

ADVOCATE SERVICE

Client Classification & Proper Service

Our Pareto consultants constantly extol the virtues of extremely detailed Client Classification. Detailed client classification provides you with a panoramic view of who you are dealing with and therefore makes it clear how to best serve your clientele. This strategy also has some unexpected benefits, as the following story shows.

Note: All names have been changed for privacy reasons.

When Peter started to work with Pareto Systems, he was just about to take 50 or so AAA clients on a big boat cruise as part of a client appreciation event. We had him put that on hold until we helped him properly classify his clientele. After segmenting his clients, we established that he only had thirteen AAA clients.

Peter's AAA clients, by our criteria, were people who had:

- 1) Committed all of their assets to Peter (Assets),
- 2) Were great to work with (Attitude), and
- 3) Regularly introduced people to Peter (Advocacy).

Peter formed the Granite Club – the name is consistent with Peter's overall branding – to bring extremely personalized service to these elite clients.

Membership Has Its Privileges

Instead of a boat cruise, the first order of business for the new Granite Club was a dinner. The thirteen members were spoiled rotten at a high-end eatery. They had a ball and subsequently told their friends and families about their wonderful experience – and about their great advisor. Peter was ecstatic and the AAA clients were ecstatic.

Then, Peter got the phone call.

It seems that one of his AA clients (all the assets, good to work with, but no introductions) got wind of the Granite Club and was hurt that he had not been invited. This was momentarily a problem for Peter – until he talked with his Pareto consultant, who suggested that this was actually an opportunity to invite the disgruntled client in for a chat.



During the meeting, in a professional, statesman-like manner, Peter accepted blame for not properly outlining his expectations to the client. He proceeded to tell the AA client that those in the Granite Club were there because they continually sent a steady stream of quality introduction his way. The club was his way of saying thank-you. Peter then reaffirmed to the client that he greatly valued their relationship and enjoyed working with him.

The client was dumbfounded. "That's why I wasn't invited?" he said. "That's the reason," replied Peter, again apologizing for not properly sharing his expectations with the client. Needless to say, the client left the office in a much better frame of mind and Peter now has an AA client who is aspiring to be an AAA client. Did Peter sound needy? Not a chance. Yet he has gained a client hell-bent on introducing him.

Your clients don't inherently know what is expected of them when it comes to introductions. However, if you have exceeded their expectations on a consistent basis, you will find that they are receptive about learning a "preferred process" for recommending your services to others who fit your criteria. For some, this may be the first time that they learn about introductions being integral to your business.

A Quick Client Classification Refresher

Classifying your clients is the process of setting out detailed definitions for exactly what clients fall into what categories. Once this is done, you can determine how much time to spend with and what type of service to provide each client. Everyone knows that 80% of your time should be spent with the clients who generate 80% of your income; however, most advisors fall into the trap of doing exactly the opposite – they spend 80% of their time on clients who generate only 20% of their income.

When you have completed the client classification process, you can determine in a few moments what class any client or prospective client will probably fall into. This criteria is ultimately used to determine how much time you should spend with and the service you should be provide to, each and every client. Your best clients will finally get the service they deserve on a consistent basis and subsequently, introductions will increase from those top clients who receive this service. As a bonus, you will be freed up to spend the lion's share of your time with your best clients and their trusted friends, families and colleagues. This is what you truly get paid to do.