

THE SIX C'S FOR BUILDING, GROWING AND MAINTAINING CLIENT LOYALTY THAT LASTS



As a professional working with the affluent, you can choose to spend much of your time in two ways:

1. You can constantly hunt for prospects and attempt to bring them on board as new clients.
2. You can do very little active marketing and instead focus on serving highly loyal clients who give you more of their business and refer you to their peers.

Which option sounds better to you? Chances are, there's only a small percentage of professionals out there who would go with the first choice. The fact is, we all want not just ideal clients, but ideal clients who stick with us over time and give us more of their trust as well as introduce us to their affluent peers. A devoted, delighted client base is vital to creating and growing a truly exceptional practice.

KEY TAKEAWAYS:

- Demonstrating that you have good character and are trustworthy is foundational to building client loyalty.
- Show clients that you care about them—as people, not just as revenue streams.
- Working collaboratively with clients can enhance loyalty significantly.

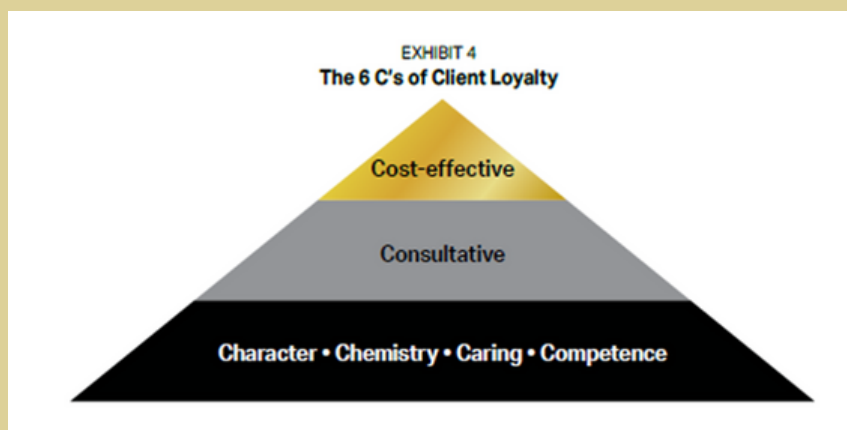
What's more, having an exceptional practice is more important than ever. Although many providers of professional services will be able to earn a good living for some time to come, we are moving toward an environment where relatively few of them earn most of the financial rewards. More and more, the world is becoming a place where the winners might not take all—but they'll take most.

WHAT IT TAKES TO BUILD LASTING LOYALTY

Regardless of your area of focus, you need a loyal clientele. With that in mind, consider adopting the six C's—the six factors that drive client loyalty.

1. Character
2. Chemistry
3. Caring
4. Competence
5. Consultative
6. Cost-effective

As shown in Exhibit 4, there are four foundational factors: character, chemistry, caring and competence. These four core factors work in lockstep. If wealthy clients see you as very caring, they are highly likely to also see you as having character, feel that the chemistry between you is good and trust that you are quite competent



However, having a foundation of character, chemistry, caring and competence will have little impact on how clients view you when it comes to being consultative or cost-effective.

Conversely, being consultative dramatically affects the four core factors. The more consultative you are, the more clients will see you as having character, feel there is good chemistry between you, and perceive you as being very caring and competent. And when you are highly consultative, clients will see the cost of your services and solutions as less of an issue.

Clearly, the six C's have a very complementary interaction. So let's consider each one individually.

#1: CHARACTER

Character entails the personal qualities that affluent clients want in their professionals. The most important is integrity—after all, clients must believe that the people advising them are honest. Likewise, trustworthiness and dependability are extremely important characteristics. When we talk to professionals about character, they consistently profess it to be important and assert that they have integrity and are trustworthy and dependable. However, we have found that many have a difficult time communicating character to their clients. Ask yourself: How do your clients know that you have integrity? How do they know you can be trusted? How do they know you are dependable?

The best way to demonstrate that you possess these qualities is by having in-depth conversations with your clients, ones that go beyond the facts and numbers to explore values and needs. If you show that you are interested in knowing your clients on a deep level, you will engender loyalty right from the start of the relationship.

