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CREATING LONG-TERM CLIENT RELATIONSHIPS

In my previous article, I suggested the key to sustainable differentiation was the creation of a positive and distinctive professional relationship with clients. Unfortunately, as happens socially, relationships tend to get taken for granted – nevertheless, in reality, relationships don't just 'happen'.

One of the biggest frustrations advisers tell me they have when it comes to developing introducer relationships with solicitors and accountants, for example, is how long it takes to start to see referrals coming through. When I dig below the surface however, it is clear that, very often, there is no clear strategy to deliberately and consciously nurture the relationship to build credibility and trust.

Everyone understands the concept of 'lifetime value of a client relationship'. Many providers have, over recent years, developed retention teams to defend against client defections and potential 'churning'. Indeed a good friend and former colleague of mine has just been appointed to lead a team of people focused purely on retaining an existing book of corporate pension schemes.

So, how do you go about building long-term, profitable client relationships? Frankly, the same way you would establish and maintain any other relationship – through what you say and what you do. Clearly, from a professional standpoint, understanding exactly what your clients want from you is a great starting point to creating the perception of a positive, distinctive and professional relationship but, sadly, too few advisers have ever asked that question of clients.

It might be clients have never stopped to even think about the answer to that question, but the very act of asking it starts to build the perception that "this firm/person is prepared to take the time to understand exactly what I am looking for". That has got to be a great place to start building a long-term relationship, hasn't it? In fact, until you know what they are looking for, how can you be certain you can deliver it?

Once you understand what clients are looking for from their relationship with you, you can turn your attention to thinking about how you can consciously and deliberately nurture the relationship and create absolute confidence in the mind of the client – that you are exactly the right adviser to provide it.

Ask yourself – what do you need to say or do to demonstrate to them that you will:

- Have their interests at the centre of everything you do?
- Understand their situation and needs?
- Have the necessary knowledge, skills and capabilities to provide the advice they need?
- Be accessible and responsive?
- Be reliable and trustworthy?
- Keep your promises and consistently do what you say you will?
- Keep them informed about progress?
- Communicate relevant information regularly?
- Let them know when something happens or changes that affects them personally?

The challenge is that you have a limited time during a first meeting to develop a level of credibility and trust that gains the client's initial commitment – and, of course, saying you will do all these things and actually doing them are not the same thing. Real trust and loyalty comes from actually delivering on your promises – without fail.

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