

## Human-Centric Investing Podcast

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Episode 19: The Word of Mouth Influence Hierarchy (Part Two)

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Featured Guest: Stephen Boswell, president of The Oechsli Institute

**Intro** This is the Human-centric Investing Podcast with John Diehl where we look at the world of investing through the eyes of our clients. Take it away, John.

**John Diehl:** Hello, financial advisors. This is John Diehl, Senior Vice-President of Strategic Markets at Hartford Funds. Welcome to Episode 19 of the Human-centric Investing Podcast.

Back with me today to complete a conversation we had in our last podcast is Stephen Boswell, president of The Oechsli Institute. Stephen, thanks for joining me again.

**Stephen Boswell:** You're welcome. Hello, everyone.

**John Diehl:** Well, in our last podcast, Stephen, we started to talk about the word of mouth influence hierarchy and we have made our way through the first two levels of that pyramid, if you will, of the hierarchy.

And I'd encourage folks that are listening today, if you didn't catch that podcast, go back and see if you can listen to that as well because just like the influence hierarchy, these levels kind of build on one another.

But just so you know, we've created a workbook for this content that you can access in the show notes or you can go to [hartfordfunds.com/influence](http://hartfordfunds.com/influence). Again, it's [hartfordfunds.com/influence](http://hartfordfunds.com/influence) and you can look at these materials all in one place.

And also a reminder that Stephen is booked for a September 12th webinar, 4 p.m. Eastern time on September 12th where we'll be talking about this same material.

So mark your calendars. Well, Stephen, last time as I mentioned, we had made our way through the first two levels of the hierarchy where we talked about exceeding professional expectations and then we thought about emotionally connecting with our clients and some of the methods and processes that one might approach those things in with a systematic mindset.

The third level of the hierarchy is called "Activating Conversations". What do you mean by activating conversations? And I have a feeling that this is a pretty important part of the process, right?

**Stephen Boswell:** Yes, I would say – it's hard to say which part is more important than the others, but this one, I would say is the – probably the most critical – it's probably the biggest missing link in the (middles or laggards) in their strategy.

When we're saying "activating conversations" we're – it's based on the premise that, hey, there's a lot of advisors out there who are doing a good job for their clients and they know their clients pretty well personally.

But they're not getting the referral flow they want and it's a flawed model to say that, we're just going to do a good job for people and they're going to refer us when they feel like it. Well, I should take that back. It's not flawed.

It's just not going to put you in a high growth mode like the generators are. So it takes you stirring the pot. It takes you putting them in some situations where it's really natural for them to talk about you. And that's what activating conversations is all about.

