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Survey Your Clients And Uncover Opportunities

Clients drive the growth of any financial services business, so it's vital to design your marketing process around a thorough understanding of their needs and perceptions. Client research can help you understand what's important to your clients, providing data and insight to help you meet their needs profitably and efficiently.

To identify your clients' needs, you may choose to begin by mining your database for common patterns. However, you're likely to get more information on the expectations, attitudes and interests of your clients by going directly to the source: your clients.

This article provides a step-by-step process for designing, executing and leveraging an effective client survey, along with tips, tools and a sample template for conducting your own survey. While the focus is on hard-copy surveys, which many clients seem to prefer, the process can be used for other client research methods such as phone and email surveys and face-to-face interviews.

The primary purpose in conducting a survey is to get confirmation on the things your firm is doing in order to change the direction of the firm.

Client surveys can help you build your business by:

- ✓ Pinpointing specific clients who are open to providing referrals.
- ✓ Identifying specific cross-selling opportunities.

- ✓ Helping gauge satisfaction among clients and highlighting areas for improvement.

- ✓ Demonstrating your commitment to clients.

- ✓ Providing data to build deeper relationships with centers of influence and prospects.

The entire process should take about 11 weeks from beginning to end, whether you are outsourcing the project or doing it on your own. Table 1 (on page 20) illustrates the six key steps in developing and executing a client survey.

Defining Your Objectives

Start with a clear definition of your objectives. What are the goals you want your survey to support? These business goals should drive the survey questions and the way you analyze the results. One useful way to determine those goals is by involving your staff in creating the survey; by gaining internal buy-in and participation, your survey will have the best opportunity of reflecting all of your firm's objectives. An effective survey can help you meet several strategic objectives and can also help you gather general satisfaction data, which can be compared from survey to survey.

Here are some possible strategic objectives a survey could support:

- ✓ Demonstrate commitment to existing clients.
- ✓ Structure a meaningful client service plan.
- ✓ Streamline the service delivery process.

Table 1
Six Key Steps for Developing A Client Survey

Step	Activity	Timing
1	Define Your Objectives What did you want to accomplish with your survey?	Week 1
2	Plan Your Survey Choose your survey method and determine budget.	Week 3
3	Develop Your Survey Create your survey contents, design it and then print copies for all clients.	Week 4
4	Conduct Your Survey Send survey to all clients and gather feedback.	Week 7
5	Analyze Results Analyze the results.	Week 11
6	Incorporate Results into Your Business Identify short term tactics to deepen client relationships and develop long term strategies.	Week 11 and beyond

- ✓ Promote a team approach to client management.

- ✓ Increase average revenue per client.

For long term insights, ongoing surveys will allow you to assess your performance in key strategic areas. A local financial planner in Chicago looked at his firm’s survey in the broad context of strategic planning for his firm, noting: “We were looking for a complement to our strategic planning. We’re a very strategy-oriented company. Right now, we’re planning for the next five to ten years.”

Plan Your Survey

Choose a Qualitative or Quantitative Approach. Your overall objectives for client research will drive the method you choose. While this report focuses on questionnaire-based quantitative surveys, it’s useful to be aware of the spectrum of methodologies available for gathering information about

your clients. Your first decision is whether you need qualitative or quantitative feedback.

Qualitative feedback involves anecdotal responses from a relatively small number of people. Choose this type of client research if you aim to assess general attitudes or behaviors, rather than gather detailed numerical data. Qualitative feedback is useful for gathering strategic input, such as a review of a new product or service, an assessment of your firm’s marketing materials, or an evaluation of your fees. The two main means of gathering qualitative feedback from clients are focus groups and advisory boards.

Quantitative feedback offers a numerical approach (i.e., averages and percentages) for gathering information. Choose this method if your objective is to compile, rate or scale several layers of data from a large group of clients. For gathering quanti-

tative feedback on satisfaction, expectations and needs, a written survey sent to all of your clients is your best option. Consider Table 2 (on page 22), which shows that clients are almost three times more likely to prefer written communications by mail rather than email.

Developing Your Survey

There is no perfect solution when it comes to client surveys. Questions should specifically reflect your business goals and use appropriate language (e.g., advisors may refer to themselves as wealth managers or investment advisors). But regardless of how you customize your survey to your needs, it should include two basic parts: a cover letter and the survey itself.

