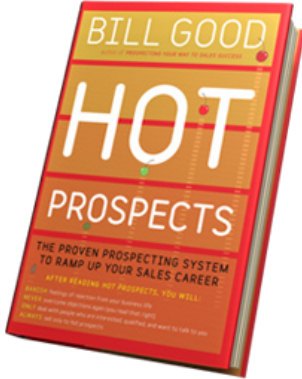


# Strategy #1: Keep What You've Got

## The Client Relationship Retention Formula

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## Biggest Threat

The first responsibility of any business is: keep what you've got.

That means your clients relationships.

Countless seers, gurus, and others have noted: it costs five times as much to get a new client as it does keep a current client.

The biggest threat to maintaining your clientele is not the other advisors and planners in your area. It's not even market turmoil, although without a retention strategy, you can certainly lose clients rapidly, and then falsely believe "it's not my fault."

It's you, and your lack of a client relationship retention strategy. It's you, on steroids, if you have also adopted "book pruning" as part of your business strategy. (See my white paper, *The Case Against Book Pruning*.) Whether you keep your clients or not, it's all about you.

## Client Retention Strategy: A Brief History

The first client retention strategy was formulated in 1982 or '83. I had just been hired to teach a two-day seminar each month for Dean Witter®. (Chris Gardner, *Pursuit of Happyness*, was an early student in these classes.)

A salesperson, who had worked for me in a previous life, before starting her own company, came through my training class. Her goal was to open 360 new client relationships her first year. I had previously trained her in the "cherries and pits" method, and she was off like a shot.

Two or three months into her roll, she called me. The conversation went something like this:

**Linda:** I have a problem. I have already opened (let's say 60) new



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clients. But already I'm starting to lose clients because I'm not calling them back. But if I call them back, I lose my prospecting momentum. What should I do?

(Interesting challenge. She doesn't want to call clients but will lose them if she doesn't.)

**Bill:** Why don't you try this? Call them during times they are not likely to be there, and leave a message on their voicemail machine. That way they will at least know you are trying to stay in touch, and can call you if they need to.

So that was the first client relationship retention formula: Call clients when they're not likely to be home and leave a message.

It worked—at least for a while. But a few months later, we had another conversation.

**Linda:** I'm getting too many clients to call them every month. What should I do?

**Bill:** Call half of them every month. In downtime on nights or weekends, send the other half a piece of Dean Witter research and a note saying, “Here's some info I thought you could use.”

That became the second client relationship retention formula. It worked long enough to get Linda through her first year. That year she won a prize for opening the most new accounts at Dean Witter.

I then forgot about client retention for a few years.

Fast forward to about 1988.

The Bill Good Marketing System® is now on the ground a year and a half or so. After the speed bump of 1987, “brokers” are concerned about keeping their clients. I was getting a lot of questions about what



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to do.

I did not have a ready answer. I had actually forgotten about the “formula” I had developed for Linda. One day, I read an article in the Wall Street Journal® reporting on a survey conducted by the Journal, of investors who had left their “broker.” (That terminology is of course outdated and no one refers to him or herself in that way now. But that's what it was then.)

The article reported three reasons people listed for leaving their broker.

1. Bad investment advice.
2. Bad or no service.
3. Never hear from my broker.

As I studied that article, my thought was: if these are the reasons people leave their broker, and if we handle that, there is my client retention formula.

Over the years, I have made a few tweaks to the original.

After reading a series of surveys that stated that what investors want most from their broker is “information that makes me more knowledgeable,” I added the step: “At least once a year, invite every client to an educational seminar appropriate to his or her knowledge level.”

While we have had a “financial emergency plan” since the late 90s, I have recently added that emergency-plan step to what we now call the “Client Relationship Retention Formula.”

But first, a short discussion of ...

### **Do I Have To Keep Them All?**

No, you don't. There are three categories of client who should not be retained.



