in perfect working order, have the best service, have the best technology, have the best of everything behind the stage, but without the clients' confidence that you know them and understand their situation, they will continue to peek behind the curtain. They will continue to spend a tremendous amount of time trying to better understand what it is you do and whether or not you are doing it well. The more comfortable they are in your understanding of them, the more they will relax and leave what goes on behind the curtain, behind the curtain and enjoy experiencing the relationship and the performance on stage.

This goes back to Peter Drucker's principle that the two most important functions of a business are marketing (knowing your clients more fully), and innovation (creating solutions for their problems and needs). If we knew our clients on a deeper level, we would be better equipped to assuage their fears of our being out of sync with their needs and desires. In many cases, I believe our clients feel insecure that we actually understand what it is that they want, both out of our relationship and out of life in general. For that reason, we entirely miss their main objective.

Developing a deeper understanding of the client easily solves this problem. In a coaching relationship, prior to the first session, a client is asked to fill out an in-depth questionnaire, often called the Client Intake Kit, that goes into extreme detail about his or her personal and family life, life story, business history and experience. This up-front, in-depth analysis of the client allows the coach to begin "right where the client is." It is much like the relationship with an old friend who has grown up with the client. The old friend knows all the history, knows the traumas, problems and failures that have occurred as well as the successes and achievements. This knowledge of how the coach client handled things in the past is extremely valuable when it comes time to evaluate, consider or assist the person in looking at options that are ahead. Without this knowledge or without this understanding, we are strangers.

It is the same problem you have with your customers and clients. Because you do not know them at that deeper level, they do not have the comfort or assurance that you truly understand their situation and therefore, they try to second-guess you or double check that you have not forgotten something or missed what is most important to them. We have spent too long focusing our marketing efforts and selling our services in regards to our technology, our tools, our resources and all of the backstage items. How well the lighting is done or the sound system works is not of interest to the client or to the audience as long as they can enjoy the performance. We need to stop marketing our services and our technology and instead focus our attention where the clients' attention is. In other words, focus on them, on their interests, on their goals, their fears, their tolerations, helping to alleviate the obstacles in their life and focus on the opportunities and strengths that they have. Assist the client in building a better life.

Too often, we have spent too much time trying to solve the problem before we really even understood it. That is the significant flaw both in our strategy and in the solutions that we provide our clients, and, in the end, the clients understand that we have missed it, and we have focused on the wrong thing. We use our reports and our review with our clients in an ongoing way to focus on what we think is important and what we find exciting. In other words, we are focusing the client on the back stage and because of the concentration of our time and effort there, we think the client should be interested also.

Stop directing the client toward the backstage. Focus on the front stage, understand your clients' real issues and go forward from there in a new exponential relationship.

### The Lost Art of Conversation

In our endeavor to move quickly toward closing the sale, we have lost the art of conversation. This has been driven by our focus on the solicitation model, which businesses have been focusing on since the late 70's. For 25 years, business has been in "solicitation mode," simply because, for 25 years, our customers have been in "buy mode."

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Trust was not a real issue for customers; they sought information in order to make intelligent buying decisions. But time has changed things. Because of the loss of trust in accountants, lawyers, stockbrokers, and corporate officers, consumers made a change from 2000 to 2002 and now trust has risen to the top of their agenda.

Since trust precedes action, consumers will not act until they trust. This goes back to a previous discussion we had about the connection between the Head, Heart and Feet. To refresh, all relationship building starts in the head, i.e. expertise, then proceeds to the heart, i.e. trust, and finally to the feet, i.e. action. Therefore we must first concentrate on building trust, because client action follows.

Our problem with profiling begins with how we view the entire client encounter. Let's start with their first entrance into our office. Ask yourself, what is a client looking for when he or she visits you? Your response may be: advice, help with investments, performance, proper asset allocation, manager selection, financial planning, wealth management or service. Therein lies the problem. From the very beginning, we, as an industry, do not understand our relationship with the client.

### The Little Red Wagon Script™

Every client has only two assets: Relationships and Energy. They also have two resources: Time and Money. Most businesses focus on money as an asset, while the customer views it as a tool used to achieve what they really want which is a life well lived.

Only we, in the financial services industry, think money is an asset. No one wants more money on their death bed. They want to deepen the relationships around them and have more energy, i.e. health. We can manage energy and relationships because they are renewable.

This script was developed from a number of conversations I had, in which consultants said, "I like the Exponential Relationship concept and the use of the Exponential Relationship Conversation has changed my client relationships, but I have a difficult time explaining to clients why I'm talking to them about their life and not about their money." I imagine many of you have had

similar questions. How do you go through this two-hour conversation with a client about their past and future life plans and steer them away from talking about their portfolio or investments? The Little Red Wagon Script™ was created to assist you in that task.