Your Cover Letter. The cover letter is an essential part of the survey. To a large degree, it will affect whether the client completes the survey. Each mailing should reflect the personal nature of your relationship with your clients and the specific aspects of the request. Your cover letter should include several key items:

- ✓ Description of the survey and why it is important.
- ✓ Estimated time to complete the survey.
- ✓ Brief instructions on return process (for example, by using the self-addressed, stamped envelope).
- ✓ Deadline for returns.
- ✓ Confidentiality and anonymity policy.
- ✓ Brief description of how the information will be used, particularly information that may lead to a discussion on other services that you provide.
- ✓ Information on an incentive, if included.

If you choose to use an incentive, which can be helpful in boosting response rates, make sure it is tied to your return deadline. Common incentives include a drawing for a dinner for two, a charitable donation to a charity of the client’s choosing, or a gift certificate. In general, your incentive should reflect the perceived preferences of your clients.

Key Points to Cover in Letter

1. Establish up front your reasons for

**Table 2
Pros and Cons of Survey Types**

Method	Pros	Cons
Hard-Copy (written) Survey	<ul style="list-style-type: none"> • Gives clients the opportunity to think about their responses. • You have the ability to reach all clients quickly. • Clients are often most comfortable receiving information from their advisors via mail. • Clients can return surveys anonymously. • Does not require web access. 	<ul style="list-style-type: none"> • You incur the cost of printing and postage. • Staff has to spend time mailing surveys and inputting all results.
Online Survey	<ul style="list-style-type: none"> • An efficient way to send survey to all clients. • Data is captured automatically, reducing required staff time. • Clients can return surveys anonymously. 	<ul style="list-style-type: none"> • You incur the cost of outsourcing survey programming. • Requires clients to have web access. • Requires access to all client email addresses. • Clients are not always comfortable sharing information online.
Phone Survey	<ul style="list-style-type: none"> • No hard costs associated with the survey. • Adds a personal touch. 	<ul style="list-style-type: none"> • Clients may feel like they are on the spot and may not be as open and honest. • Requires substantial staff time.

conducting the survey.

2. Address their confidentiality concerns.
3. Provide clear instructions, including estimated time for completing the survey.
4. Mention an incentive, if applicable.
5. Include contact information in case clients have questions.

The Survey

One advisor survey may differ from the next. Above all, your survey should be designed to gather information that will help you understand your specific challenges and opportunities.

In conducting your survey, you should gather, track and use client data to structure

a meaningful service plan and increase revenue. You will need an approach that goes into greater detail and links responses back to individual clients. In this case, there are seven core areas that your survey should cover for maximum usefulness. Table 3 on page 26 provides a description of each area.

If, for example, you offer more comprehensive wealth management services, then you may choose not to look for additional revenue opportunities among your clients. In this case, you might use your survey to assess awareness of the full range of services that you offer.

Common Survey Mistakes

Here are some common mistakes that can reduce the effectiveness of your survey and your ability to interpret the results:

✓ **Asking questions that are too general.** If two people can interpret the meaning of a question differently, then you cannot accurately interpret the data.

✓ **Failing to link questions to action.** For every question you create, ask yourself a simple question: So what? If you don't know what you will do with the answer, don't ask the question.

✓ **Including too many questions.** Find the right balance between the number of questions and response rate. A range of 20 to 25 questions (with no more than a 15-minute completion time) is a reasonable guideline.

✓ **Making questions too complicated.** Questions on a written or online survey should be clear and concise, so clients can easily answer them; questions that are difficult to interpret can reduce the quality of the data.

✓ **Combining two questions into one.** Advisors will often ask a question that includes two separate elements, making it impossible to interpret the data. For example, if you ask clients to rate their satisfaction with the "efficiency and knowledge of your team," you are actually asking two separate questions.

✓ **Limiting questions to client satisfaction.** An effective survey includes questions that assess satisfaction and identify new revenue or referral opportunities.

✓ **Emphasizing only your firm's current service offering.** An effective survey provides information on how you are doing today, but it should also help you identify new opportunities and unaddressed client needs that can help you build your business.

✓ **Focusing only on the numbers.** Your survey data will be most helpful if you can isolate the responses from your top clients from those of the entire survey sample.

✓ **Not gaining internal buy-in.** With the participation and buy-in of appropriate team members, your survey stands the best chance of reflecting all of the firm's objectives.

Sample Cover Letter

[Date]
[Client name and address]

Dear [Client name]:

[1] Your investment and insurance program's success is very important to us. To help us serve you better, we've enclosed a confidential survey on [topic]. Your feedback will help us evaluate our products and services and provide a basis for improvement in the future.

