

PRACTICE POINTS

COI Referrals

Dimensional's 2018 Advisor Benchmarks Study shows that 11.5% of new clients come from referrals made by centers of influence (COIs). Developing close professional relationships with referral sources, such as CPAs, attorneys, and insurance agents, can bring more scale to your business development efforts.

Six reasons COIs don't refer

1. Have never been asked.
 2. Don't know who an advisor wants to work with.
 3. Unsure of an advisor's services or value proposition.
 4. Already have several advisors asking for referrals.
 5. Consider it a risk if the relationship does not work out.
 6. Not sure how COI benefits.
- Stay in touch with COIs through monthly lunches.
 - Offer events featuring topics for CE credits, professional development, or case studies.

Document your referral process

You may improve a COI's level of comfort in making a referral by documenting your process through a brochure or other material. Details might include:

Developing professional referrals

- Ask COIs if they are willing to refer clients to you. What attributes, skills, and services are they seeking in an advisor? Do they have a conflict of interest?
 - Develop a differentiating story about your firm. Offer case studies on how you helped clients with particular challenges.
 - Review your current COIs. Differentiate strategic referral partners from general contacts or occasional sources.
 - Meet regularly with your strategic COIs and periodically with others. Schedule time each week to review lists of COIs and new referrals and follow up on new COI prospects.
 - Include COIs in your firm communications, such as event invitations, client newsletters, and quarterly firm/market updates. If appropriate, notify a COI after meeting with the referred client.
 - Seek out opportunities to work with non-traditional COIs, such as P&C insurance providers, multi-family offices, or real estate experts.
 - Partner with strategic COIs to co-sponsor client appreciation or social events that bring your respective clients or prospects together.
- Why you are seeking referrals.
 - Firm mission statement.
 - List of services (how your firm can help).
 - Description of your ideal client or client segments (by characteristics and attributes, not account minimum).
 - Client benefits (how they feel or what they achieve by working with you).
 - COI benefits.
 - Best ways for COI to refer.
 - What happens if referral is not a good fit.
 - Commitment to privacy.
 - Contact information for scheduling.
 - Firm overview (brief bio, firm accolades, community involvement).

Additional resources

Please contact a member of your service team for additional resources.

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