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*The Case Against Book  
 Pruning* white paper.  
 Get it at:  
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1. **Jerks.** These folks are nasty, mean to you and your staff, always raining on your parade. Life is too short.
2. **People who will not follow advice.** Obviously, I don't mean just the people who occasionally won't do what you tell them to do. I mean the people that will not follow advice. These people need to go where they can get good advice.
3. **People who will not accept your call.** This is really a subcategory of “will not follow advice.”

Interestingly, many of these can be resurrected through our *Find the Money* campaign which cuts like a roto-rooter through a “refusal to communicate” root ball.

With that in mind, let's look at how to keep everyone else.

## The Client Relationship Retention Formula

A few years ago, I changed the name from “Client Retention Formula” and inserted the word “Relationship.” The reason is that it became apparent people had clients with assets on the books, who they couldn't call. The relationship might as well have gone to another advisor. So we focus on the relationship, not on asset retention.

As you read this, please note: you can implement every one of these principles without having the Bill Good Marketing System. You will have a LOT of work to do. That's why, for each principle, I'm telling you what we have developed to make your life easier.

1. **Provide good investment advice.** Obviously, this is nothing with which I can help you. I am a marketer of financial service, not a seller or provider. But I long ago concluded this because **a)** it was the first point mentioned in the Journal article, and **b)** I know too many people who have provided good investment advice and still



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lost clients. It's part of the formula because it is necessary, but not sufficient for client retention.

**Bill Good Marketing provides:** Nothing. Our policy is that this is your area. It's not what we do.

2. **Provide great service.** There is not an investment professional reading this piece who came into the industry to do service. Your heart isn't in it. You do not get compensated directly for it. In fact, you're not that good at it. Yet it consumes the vast majority of your day. To the extent that you are doing your own service, I assure you, your clients are not receiving top-quality professional service. As part of your growth, you must accept the fact that full-service firms will not provide full-service support for you. The economic reality at today's firms is that you have to make up the difference. It's imperative that you figure out a way to put together the money to build a team so you can provide the best service possible. For further help on this subject, see my *Surefire Team Development* white paper.

**Bill Good Marketing provides:** We provide a job description and training to service assistants. We have a seven-step process which, when executed, gets your clients to quit asking you for service, and only ask for the correct person, your service assistant.

3. Every client gets a letter every month until he or she dies or you die, whichever comes first. This is just a variation of the original formula I did for Linda. It's just common sense: if everyone and their brother is trying to rip off your clients (and they are), you have to fill the available mental space they devote to their investments. One way to do it is to send material that they will read.

**Bill Good Marketing provides:** Our Letters Library® is stuffed with 2,300 letters and 300 articles. Most of these letters and all of the



In our FREE “Two Year Marketing Plan,” you will get answers to these questions:

Is it even possible to convert to fees without taking a pay cut?

How long could it take?

How long will it take to double my business?

Can I double in as little as two years, and if so, how?

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articles were written by system users. This is the largest library of field-tested marketing material anywhere. In addition we have developed basic, intermediate and advanced monthly drip campaigns, and a monthly drip marketing strategy directing the FA to exactly which letters to consider.

4. Every client receives a phone call four times a year from someone in your office. No question about it, mailings alone won't keep your clients. There must be personal contact. How often? In the original formula, I said “90 days.” That mostly works. The trick is being able to track it, which we are able to do in the Gorilla® software.

**Bill Good Marketing provides:** The most important thing we provide is a method of keeping track of the people who have NOT received a personal contact within their “no contact” interval. We also have both registered and non-registered no contact scripts.

5. Send out lots of etiquette messages. “Etiquette messages?” That's right. These are the letters your mother wanted you to write. They are things like:

Thank You

Appreciation

Get Well

Condolence

Appointment Confirmation

Welcome New Child

Happy Anniversary

**Bill Good Marketing provides:** As part of the Bill Good Marketing System, we have an “Etiquette Letters Book” that is updated once a year. It contains copies of all 200-plus pages of the etiquette letters we



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have created over a 20-year period. Frankly, some of these letters are magic.