- John Diehl: So as I think about this, right, I think you just named it there. We all think that – look, our clients oftentimes are our friends, right?
- We've got relationships with them and we just kind of think that obviously they're telling other people about us, but that's not always the case. And sometimes you feel a little uncomfortable asking for that referral from somebody that you regard as a friend.
- You've outlined different methods, Stephen, in the workbook that advisors can think about to activate the conversation, make them productive. Can you touch on a few of those and just give us a couple of examples of how that – how this might work for an advisor.
- Stephen Boswell: Yes, and as we had talked about last time, it's not so much asking for referrals in the traditional sense because it just turns the conversation awkward so quickly that we're trying to think of some other ways that you can get people talking about you without having to resort to that.
- So if you were looking at some of the core strategies, and again, this comes right out of the advisor and the affluent research, a strategy like arranging personal introductions would be part of a core strategy.
- So as opposed to asking, "John, who do you know that might want to do some business with me," I might identify that, "Hey John, I've always wanted to meet (Don). What would be the best way to personally introduce me?"
- And just at social capacity, maybe we all go out for beers one night. All right, so I'm – it might sound like semantics, but it's vastly different because I've identified the specific person I want to meet and I've set it up in a nonthreatening venue, just us having beers or lunch sometime.
- So you're looking at core activity, something that's repeatable, something that you could be doing every week of the year with great impact, personal introductions is one of the keys.
- John Diehl: Interesting. We talked in the last podcast about emotionally connecting and we talked about that kind of – of the, know your client worksheet if you will, where we're gathering information.
- If we know that a client of our is a member of an organization, maybe saying something like, "Hey, I know you've mentioned John several times. I'm kind of interested in meeting this guy. Is there any way we could meet up?"
- Right? So it kind of connects like we talked about to the building blocks that we've already started to build in some of those emotional connections, right?
- Stephen Boswell: A hundred percent, and if you think about it is if everybody on your team, whether there's one of you or 20 of you, is focused on what we called sourcing names, and that is nothing more than uncovering names in conversation that your clients are dropping, not to pounce on, but just to catalog them.
- If you do that every day of the year, you end up with a great resource, which is every one of your top clients with a web of contacts around them that you know about and it really sets the stage for some proactive introductions as we've described.
- You can do some of that through conversation. You can do some of it through LinkedIn nowadays. Just going in and identifying specific people you'd like to meet.
- Now, how do you activate conversations? Well, sometimes the best way is just to ask but not to be shy about it. When you look at the close cousin of this, it would be, as we've described in the work book, social events – guest worthy social events.
- So instead of doing it a one-to-one, "John, I'd like to meet (Don)," it might be that we're doing this in a group of maybe eight to 15 people at a minor league game or a beer tasting or a golf clinic or a gardening clinic or fashion and finance.
- You've all – if you've been in the business any amount of time, you have heard some great client event

ideas, but how often are you doing these? How systematically are these run throughout your practice?

John Diehl:

And what I find, Stephen, is a lot of times the idea of the guest worthy social event seems a lot more difficult than it actually is, especially if there's someone in the practice that's kind of good at, kind of arranging these kind of things, so you give it challenge to say, "Hey, what could we do for our clients that's a little bit different?"

And I'll add one other thing, is that as we participated in these, I think the guest get as much from meeting other guests, other people in your practice that they've never met before than they do even participating in the event, because look, as we age, sometimes our social circle start to shrink and it's always nice to meet different people that maybe the one thing we have in common is we use the same financial advisor, right?

Stephen Boswell:

Right. Yes, isn't that neat? You see client bases get to know each other over the years, and I think it increases the loyalty to that advisor.

John Diehl:

Absolutely. How about any of the other methods, Stephen, that kind of pop into your mind to say this is something. Obviously, you all have seen many of these methods used, but any additional methods you'd highlight?

Stephen Boswell:

Yes. Well, when we look at how do you activate conversations? The first two things that came to mind came to mind for a reason. They are the biggest things you could do to generate these kind of conversations.

When you look beyond that, think about it this way. What if you knew a number last year, the number of times that somebody spoke favorably about you to somebody else? Just any – all of your clients together, just a number – that you will never know, by the way – but let's say, for example, it was 212 times last year that somebody said your name favorably to somebody else.

How do we raise that by five or 10 or 100? It's done through a lot of little actions. And so, when some of these other ideas might seem like fringe actions, but all together it tends to have you spoken about more frequently, so think about things like this.

When you send a client a small gift, is it something that's very visible for other people to see like some flowers when you know they're having family in for the holidays or a basket of baked goods sent to their office where you know they're going to be sharing it?

So when you send a gift, it's a quick way to get your name in the mouth of your clients because unless they take credit for this basket of baked goods, they're going to say where it came from.

When you're thinking about books and resources that you have, giving clients extra copies of it. We've got some clients who've got in their office a stack of books that are pertinent to business owners or a stack of books that are pertinent to clients with younger kids.

And when they have somebody come in who they know is a good center of influence, they'll give them not only one copy for themselves, but to give them a number of copies and say, "Hey, I've got a bunch of these. Give them out to a few of your friends." Now again, unless they take credit for it, they're going to speak about you when they do so.

Drops in at their office, call in if you're in the area to say, "I'm going to come by. I'll bring you coffee." It's a good way to meet people. There's just a lot of little things that you could do to get yourself spoken about more often.

