



THE PSYCHOLOGY OF REFERRALS

What the client sees when asked for a referral

Why don't you get more referrals?

Being a great financial advisor is merely the first step in receiving referrals from clients. Ultimately, you need to make clients feel safe and important to your business through your actions to overcome the thoughts, objections or questions that may come up for them. How can you do that? By creating a referral-worthy client experience and ensuring these four elements are represented:

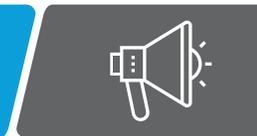
Structure: humans feel safe when boundaries or processes are clear



Personal: everyone wants to feel understood and unique



Repetition: we take comfort in consistency and correctly anticipating what's coming



Remarkable: the best experiences are worth talking about

Use the following checklists and exercises to create a client experience that sets the stage for referrals.

SET CLEAR EXPECTATIONS

In every client interaction, consistently answer the questions below to reiterate your value and your impact on their lives. Use the open space to write questions of your own.

What benefit will they gain by working with you?

What process will you use?

How will you communicate with them?

What will you do to ensure the value you provide will exceed the cost?

ENSURE CONSISTENT COMMUNICATION

It's important to stay top of mind with clients throughout the year. Plot client contact points including statements, email newsletters, regular phone calls, seminars and events, review meetings and/or client surveys on the diagram below. Note any gaps or clusters of communications that could be spaced out.



SOLVE CLIENTS' NON-FINANCIAL NEEDS

Become a reliable resource by providing high-quality referrals of your own. List six professional partners, client businesses or local resources that you would feel confident referring.

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

REMOVE REFERRAL FRICTION

Make it easy for a client to share your information. Be sure to check with your compliance department before implementing any of these ideas.

- Create an electronic contact card with your up-to-date information
- Send the electronic contact card to clients while they're in your office, making it easy to save and find later
- Consider adding information for prospective clients to your website
- Ensure it's easy to share articles and other relevant information from your website
- If your business is active on social media, add hyperlinked icons to your email signature and website
- Connect with current clients and prospects on appropriate social media channels
- _____
- _____

REDEFINE SIGNIFICANT MOMENTS

Celebrate meaningful, yet less-obvious moments in your clients' lives such as:

- Six months before they retire, when they may need a boost of motivation
- The one year anniversary of their retirement
- Paying off their mortgage or student loan
- Becoming empty nesters or using that 529 for college tuition
- _____
- _____

HOST HIGH-IMPACT EVENTS

Maximize the success of client events by hosting unique functions people will want to attend. Some creative ideas include:

- Summer picnic or crab boil
- Tasting classes to learn about cheese, wine, tea, chocolate, etc.
- Get outside and go fly fishing, hiking or golfing
- Develop a new skill in a painting or cooking class
- _____

Partner with a professional in a different field to present an engaging educational event.

- Health experts
- Personal organizers
- Technology educators
- _____
- _____

Identify groups in your community such as small business groups or professional organizations that may be interested in bringing you in as a guest speaker.

- _____
- _____

WHAT'S NEXT?

Take steps to put your referral statement into practice.

- Identify your top 10 clients, not necessarily the largest but the most likely to be advocates for you. They're clients that are highly engaged—you've established good rapport with them, they read your emails, attend events and provide you with thoughtful advice
- Note the date of your next meeting when it might be appropriate to broach the topic of referrals
- Write down who your ideal prospect is for an introduction

CLIENT NAME	DATE OF NEXT MEETING	IDEAL PROSPECT

RESPONDING TO EMAIL INTRODUCTIONS

Follow the below steps when a client has introduced you to a prospective client via email.

- Reply to the email as soon as you're able, thank the client for the introduction and introduce yourself to the prospective client
- Call the client making the referral. Find out how they know the prospect, why they think you'd be a good fit and how you might be able to help
- Call the prospective client. Find out what they might already know about your business and ask about the relationship with their current financial advisor, if any, to reveal potential pain points

EXPRESS APPRECIATION

Showing your appreciation to clients who send you a referral may determine whether or not they do so again.

- Send a handwritten thank you note and gift, if appropriate, acknowledging the referral
- Express your appreciation that they trusted and had the confidence in you to refer someone
- Tell them how much you enjoyed meeting their friend or family member, especially if the referral didn't work out to ensure the possibility of a future referral



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