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SOCIAL PROSPECTING

A Comfortable & Professional Way to Work with Friends & Social Contacts

Summary Every advisor knows people personally they would love to have as clients. These might be personal friends, neighbors, relatives and other social contacts. But the danger of being perceived as heavy-handed is so severe that most advisors allow these potentially powerful relationships to go untapped. This script will change all that. It enables you to bring up the subject of doing business and look like a "hero" instead of a salesperson. You will walk away with an enhanced stature and best case, you will truly be able to help the people you care most about.

Social prospecting or "personal networking" is where you are supposed to approach friends or other personal contacts for business. It's one of the most challenging and dangerous things you will ever do. But if you master it, the rewards are extraordinary...both for you and for the people you can help!

Social circles can be charity boards, country clubs, homeowners' groups, book clubs, or religious organizations. They can simply be friends and family members. For our purposes, let's imagine you are surrounded by great people you would love to have as clients...but you don't know how to approach them without coming off as salesy.

The fear (and the reality) is that if you push too hard for business in a social circle, you could get bounced out of the circle! You may get shunned and informally blackballed. You may find people walking away or avoiding you at parties. You develop this invisible, negative energy barrier that can hurt your relationships both from a business standpoint and for positions within the organization itself. Think about it...they will never elect you Chairman of the Orchestra Board if you've convinced them your main interest is to sell financial products. These risks are very real and it's the reason many advisors are not comfortable with social prospecting.

So is there a professional way to bring up business within these social circles and be a legitimate hero in the process? The answer is yes! And ironically, your main ally in this effort is the insane world in which we live. Here's a sample script that will help get you started.

THE SOCIAL PROSPECTING CONVERSATION

Scenario: You (Alan Advisor) and Jane Prospect sit on the board of a local charity. You've both been members for a few years and know each other fairly well. You've attended some charity related social events with Jane and her husband but you've never mentioned the subject of business. Jane is a successful attorney and seems like an ideal client. You're both talking in the hallway during a break in the quarterly board meeting.

- Alan Advisor -

Hey Jane, it's good to see you. How have you been?

The people in your social circle probably have some idea what you do for a living. Yet there may be many reasons they are uncomfortable working with you. Privacy is big one. People don't want their friends to know how much money they have...or don't have. Blow-ups are another. If something goes wrong with your recommendations I still have to be nice to you at the club. No technique can guarantee 100% success, but this one increases your chances dramatically.

Jane Prospect

Hi Alan. I'm well. It's nice to see you too. That was a great idea you had about the Fall Fundraiser. I think it will be a home-run for the charity. (General conversation continues before you get into the prospecting discussion.)

Alan Advisor

Jane, I wanted to talk with you about something personal for a minute. It's been on my mind for a while and didn't want to wait much longer.

Jane Prospect

It sounds serious Alan...what's going on?

Alan Advisor

You probably know that I am a financial advisor with Blowhard & Boggle here in town. I've never really talked about this with anyone here before because I have a pretty strict rule about approaching my friends for business. I never wanted my friends to think I was being too aggressive and bothering them for business.

Jane Prospect

That makes sense.

Alan Advisor *(Slowly with gravitas)*

There are some things that are happening right now in the financial world that have me a bit concerned. Very few investors seem to know much about this and most advisors don't seem to have a clue either. In fact, as far as I can tell, we are the only firm that's even talking about this.

Jane may open up a bit during this segment and share some concerns she has about her money. Try not to overreact too gleefully. Relax and let things unfold slowly. Any sales pressure at this point will shut her down and shove you into an abyss from which there is no return!

Jane Prospect

What's going on?

This is your chance to share a perspective about some major issue—the proverbial "iceberg" on the financial horizon. There are many reasons to be concerned but you might want to tailor the discussion to Jane and your assessment of her needs. It's sort of a shot in the dark, but you can make some intelligent assumptions that are likely to hit home. Since Jane is a successful attorney and probably a HNW investor, her hot button issues might be reducing taxes, estate planning, her firm's pension plan, or properly diversifying a complex portfolio.