John Diehl:

Well, and I know in terms of events, you listed a number of different events in our workbook, Stephen, just as examples, but, I mean, I would definitely say one of the first things you want to think about when you're thinking about events is what are the things that you, the financial advisor, enjoy, right? Because often times we can get excited, passionate, make it more energetic if it's something we enjoy as well.

But I think thinking of the ability to call a client and say, "Hey, I'm calling because I thought of you today.

Remember the conversation we had about your love of antique cars or your love of automobiles in general or your love of baseball or your love of whatever it is, and I just want to let you know we're getting an event together probably in about a month, and I thought you'd really like to know about it."

I mean, I think, again, that whole idea -- that's why I think it's so important that the advisors understand what you're talking about in a hierarchy that one level leads to another because you've got some great even ideas in our workbook, but obviously not an exhaustive list, right?

Stephen Boswell: Well, yes. Exactly. The hard -- the easy part of doing this is coming up with a list of ideas because if you've been around a little while, you've heard of some great ideas, and it tends to be when we do a workshop on this and we bring up this topic and we'll say, "Share with us some ideas," you'll hear three white boards full of ideas on events that people have heard.

Then you ask the question, "Well, how many of these are you doing every year? How systematically are they happening in terms of how you set them up, how you execute, how you follow up?" And there's just not that level of excitement when there should be.

And if you think about this part of the process, when you think about activating conversations, let's say that once a week you're asking for a personal introduction using some of the language we shared earlier and if, let's say, once a month or even once every two months you do a small event that's something fun and unique and interesting, interesting enough for them to bring a guest, you're doing better than 95 percent of the advisor population in terms of activating word of mouth, and it doesn't take that much effort to pull it off.

John Diehl: And Stephen, in terms of results, have you found that client events do or don't make a difference in terms of referrals and things like that?

Stephen Boswell: When we -- when people come to us for marketing advice, we give them a short list of options basically. From our research, there's only so many things that'll work for client acquisition in the affluent space, and we tell them, "You don't have to a balanced approach of all of these things, but you want to get really good at, at least, a couple of them.

And one of those almost always is client events because it's kind of hard to screw up with these things, right? Even if you pulled off an event that you would say is a B level event, it just wasn't your best, you didn't get much business out of it, more than likely the worst case scenario is that you built on the loyalty of those clients who attended and you had a good time together.

It's kind of hard to say that you wasted any money with that approach. Now, if you're really good about it, and this is -- it's amazing all the thought that can go into an event to really make it worth while from a new business perspective, but if you're really good about it and you're thinking in advance about what events you host, who you'll invite, who they'll invite to come with them, these can be fantastic for new business, but you got to have -- you got to have thought about that well in advance of ever organizing or putting this even together.

John Diehl: So Stephen, the last piece of the pyramid. So we've moved through the other pieces. We've not got some clients really primed to help us with referrals. The last piece of the pyramid is called "refining the narrative." What do you mean by that?

Stephen Boswell: So if we've got some people in your practice who think highly enough about you to tell other people, let's say they're bringing people to your client events, they're recommending you, you want to equip them with a storyline that's compelling.

And so, we've given a few examples, three things in the worksheet here that we think add to a great narrative, but it's important to look at how you get this information across to them. This doesn't come out as a one sheet you pull together and hand out to all your best advocates. Here's your script.

And it doesn't come all in one dump of let me sit down and I'm going to tell you all my story. Think about it as just spaced repetition over time, that over time the more you're able to give them information about these three things, and these three things are your background, basically how you got in the business, number two, your ideal client profile who makes a good relationship for you

nowadays, and number three, what differentiates you.

And if you can get those things across to them overtime, they're telling people about you in a much more compelling way than, "This is Stephen, my financial advisor. He does a good job."

John Diehl: So Stephen, when I think about your background, right, and I think the way you used it there is a little bit different sometimes than what advisors think. Like, when we talked about your background, you don't want me necessarily to recite where you got your degrees and how many degrees you got and how smart you are and all that stuff.