6. **Participate in Family Celebrations.** The key celebrations are: birthdays, Memorial Day, July 4th, Thanksgiving, Christmas, wedding anniversary, birth of a child or grandchild, and yes, even funerals.

Of these, the most important by far are our birthday letters, especially birthday letters for kids and grandkids.

**Bill Good Marketing provides:** We have 200 birthday letters, 100 for men and 100 for women ages 1 to 100. Believe it or not, birthday letters get much better response than birthday cards. Everyone sends cards. But when your clients begin receiving these letters and get a different one every year, you better not skip a year, because you will get phone calls asking if you are okay.

In our Letters Library, we have a very deep selection of Memorial Day, July 4th, Thanksgiving, and Christmas letters. Frequently, these letters get read aloud at family gatherings. That's how good they are. Again, a letter is far more important than a card.

We have developed what we call the “Wedding Anniversary Procedure.” When you implement this procedure, every year the husband gets a letter reminding him of his upcoming anniversary, and letting him know that you, as his financial advisor, are taking precautionary steps to ward off an event that could negatively affect the family net worth. On milestone anniversaries—1, 5, 10, 15 ... 60—the anniversary couple gets a letter written in the form of a toast. Believe it or not, but the toast often gets read aloud at the celebration party.

We have a wonderful selection of letters for birth of a child, even a letter when the child is adopted. And our condolence letters are so



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powerful you will frequently get a request to reproduce them in the booklet people prepare in honor of the deceased.

7. At least once a year, invite every client to a Client Educational Seminar.

From 1996 to 2004, the Securities Industry Association (now SIFMA—Securities Industry and Financial Markets Association) published an annual survey. This statement appeared in all the surveys I read.

“The securities industry should be doing more to educate the public about how to make good investments.”

Around 80% of investors agreed, or strongly agreed with that statement.

Obviously, rocket science statistical analysis was not required to conclude that if 80% of investors want something, you should probably provide it.

**Bill Good Marketing provides:** We have a library of client educational seminar invitations as well as a “Client Educational Seminar Calendar.” Invitations should go to targeted groups, but everyone should receive the calendar as an insert in the monthly drip letter.

8. At least once a year, every client should receive an invitation to a thorough performance review. With more and more advisors converting to fees, it is vital to render service AND to be able to prove service rendered.

The periodic client review is not only a way one renders service, but is vital in identifying and capturing additional assets.

**Bill Good Marketing provides:** With the release of Gorilla 4.0, we introduced a new financial planning checklist that not only enables you to keep track of what services you have provided a client, but also



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enables you to give the client a status report on each of these services. If you have not seen the video demos yet, see the two Gorilla 4 demos on “My Data.” You will find these at [www.BillGood.com](http://www.BillGood.com).

We also have a comprehensive set of client-review letters. We have set up a process that enables the FA to note which client should receive which letter. The CO then takes that Record Update Form and sends the letter, and also adds a follow-up action for the Sales Assistant or FA to call and set the appointment.

9. At least once a year, invite every client to a client appreciation event. It certainly helps if your clients feel they are part of a happy, successful group. While certain clients can be invited to higher-end events, we have developed a number of ideas for relatively low-cost events that make it economically possible to invite everyone.
10. Be prepared for a financial emergency. In times of crisis—and there seem to be more of these, not less—clients tend to make bad decisions. They invested as the market went up, and when it crashes, they want to bail out, putting them in the position of buying high and selling low.

The centerpiece of this strategy is a set of handholding messages based upon research done at DALBAR, the top market research firm in financial services. This research, referred to as “Quantitative Analysis of Investor Behavior (QAIB) shows:

“Investment return is far more dependent on investor behavior than on fund performance.”

From a PowerPoint® presentation DALBAR prepared a couple of years ago:

“QAIB shows that a huge value that advisors add is preventing investors from making wrong decisions in the future.”