One generic theme I like is the impending catastrophe in fixed income. Anything that walks, smells, or quacks like a bond is going to get destroyed in the next few years. Very few investors–even successful, intelligent ones–are prepared for this. And few advisors have any experience with rising interest rates. This subject allows for an easy next step—a total bond portfolio review.

You can always talk about increased market volatility and economic uncertainty. These are likely to affect everyone. Keep your comments short and focused, this isn't a seminar. You just want to raise an issue that she might not have considered and that her current advisor probably hasn't mentioned.

Alan Advisor

The feeling you are trying to convey here is that the crazy economic times we are in have forced you to violate your sacred rule about not approaching friends for business. It's not that you NEED business. It's that you are concerned and want to be of service to the people you care about...which it totally true!

I see more turbulence and volatility in the markets over the next few years. The bottom line is these are crazy and difficult times in the world of money and...I just wanted you to know that you have a friend in the business! If you ever need anything, a second opinion, someone to look at your bond portfolio, an objective set of eyes...I am here for you!

Jane Prospect

Thanks Alan...that's very nice.

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Alan Advisor

Jim, I know you have other advisors and that we are friends first. But this issue is going to catch a lot of investors by surprise. And I just don't want the people in my world to get hurt. If I didn't mention something or make myself available to you...it would bother me forever. So whatever you need...I'm here.

NOW STOP TALKING!

What happens next?

Jane's reaction may vary. You may have moved her by your message and she might be willing to take you up on your offer of help. That's great and certainly you would follow-up with professional enthusiasm.

She may be neutral and non-committal giving you no overt signs of interest. Now you have a few choices. You might suggest that she would enjoy reading a research report from one of your analysts on the subject. You could offer to send her an interesting article highlighting your concerns. I always liked to invite people to an event I was planning. Keep it light, friendly and keep the ball in your court, meaning make the next action something you will do...not something she must do. This may be a one-way street for a while until she warms up to the new relationship tone.

This is where you apply the "sticker in the window" theory—which correctly predicts that people who are willing to take a small, easy, positive first step (allow you to put a sticker in their window supporting a cause) are more likely over time to take further, more comprehensive steps in that same direction.

Basically, you want to generate some on-going contact with Jane and initiate a new dimension to your relationship. Over time, there's a good chance you will earn her trust. No heavy-handed sales pressure. Just a friendly, professional concern about the future and an eagerness to be of value to the most important people in your world. How nice is that?

If Jane is slow to open up personally, she might still become a viable source of referrals. That could be an even greater goldmine. Share your Referral Guide® with her when you think she's ready.

In conclusion: as tricky as social prospecting may be, there definitely are some things you can do to enhance your success. This idea is simple and comfortable for you and your friends. It makes you look like a pro-active, thoughtful advisor who cares about his clients...which is all true!

About the author

Frank Maselli is a former U.S. Army Officer and a 30+ year veteran of the financial services industry. He's been an advisor, a top branch manager and the national sales manager for one of the largest money management firms in the world. His best-selling books, audio and video training programs are state-of-the-art and he has trained thousands of professionals at every firm in the industry in advanced marketing skills and business development strategies.

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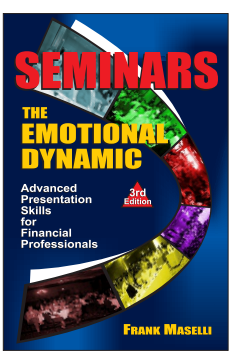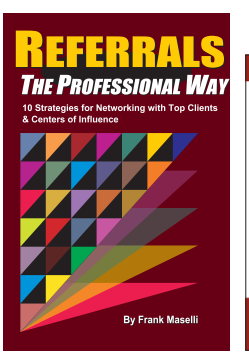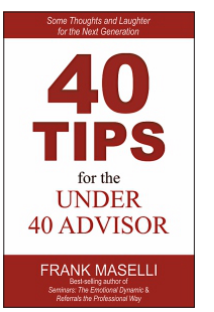
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