

THE POWER OF CLIENT ENGAGEMENT, AN INTERVIEW WITH JULIE LITTLECHILD

In our [June announcement](#) about our alliance between Xtiva and Julie Littlechild (and her firm Absolute Engagement) we laid out the benefits increased engagement can bring to an advisor and their firm, including greater share of wallet, increased customer retention, more word of mouth (reputation), and in turn a lower acquisition cost. Today, we're joining Julie to speak to her directly about [Absolute Engagement](#) and the connection between client experience, deeper engagement and growth.

Jodi Taylor, VP at Xtiva: Why was it important for you to create a company like Absolute Engagement and shift your focus completely to client engagement?

Julie Littlechild, Founder of Absolute Engagement: Well, prior to starting Absolute Engagement I had been in the business of researching customer satisfaction for many years.

I developed a deep interest in how some advisors were successful building their business through referrals and some struggled to do so – especially when, on the surface, they looked very similar. As we dug deeper with our research, it led us to understand that there were profound, yet sometimes subtle differences in how those successful advisors created and nurtured engagement. The benefits of engagement were impossible to ignore when comparing advisors who actively practiced it and those that didn't – Absolute Engagement is built around that passion.

JT: You have been the voice of engagement for many years now. It finally feels like it is starting to get the attention it warrants. We know some advisors for whom it has been a hot topic and key focus and tool in their success for a long time. How many firms in the financial space have really seized on the power of engagement, in your opinion?

JL: The short answer is “not enough” but I do agree that it's changing. And I'm speaking about both the enterprises and the advisors. In many respects, building and leveraging engagement is among the most powerful tools available to advisors to further their success, but it's by no means a saturated opportunity or frankly even a common practice. That's not to take away from the fact that advisors are delivering a high standard of service. Our data supports high levels of satisfaction in the industry. There's good and bad there. It's good for obvious reasons; the bad is that strong satisfaction ratings may mask a more fundamental reality that that good service won't set you apart. Add to that the fact that clients are going about their lives and being taught, every day, about what client experience can look like and it's changing. It's not just that we need a higher standard; we need to acknowledge that client experience is changing or we risk falling very far behind.

JT: Are there any tools that you would recommend that can give advisors great support in driving and leveraging engagement?

JL: Yes and no. Good tools can help, but they can't fix fundamental issues. They can't fix a weak value proposition, poor fundamental communication and a mismatch in fit between the advisor and the client. But since you asked, I suggest advisors focus on communication tools and customer feedback tools. It's important to always be personal, relevant and timely, but I understand sometimes people get busy and it's hard to follow up and have the kind of relationship you'd like with each client. A simple and flexible CRM is important and I'm a believer in automation tools that make it easier for advisors to stay in touch in a personalized way. For example, if someone comes to your website you can offer something of value – a report, a checklist, an article or video – that focuses on them and

their needs. You can then create an automated email sequence that provides some additional information and adds more value. You're not trying to replace human connection, you're simply finding ways to add more value. But, more often than not, just picking up the phone (or sending an email, depending on client preference) with a thoughtful idea or question for them is the best tool to keep in touch. Don't do it only when you want them to take action. Do it when you want to proactively inform. I also believe it's critical to solicit feedback from your customers. It helps you understand weaknesses in engagement and it is the best way to start a discussion with your customers about leveraging their engagement.

JT: And do the approaches to building profound engagement change much over time or firm to firm? What can advisors do to always be up to date with latest methods? Are these strategies that they must learn and relearn all the time?

JL: At the core no, but the tools, language and processes evolve both because the industry changes, but perhaps more so because the customers change. Some of the key changes that we see impacting client experience are co-creation of value (the process of actively involving the client in designing the client experience), personalization (the ability to deliver a client experience that supports clients based on their unique needs and challenges) and focus (a trend toward building an experience around an established niche). It's important to look at engagement as both an objective of your practice and a discipline that you constantly hone. We strive to ensure our clients always have an opportunity to stay on top of all tactics and strategies, but they really must commit to the discipline.

JT: For those advisors and wealth management organizations that have committed to client engagement practices, can you share some success stories?

JL: Sometimes success is at the margin and sometimes it's more profound. One advisor I spoke with recently committed to a specific niche and re-engineered her entire client communications plan to support their needs. She worked with women in transition however the concept applies to any niche. She took a hard look at what these women needed, she invited them into the conversation regarding the challenges they faced and she revamped the business on that basis, from the events she ran, to the content on the blog she wrote through to establishing partnerships with aligned professionals, to the designations she had, the associations in which she was involved, the pro bono work she did and even the way her office was laid. What she understood is that the client experience needs to be designed around the needs of a well defined target and it needs to focus on the client's journey. Her business has grown three-fold since making those changes.

JT: In the case of many advisors who are faced with disengaged clients, and previous attempts have failed to engage them, what would you tell these advisors?

JL: If the advisor has solid tools, language and processes for engagement then it likely means either the advisor's team is disengaged (an engaged team is foundational in all really successful practices) or the client is a poor fit for the advisor's practice. As in all relationships, it's a 2-way street. And if the client's not the issue then providing more resources and training to the team has often led to better results around engagement. Bear in mind that a client may very well be satisfied but not engaged. This is a stealth risk because it doesn't show up as a problem. It's only a problem if your goal is to differentiate your business and your plan is to stay relevant today and into the future.

JT: Engagement can work really well to delve deep into word of mouth referrals for established advisors or firms, but what would you recommend to the advisors who are just getting started on referrals?

JL: Assuming you have put down a solid foundation and focused on becoming referable. then the real referral challenge is helping clients share the experience. I would start by identifying the 2-3 problems that you solve for your ideal clients but think about those through the clients' eyes. How would they describe their problems, what you did for them and the impact? This is different from defining a value proposition, it's about sharing stories of

how you have solved real problems for clients. Share those stories with your clients directly, on your website, in an email. The goal is to be so clear about the problem that they think of you as the solution if a friend or family member talks about that same problem. The challenge for advisors is to fight every urge to describe the problem in the way a client would talk about and ditch the jargon and complexity we hold dear.

JT: Thanks so much for joining us, Julie! Where can people reach out to you if they have any more questions?

JL: No worries, thanks for having me! Now that Absolute Engagement is partnered with Xtiva, any readers of this interview can reach out to hello@xtiva.com with questions and we'll be in touch. You can also subscribe to my blog at www.absoluteengagement.com/blog and that's where we share new research and ideas every week.

Stay tuned for more resources and user engagement content from Xtiva and Absolute Engagement!