[2] We understand and respect your privacy. The information you provide will be held in strict confidentiality. Unless you indicate otherwise, your feedback will be combined in the aggregate, and your name will not be associated with your responses. However, if you'd like someone from our firm to contact you with a follow-up, simply note your preference on the last page of the survey in the space provided.

[3] We estimate that this survey should take about 15 minutes to complete and mail. For your convenience, we've enclosed a postage-paid, self-addressed envelope. To be included in our survey, your survey must be postmarked no later than [month and day, year].

[4] As a token of appreciation for your participation in our survey, we will enter your name in a drawing for [prize] upon receipt of your completed survey. The drawing will be conducted on [month and day].

[5] Please take a few minutes now to complete and return this survey. For more information, call [name] at [direct phone number].

We look forward to receiving your completed survey. Thank you for participating.

Sincerely,
[Name]
[Title]

Analyzing the Results

After getting the surveys back, analyzing the results in a meaningful way is the toughest challenge with a client survey. Your analysis should:

✓ Identify gaps in your overall offering of products and services, and highlight opportunities.

✓ Understand what you are doing well.

✓ Assess your performance relative to your clients' expectations.

✓ Track changes over time.

✓ Compare top clients to other clients.

Harness the Power of Your Database

Enter your data into a database to facilitate the analysis process. This will help you get more value from your results than a casual reading of client responses ever could. As a benchmark, analyze your data to show:

✓ An average/mean score for each question.

✓ The range for each question, showing minimum and maximum scores.

✓ Frequencies (percentage responding to each option) for each question.

✓ A comparison of top clients to other clients.

Conclusion

Financial services practices are based on strong client relationships. A carefully designed client survey can help you deepen those relationships because it does more than simply gather opinions; a good survey points toward concrete actions you can take—both immediately and over the long term—to maximize the value you provide to clients. It can provide your firm with a competitive advantage by helping you build client loyalty, which leads to increased referrals and greater revenue through cross-selling.

To get the most of your surveys, remember these principles:

✓ **Define your objectives precisely.** Start with a clear vision of the business goals you want to advance with the knowledge you gain.

✓ **Choose the best method to accomplish your objectives.** Do you need qualitative or quantitative feedback—or some of each?

✓ **Seek expert help when appropriate.** Outsourcing your survey may help save time and provide objective, third-party input.

✓ **Analyze your results with an eye toward new opportunities.** Read between the lines of your data to discover gaps in your offering and chances to increase share of wallet.

✓ **Follow up.** A good analysis of your results can reveal opportunities to build your business, but it takes action to translate

Table 3
Seven Core Areas A Survey Should Cover

Category	Description and Guidelines	Sample Questions
Satisfaction	Assess overall satisfaction with the relationship and gather feedback on the more specific aspects of service within your control, such as frequency of contact. This information offers a starting point to evaluate performance as well as areas for improvement.	How satisfied are you with your overall relationship with [Firm Name]?
Values	Assess what is most important to your clients in a relationship with a financial advisor. This provides critical information on what your clients value. This information allows you to assess your current positioning and can help you prioritize your time.	How important is it to have an advisor who manages all of your financial affairs?
Expectations	Assess client expectations regarding the scope of contact (such as frequency), as well as the form of contact (such as face-to-face versus telephone reviews). This information allows you to manage expectations and structure a meaningful service plan.	In a 12-month period, how often do you expect to meet to review your financial plan?
Preferences	Determine preferences for receiving other communications (such as newsletters) and the way you communicate (for example, email versus mail). This information allows you to assess the return on communications you provide to clients and determine how you might streamline the process.	How would you rate the value of our quarterly newsletter?
Opportunities	Assess specific marketing opportunities, including propensity to refer, share of wallet and cross-selling opportunities. This information allows you to target your marketing efforts and increase average revenue per client.	Which of the following services are you interested in learning more about?
Referrals	Identify clients who are comfortable referring you to their friends and families.	How likely are you to recommend us to friends, family and colleagues?
Profile	Gather information to help you populate your client database more effectively. This helps you communicate with your clients in a more focused and meaningful way.	Which charitable activities are you involved with?

those opportunities into profitability.

Finally, don't consider a survey to be a one-time event. Surveys conducted on a regular basis can reveal larger patterns—evolving client interests and needs—that can influence your long term strategy and help you keep client relationships strong. 🌐

Editor's Note: To see the sample survey template developed by John Ruggiero, go to Broker World's Online Edition (www.brokerworldmag.com).