You're talking more about the emotional side of your background aren't you? It's what it sounded like to me.

Stephen Boswell: Yes and think about that as it relates to maybe the profiles you put up online. So let's say for example your LinkedIn profile. How interesting is it to read somebody's LinkedIn profile when all it does is recite where they went to school and what degrees they got and some technical stuff about their current position? It's boring.

Then the same when you're telling it verbally. It's a lot more engaging when you're saying "Well here's why I got in the business. I grew up, we had no money. I saw family members struggling with this and I was dedicated at that point." So maybe that's your story.

Or maybe it is that I spent the first half of my career in the IT industry. And I realized, boy, technology can have a real impact on investing are any number of things that are just a little bit more of narrative then they are clinical.

John Diehl: Yes. And why is it important to share your ideal client profile with these folks that may be referring people to you? And what's a good way to do that?

Stephen Boswell: Yes. And I'll back up a step John. Because I think we didn't – I didn't mention really why share your background.

And I think when you think about why your background is helpful people like to give a narrative when their explaining a referral. So for example if I'm telling you about a painter that I've used, and I'm saying "Yes, he does a great job.

Well you'll notice he got into this business – he's from Nicaragua. He moved here. He got into a car accident. You'll notice he's walking with a limp." If I give you that story it's a little stickier in your mind then just saying "Yes, he does a good job. Call him he'll give you a quote."

John Diehl: Right.

Stephen Boswell: And the same with advisors. If I'm able to say "Hey, this is my advisor. He's got a great story. He started off as an IT executive and moved into this industry. I think you'll really value that perspective." It's just a little more compelling.

John Diehl: Absolutely.

Stephen Boswell: Anyway, I'll get back to your original question.

John Diehl: Yes.

Stephen Boswell: Which was why the ideal client profile, which is a little more directly connected. Where you are – you are trying to help them understand the type of people you work best with. And maybe that jogged some thoughts about people they could recommend to you. And so how do you do that without it being a strict, here's the level of assets I see?

John Diehl: Yes. Yes, right.

Stephen Boswell: Because they don't know. They don't know how much money that person has. So you're trying to think

about it more in terms of where somebody might live, which stage of life they're in. You're making it real in terms that the client gets and actually has some knowledge of. They don't know their assets but they might know the line of work or stage of life or what they're in to.

John Diehl: And the last piece of this Stephen, you talk about understanding what your true differentiator means. And obviously that's something that takes some introspection about yourself or your team and how can advisors determine this. What do you suggest? What is – how do you define your true differentiator?

Stephen Boswell: This started with some research we did on advisories and where we asked what do you think differentiates you? And over half of the respondents came back and said that service differentiated them, which is kind of an oxymoron. If you have over half of the people who say that service is their differentiator, is it really a differentiator?

John Diehl: Good point.

Stephen Boswell: And you know it's got to be really – it's not that it couldn't be – it's just got to be super extra special if it's going to be something that sets you apart.

And so we try to help them think about it from different angles, because if you look at the – if you just look at the promotional material from advisors, you could say somebody who is brand new to the business says -- and they don't know what they're doing, they just started.

They could be saying "I provide comprehensive wealth management. We have the best investment recommendations. Our service is impeccable."

And they're saying the exact same thing that Mr. or Mrs. corner office been in the business a long time, is really good, they're saying exactly the same thing. So how do we go at this from a little bit of a different angle? And so we try to give some examples of what a differentiator might be.

And it could be maybe a niche market that you specialize in. "Nobody knows dentists like us." It could be the fact that your team is really well credentialed and that you've got a CFP and a CFA on staff. And maybe that's part of what sets you apart.

It could be that maybe if you're – it's always interesting when you try and help an advisor figure out what that real differentiator is because there's a lot of head-scratching going on.

One of the ones that people fall back to a lot of times, it's just, maybe your differentiator is a unique personality trait, that you know what my client's value about me the most is the fact that I'm willing to tell them like I see it even if it's not advice that necessarily they wanted to hear. They know they're going to get the truth from me.