#2: CHEMISTRY

Loyalty is strengthened when advisors and clients feel a personal connection with each other on some level. Chemistry occurs when you are in sync with clients—you see eye to eye on fundamental issues of importance, and you can almost predict what they want to talk about.

Chemistry is certainly important, but it's also something you cannot fake, which makes it vital to focus on working with people you really like and “get” on many levels. Serving only clients who are ideal for your skills and interests will help you build that chemistry like nothing else can.

#3: CARING

This should be obvious. You must genuinely care about your clients' well-being as people and not just as sources of income for you. But as with all of these traits, you can't simply say you care—you have to demonstrate it. Caring is about empathy and truly knowing what is most important to your clients, and not just their financial or legal goals and objectives.

However, these alone are not nearly enough. You must communicate that you really do have a good grasp on their world. And of course, you can show you care by revisiting their goals, needs, values and interests over time to determine what (if anything) has changed in important ways.

#4: COMPETENCE

You have to show that you are smart, technically capable and a leading expert who can solve the challenges that your ideal clients face. This is where an approach called credibility marketing can make all the difference.

Credibility marketing is designed to establish you as an authority in the eyes of your target clients. Publish articles for your target market in trade or association magazines, and then send reprints to your clients. Write and publish white papers and ebooks that highlight your expertise in addressing your target market's challenges. Give speeches and presentations before select groups on topics that are particularly compelling to your target market. The more you can communicate your competence, the more loyal your clients will become.

#5: CONSULTATIVE

This has become such a buzzword in recent years. But being truly consultative, however, is likely the most decisive factor in creating loyal clients, regardless of business model. There are three central components:

- Cooperative orientation. It's not about always doing for your clients, as the majority prefer a more collaborative relationship. Most affluent investors today want to work with their professionals, not have the expert try to take complete control over all decisions or "hold their hands" at every step. After all, many affluent clients acquired their wealth through hard work and savvy, and discounting their experiences can create a barrier to loyalty.
- Contact parameters. You build loyalty among your clients when you contact them appropriately, not just on a schedule such as a quarterly review. The reason for your contact is also key to building loyalty. Some of your contact should focus on family issues, current events, recent vacations and so on. Again, loyal clients are those who see that they're not just dollar signs to you.
- Customized communications. Off-the-shelf presentations that come across as such do little to create loyalty among affluent investors looking for expertise and creative solutions to their challenges. Remember: It's all about the client. This means you can't just rely on a standardized routine for each client meeting.

#6: COST-EFFECTIVE

You may have noticed that clients are generally becoming more price-sensitive in the absence of perceived value. They are forcing many professionals to lower the costs of their products and services whenever they can. The truth of the matter is that this is not about cost, but value. Most wealthy clients are willing to pay without debate for high-quality solutions to their complex needs. Moreover, they are usually willing to pay for services and solutions when they see the value.

Clients focus on costs when their professional advisors fail to focus on value. They want their professionals to deliver cost-effective solutions. This means not only providing value, but also making your clients recognize that you are providing value.

WHAT THE SIX C'S MEAN FOR YOUR PRACTICE

The good news is that each of the six C's is within your control. You can act in ways that communicate caring, that demonstrate your competence and that help your clients see you as consultative. Consider each factor and how to seamlessly integrate it into your practice.

Depending on your business model, some of the six C's may require either more attention or less. For example, chemistry becomes increasingly important if your goal is to support the full range of clients' financial or legal issues. And chemistry combined with the other factors leads to greater client rapport and openness. If you offer complex planning solutions, you need this rapport to conduct more comprehensive client evaluations and identify where your strategies can make a major difference. Finally, the importance of being competent, consultative and cost-effective increases as you offer additional services and products.

CONCLUSION

Taken together, these characteristics attract the right affluent clients, create authentic loyalty and act as the glue that holds the relationship together over time. Excelling in all six of these qualities requires you to build the right systems and processes, and have the right people in place, to deliver a consistently strong experience that demonstrates to clients that you are exactly the right person to help them make smart choices about the key issues they face.



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VFO Inner Circle Special Report

By Russ Alan Prince and John J. Bowen Jr.

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