## DO YOU MAKE THESE PLANNING MISTAKES?

You don't have a plan.

("The person without a plan will wind up somewhere."  
- *An Unknown, but profound philosopher*).

Your plan is just a wish list.

("If wishes were horses, beggars would ride.")

You wish you had a plan. (Again,

"If wishes were horses ...")

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What are those wrong decisions?

"Buying high and selling low."

**The financial emergency plan is:**

1. After the last emergency, and before the next one, educate your clients.
2. At the first sign of panic, immediately get a handholding message out the door. We will get one posted that day. As well, we have a very deep library from previous emergencies.
3. Whoever is not working on the handholding message gets on the phone. You call. If you cannot reach the client, leave a message and tell them to check their email, fax, or mailbox.
4. The very minute calm takes over, mail the handholding message to prospects. Then get on the phone and call. When you get someone on the phone, you say, "We sent you the message headlined "Keep the Faith." Just one quick question: has your advisor been in touch frequently to let you know what you should be doing?"

**Bill Good Marketing provides:** In times of crisis, we are prepared to get new handholding letters to over 40 compliance departments just as soon as a handholding message makes it through our own compliance process. We typically get approval back the same day, sometimes within minutes or hours. We also provide leadership and help so that you can get the messages out the door. This means you can be doing what you need to do, which is get on the phone and call the people who urgently need a phone call now rather than later.

We've built a special campaign that enables you to send these messages by the fastest channel possible. You dump all of your clients into a campaign. First we send e-mail. Then people who don't have e-mail may have a fax, and of course we are set up for electronic



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faxing, so that goes next. Finally, people that do not have or use their e-mail get a printed letter. This process makes it reasonably possible to get things out the door today.

We have had this system in place since 1998. It received a test on 9/11. As I write this in late October 2008, we have set out ten handholding letters in September and October.

## The Ultimate Test of the Client Relationship Retention Formula

The ultimate test came in a form I had not expected—compliments from advisors who had changed firms. Now let me be clear. I never set out to design a system that would enable people to change firms.

However, as early as 1988 or so, I began receiving a most unusual set of phone calls. A typical call would go like this:

“Bill, we have been on the System now for a couple of years, and I just changed firms from ABC to XYZ. The last time I changed firms six years ago it was like getting poked through a keyhole. It was months, and I lost lots of my clients.

“But this time the transition was over in about a month ...”

These calls, to my mind at least, demonstrate that the client retention system I have just outlined will enable you to keep your clients under the most competitive pressure this industry can bring to bear: the firm change. During that change, “the enemy” not only knows who your clients are, they have their names, addresses, phone numbers, and account holdings.

Today, an advisor on the Bill Good Marketing System can pull off a firm change in 30 days and take 90% of client assets.

So if someone implementing this formula can, under the most intense competitive pressure, keep 90% of their clients, imagine what it can do for you.



"I designed my system to help you double production or work half as much. Over the years, thousands of financial advisors have accomplished more in less time because they have followed my time-tested, proven system. The system works if you do."

**Bill Good**  
**See an overview of the Gorilla CRM!**

## More Info

Bill Good is Chairman of Bill Good Marketing® and author of *Hot Prospects: The Proven Prospecting System to Ramp up Your Sales Career* ([www.HotProspectsBook.com](http://www.HotProspectsBook.com)).

Based in Draper, UT, Bill Good Marketing has products and services designed to help financial advisors create the time and money to pursue their other goals in life. For more information, go to [www.BillGood.com](http://www.BillGood.com).

For the latest information about our products and services, please contact us at [800-678-1480](tel:800-678-1480). Ask for Jill Maples.

And be sure to check out a few of our other White Papers.



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This information represents the current view of the author as of the date of publication. This report represents 185 advisors who responded to the invitation to participate in the survey. Because of the rate at which conditions are changing, the author reserves the right to alter and update his opinion based on new conditions.

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