And so there's different ways to spin this. But thinking about what is something that is a little bit unique about you as compared to your competition?

John Diehl: So we're finding the narrative is really thinking about what my story is. So that my best clients or my best connectors will be able to relate that to the people that probably meet our definition of good clients, right?

Stephen Boswell: Yes, exactly. And the more you can drip those into conversations the more effectively they get it over time. If you say – if you have that conversation with them about your background, like "Hey John, I don't know if you knew this, but I got into this line of work because of A, and B, and C. "

Yes, you know it may not stick, but if overtime we'll say with that ideal client profile, if every third conversation I'm bringing it up that, "Well as you know we have a real specialty in working with executives with pharmaceutical companies. You're not the only one. We love -- this market that you're in, is really our sweet spot."

Right? If I'm able to say that periodically, all of the sudden it's further engrained in their minds that "Hey Stephen's the expert and people like us."

- John Diehl: Well that makes sense. Well Stephen just summarized in the last two podcasts, we discussed what the word of mouth influence hierarchy is in its four levels. So we started at exceeding professional expectations, where we said we constantly have to be reviewing our practice, both in terms of the financial service component but also communications.
- And we gave a couple of – maybe 14 different things just to start with in terms of examining our practices. Then we went into emotionally connecting with our clients. This is where we dig-in and we do the emotional work to see what our clients really care about.
- And then combining those to activate those conversations into ways that clients will actually think about talking about us to other people and what is the context by which they do that.
- And then lastly refining the narrative. If they were going to have a conversation with someone, what story would they want them to tell about us. But – so we examine quite a bit, but if you had to summarize the word of mouth hierarchy into a bottom line, what would it be?
- Stephen Boswell: Yes. I think you used the word “intentional” earlier John, and I really like that word. This is being intentional about generating more referral flow, which is more than likely the number one way that you find new business anyway. But it’s something that could be improved if you were more intentional and structured about it.
- So as you think about how to act on this advice pick out one or two things that you could be more proactive with. You could make the argument that if you said, “Once a week I’m going to have a non-business lunch. Once a month I’m going to have a client event.”
- I’ll just about guarantee you that your results are going to pick up if you’re really thoughtful about how you’re doing these things. But pick one or two. Be constant with it. It’s not something you dabble with.
- John Diehl: So if I wanted to get started on making progress in this word of mouth influence hierarchy Stephen, where should I start? I mean I – we already described a pyramid. So I think I know what you’re going to say. But you know are there – what should be my first step?
- Stephen Boswell: Yes, I think the pyramid is part of it. And the action steps we offer on the work sheet, the number one action step was to evaluate your practice against those 14 criteria just to make sure. You know we’re not looking to get ready to get ready that your practice has to be perfect before you’re worthy of referrals.
- But make sure it’s basically in order. And then there’s some other action steps. And think though, if you listen to these last two podcasts, was there an idea or two that got your attention?
- That got you excited? You’re going to be a – even if I were to rank order of things that I think you ought to work on, your own personal rank order is going to be acted on a little bit more quickly because you’re excited about doing it.
- So we don’t have to over think this. You know if you’re a (laggard) right now, there’s a lot of work to be done. If you’re a (middler), which by definition most people listening are somewhere in the middle getting three to nine referrals from clients that land a new business every year, make some fine tunings, get up to that generator status. It’s a really nice way to grow the business.
- John Diehl: Well Stephen, thanks for all the time that you’ve given us over these past two episodes. I really appreciate you coming on.
- Stephen Boswell: Yes. Well I love the podcast, glad to be a part of it. Thanks for having me.
- John Diehl: My pleasure. And for all of those who are listening just a reminder if you’re interested in any of the materials to accompany the content you can get that at [hartfordfunds.com/influence](http://hartfordfunds.com/influence).
- So thanks to everyone for listening and we’ll join you all next time on the Human-Centric Investing Podcast.

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