

Give to get: Strengthen your referral network through education



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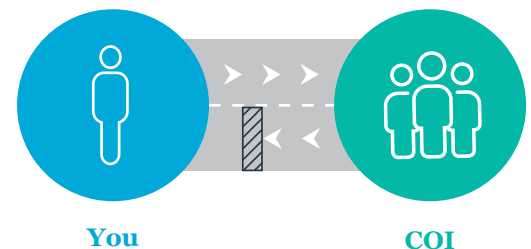
In theory, your relationships with CPAs, attorneys and other professionals should be a busy two-way street of referrals. With similar target audiences, yet distinctly different areas of expertise, these centers of influence (COIs) should be eager to partner with you to serve clients more comprehensively.

However, COIs may be reticent to make introductions, despite the undeniable potential for a win-win. One way to weaken that resistance – and strengthen your relationships with potential referral sources – is by providing free education.

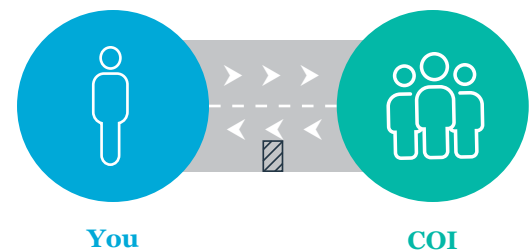
Understanding and leveraging the reciprocity principle

Referral relationships work because humans are hardwired to act in a reciprocal manner: when we receive, we feel compelled to give back. So why doesn't sharing a referral ensure that you get one in return? One reason is that a referral also entails risk. COIs may fear that if their clients' investment portfolios decline under the watch of someone they recommended, that could irreparably damage a client relationship they've worked long and hard to build.

The perception of high risk often poses a barrier to referral reciprocity



Offering education clients need entails far lower risk



Change the risk calculus

And how do you lower that perceived risk? Rather than leading with your value proposition as a wealth manager, try offering education. The idea is to provide tailored guidance their clients need (but the COI can't offer). At the same time, you can potentially meet the COI's need for professional continuing education. By changing how they perceive what you're offering, you change the risk calculation.

Here's how:

1

Choose a topic that complements – but doesn't compete with – the COIs' areas of expertise. Think about questions that CPAs or attorneys may face from clients that they aren't generally equipped to answer and that highlight your ability to guide clients with complex issues. Some examples:

- Make the most of **Social Security** benefits
- Create a culture of **family wealth stewardship**
- Integrate **tax and wealth planning**

2

Deliver a program that is eligible for continuing education (CE) credit. CPAs, for example, are required to take a minimum of 120 hours of continuing professional education every three years.

3

Follow up to gauge their reaction and keep the conversation going. If they found the content valuable, you could say you're planning a similar program for investors and ask them to invite any clients they think would benefit from the insight. From there, you can gauge if and when you might ask for a referral.

Keep in mind that no single educational event is likely to trigger an immediate referral, and some COIs may never be willing to share their clients with you – no matter what you do. However, this simple approach can change the risk calculus of a referral and make it more likely that the COI will think of you the next time they field a question about the topic. And that sets the stage for a more fruitful referral relationship.

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