The Little Red Wagon Script™ is best given live. It is possible to say it over the phone, but it's really designed to be a visual message. I encourage you to buy a Radio Flyer wagon. By visiting the Radio Flyer website at [www.radioflyer.com](http://www.radioflyer.com), you can see that they have all sizes available and you want one that you can bring into your office.

Next, you need a 12-inch wall clock, one with a large display and big hands. You can typically find these at Bed, Bath and Beyond or Linens and Things. Lastly, you need to go by your local bank and purchase a couple of empty moneybags. You fill these with marbles or sand or whatever else gives the illusion of them being filled. These three props provide the visual aides for The Little Red Wagon Script™.

The Script: Mr. & Mrs. Jones, it's my pleasure to meet with you today. I'd like to take just a moment to explain something we've experienced here in the last couple of years that have changed, or more important, modified the way that we work with our clients. We've been just amazed over the last three years at the number of clients and prospects that have come through our door who have just been devastated in the marketplace. Because of the decline in the stock market, they have been hurt financially and otherwise, and it has reiterated to us the importance of understanding our client's needs first and foremost. We believe that the reason these individuals got hurt in the market was because no one took the time up front to really understand them. They were given solutions, but no one had taken the time to do the diagnosis and examination necessary to make certain that the prescriptions they were writing were the correct solutions.

We realize that when you walked into this office today, you came in with two assets and two resources. The two assets you brought with you are the relationships in your life and your health and energy. If you ask someone on his deathbed what's most important to him right now, most

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always he will wish he'd built deeper relationships with the ones he loved and that he'd spent more time focusing on his health.

Rarely ever will he wish simply for more time, because to stay in this unhealthy state any longer is not what he wants. What he wants is better health and to have had better relationships. For that reason, we believe that every client places high importance and value on these two assets – relationships and energy. The life energy that makes up your health and the relationships around you are the internal and external components of your life. That's what's most important.

But you also brought in a little red wagon with you today. (At this point you bring out your red wagon with the props inside.) And in this wagon are your resources. You probably didn't realize that you brought in a wagon with you today, but you did. Everybody who comes to see us brings it with them and it has the two things that are your tools and resources for life. First is your time (you pick up the clock) and the second thing is your money (show them the money bags).

Typically, if you go to the average person in the financial services industry, he or she is going to take the little red wagon and they'll stick the moneybags right up here on top of the table and immediately start talking about the money. Why are they doing this?

They don't realize the money is nothing but a resource. It's just like time. It's only a tool you have to enhance the two truly important things in your life – the relationships and your energy. Your money is simply a tool that can help you have a better life. For some reason, the financial services industry has operated under the assumption that money is an asset, but it's not. It's just a tool. So we are going to put the tools, the money and time, back in the red wagon and we are going to put that back over here in the corner of the room. We're going to leave it there, because we need understand who you are, what's important to you, what you see as the challenges in your life, the opportunities you want to pursue, where you are today and where you want to go. We need to understand the purpose and drive you had while you worked to amass

this money. Until we understand your life, it would be meaningless for us to try to figure out what to do with the tools and resources you have in this little red wagon. So we're going to park your red wagon over here in the corner until both you and I agree and understand exactly where you are and where you want to go. Does that make sense, Mr. & Mrs. Jones?

At this point, I believe some of you are thinking to yourself that this is the hokiest thing you have ever heard, but I promise you that it works. I've had hundreds of my largest coaching clients try it over the last few years with 10 or 12 of their top clients and they have been amazed with the results. With this script and the visual aides, your clients cannot miss the point. You are telling them that the money is not important, but their life is. The reason why they had problems in the past was that their advisor focused on their money and not on their life. Nobody misses that point. The visual aids make it perfectly clear.

The visual aides also make it clear to you and help you remember where to keep the focus. Your focus needs to be on the client's life, not on the money. Add the Little Red Wagon Script™ to the front end of your relationship conversation. If you will take the time to buy the red wagon, the wall clock and two moneybags full of sand or marbles, I think you will find that you can explain very clearly what separates you from the other people in your industry and your community. Your clients will know instantaneously that your focus is different than anybody else they have ever talked to and it eliminates the need for you to keep answering the question, "When are we going to talk about the money?" You aren't going to talk about the money until you understand the life.

### Setting the Stage

Every prospect and client enters your office pulling a little red, Radio Flyer wagon full of time and money. They look for our help and then wonder why we jump in the wagon and start playing with the money. Because this has been their experience with every financial professional, they have almost given up trying to find someone to meet their real need.

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And what is this real need? They want to deepen the relationships around them and have more energy, i.e. health. This allows our client to enjoy the life they see in their future to the fullest. We can manage energy and relationships because they are renewable.

I recommend you read the new book entitled, *The Power of Full Engagement* by Jim Loehr and Tony Schwartz. Another outstanding book is *The Experience Economy* by Joseph Pine and James Gilmore. Pine and Gilmore explain why clients are looking for an experience and they describe the business experience as a stage. The stage is made up of the performance side in front of the curtain and the production side behind the curtain.

Behind the curtain are the lights, props and sound - all the tools and resources you have for your industry, like your team, service, systems, products and technology. These are typically all the things businesses talk about when asked, "why should we work with you?" But these are not the reasons a person goes to the theater. A person does not want to see how the props are moved around.

The production side needs to be hidden. The client wants to see what happens in front of the curtain, what happens on stage or on the movie screen. Too often we put the "behind curtain" functions on the stage and ask the client to enjoy the show as we talk on and on about our products and services. What does the client want to see on stage: a performance, but a performance of what? Not us; a performance of life. Their life lived out into the future. They did not come in to see us play with the little red wagon full of money that comes with their life. Our clients want to see a new vision of their life lived out through retirement. They want to conceive of a hopeful future. They want to believe that there is a course of action they can take to achieve that reality. Charles Allen once said, "Anything the mind can conceive and believe, it can achieve." It is our responsibility to help our clients conceive of their future, believe in its possibility, and set up a course of action to achieve that reality.

### Identifying the Client's Unmet Need

We live in a state of ease or comfort when we are happy and satisfied in life. When that is disrupted we are no longer at ease. We are now in a state of dis-comfort. We need a cure for our discomfort and we are willing to pay for that cure. This is a requirement of branding and we must look for the discomfort in order to create the solution.

### Strengthen Your Referral Muscle

Referral sources are made and not born. After looking back at the best referral sources of my career, I realized that most were individuals that my team and I had created as referral sources rather than ones who naturally, through their own style and capability, made referrals or endorsements.

If you think about your own client base, you will find that a small minority, normally less than 1% of your clients, actually introduces you to a new person year in and year out. These are your Referral Advocates. The reason there are so few is that most people are not network or sales oriented. In other words, they do not live by referrals in their own business and, therefore, do not offer them themselves. Clients tend to feel uncomfortable introducing their friends and associates to you. They are uneasy about making this introduction when the relationship between you and their friend or associate may or may not work out.

Because of this, when we ask for referrals, which is the best way to get business, we get the answer, "I can't think of anyone right now, but if I do, I'll be more than happy to mention you." Of course, we all know that rarely do they ever think of anyone.

As I said before, Referral Advocates make up just a small minority of your clients, but I believe there are actually two types of advocates to have in your client base. In addition to your referral sources who basically introduce you to their friends and associates, you also have what are called Reference Advocates. A Reference Advocate is very different from a Referral Advocate. This is someone who does not feel comfortable introducing you to their associates or friends, but has no problem speaking to a total



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stranger and answering questions about what it is like to work with you.

In my practice, we selected a number of clients whom we wanted as advocates and then asked each if he or she would mind acting as a reference for my team. In other words, would they be willing to answer a few questions from one of our prospects, someone they do not know, about what it is like to work with us. This had phenomenal results and served as a springboard for turning this person into a Referral Advocate.

Once you have selected the list of clients that you wish to have as Advocates, first and foremost, you need to have an Exponential Conversation™. This will allow you to strengthen your relationship with these clients and build trust at a deeper level with them.

Next, ask if they will be a Reference Advocate. This solves two problems: First, your prospect gets to hear that you are capable of providing the service you say you do.

Secondly, it allows your reference source to now, with little commitment on their part and with no risk of a broken relationship because they are dealing with a stranger, have an opportunity to practice and learn the “language of endorsement.” They are able to practice talking about you and to get comfortable with talking about you and your services. The long-term benefit is that the more comfortable they become with giving this endorsement to strangers, the easier it is to discuss this with people they know.

It is much like when you get a new product to market. The first time you give the presentation, it is not very good and you stumble through it. The second time, you get a little better. By the third time you give it, you’ve got your presentation down pat. Basically, it is now memorized, and

you present that over and over again to each client with virtually the same script. As a matter of fact, if we asked you today to repeat one of your scripts from years past, you probably have it burned into your memory and can still do it.

By repeating it, you learned the language and got comfortable with it. By repeating the process of introducing you and talking about you to strangers, your reference source learns the language of endorsement. They come up with their own script about you and are comfortable with it. Soon, they find they are more comfortable in talking to other associates and friends about you as well. Of the people who consistently gave my team introductions over my career, we realized that the vast majority were people who started out as Reference Sources and grew into Referral Sources after time and practice. I encourage you to take this multi-step process and first profile your existing client to build deeper, trusting relationships, then secondly, ask them if they would be willing to act as a reference and talk to strangers about what it is like to work with you. Give them the opportunity to do that several times. Then, continue to let them know that you want to grow your business with people just like them and that you would like to have the opportunity to be introduced to their friends and associates.

If you will try this, I think you will find that this very simple process can dramatically increase your referrals. Just like you work out in a gym to build up a muscle, this language of endorsement, in other words the Referral Muscle, is the same way. It takes practice, and being a reference advocate allows the client to practice in a safe environment until they are comfortable enough to talk with their friends and associates about you.

