Defining Your Ideal Client

This course is designed to help advisors define the type of clients they want to work with. By the end of the course, advisors should be able to create an ideal client profile and be able to articulate the types of clients with whom they work best.

You will learn to: discern important personal values and characteristics that influence the types of clients you enjoy working with, identify 5-10 clients you would love to replicate, determine commonalities among your existing ideal clients, and create an ideal client profile based on your personal preferences and common traits of your favorite clients.

Overview:

Just because you <u>can </u>help everyone, doesn't mean that you<u> should</u>. Advisors and firms who aren't able to clearly articulate who and how they can help can struggle to stand out in a crowded market. In addition, advisors who try to help everyone can often find themselves suffering from burnout.

Successful advisors have learned a not-so-secret secret: the importance of defining their ideal client profile. By defining your ideal client, you are able to develop more effective business development strategies, create a more tailored client experience, and spend time with people you enjoy.

Defining your ideal client is a straightforward process:

- Know yourself, your purpose, and your passions

- Identify 5-10 clients you would love to replicate

- Determine commonalities among your existing ideal clients

- Create an ideal client profile based on your personal vision and common traits of your favorite clients

Developing a clear and concise ideal client profile is a foundational step to growing your business and creating a lifestyle you enjoy – so let's get started!

Step 1: Know Yourself: Discern the important personal values and characteristics that influence the types of clients you enjoy working with

The best place to start in understanding your ideal client is making sure you understand yourself first. Knowing yourself is important, because a key benefit of building a community of ideal clients is that it allows you to work with people you enjoy all day.

A great place to start is with our *Blueprinting* process, but at the very least, make sure you know the answers to these questions:

- What is your "why"?

- Why did you get into the industry in the first place?

- How has your perspective changed since you started in this line of work?

- What is your purpose in life?

- What are your personal values?

- Who are the people you naturally want to help?

- Who would you like to give back to?

- What's your "story"?

- What is your value proposition?

Using the *Ideal Client Workbook* or the tool of your choice, jot down key points about your answers to the above questions. Next, move on to the next step, identifying the clients you most want to replicate.

Step 2: Identify the clients you want to replicate

Now that you have a clear understanding of yourself, the next step is to identify clients you would love to replicate. It's important to note that you're not just naming your "favorite" clients – but the ones you want to replicate. You may have clients you really like, but if they don't generate enough current or potential revenue to make them profitable, you don't want to spend time and energy attracting more of them. If you've never gone through a segmentation exercise, it can be a great intro to this concept; our course on *Client Segmentation* will guide you through the process. The work you'll do through in this lesson does not require that you've completed a full client segmentation, but it does assume you have a general understanding of who your most profitable clients are.

Using the *Ideal Client Workbook* or the tool of your choice, list 5-10 clients you would most want to replicate. These are clients whom, if you were to replicate again and again, would be the foundation for a profitable firm and an enjoyable and rewarding profession. To identify these clients, ask yourself questions like:

- Who are your favorite current clients?

- Who are your most profitable clients?

- When you review client appointments on your calendar, whose names make you most excited to spend time with?

- For which clients do you think you've had the biggest impact?

- Who does your team like to work with?

- Who are the clients that are your cheerleaders, referral sources, or centers of influence?

- Who were the easiest clients to bring on? Why was that?

The clients you should most want to replicate generally have five characteristics:

- You enjoy working with them

- You're able to add value to their financial situation

- They value your work together

- They're profitable

- They are willing to refer others to the firm

Once you've listed 5-10 clients you truly want to replicate and match the above five characteristics, move on to the next step in defining your ideal client: determining the commonalities between them.

Step 3: Determine the commonalities between your existing ideal clients

After listing your top 5-10 clients you would most want to replicate – also known as your existing ideal clients – the next step is to determine which characteristics they share. The most common traits advisors tend to look at are things like age, profession, and asset level; but there are so many more qualities you should look at! For each one of the clients listed in the previous step, do a quick inventory of important characteristics.

This should include basic demographic information, like:

- Age

- Gender

- Family profile

- Asset level

- Income level

- Profession

- Employer

- Education level

- Life events

  o Divorced, Widowed, Expat, Retired early, etc.

But your inventory should *also* include other characteristics. Also consider:

- Potential for future assets

- Planning complexity and needs

- Personal values

- Interests and hobbies

- Professional, religious, or other affiliations

- Philanthropy & causes

- Personality types and characteristics

- o Introvert/extrovert
- o Analytical/big picture
- o Chatty/reserved

- Connections to other clients

  - o Referrals
  - o Friends
  - o Co-workers
  - o Centers of influence
  - o Family

- Type of relationship

  - o Do they embrace planning?
  - o Are they delegator?
  - o Do you consider them friends?

Use the *Ideal Client Workbook* or tool of your choice to write down important characteristics about each of your existing ideal clients. Then make a note of characteristics that appear across the majority of the clients. What trends and commonalities are evident? These will be the basis for forming your ideal client profile. Once you've completed this step, move on to the next lesson and create your ideal client profile.

Step 4: Create an Ideal Client Profile

Now that you have a good idea of what your existing ideal clients have in common, use the information to create a profile of your ideal client. The profile should be specific enough that it helps people you are talking with picture the type of person they should introduce to you.

Remember, if you're ideal client profile is too general, it's more difficult to clearly articulate a value proposition that resonates with your target clients. Using the work you did in the previous lesson, create a high-level profile of the type of clients you would love to attract. The traits could be:

Demographic information:

- Age

- Gender

- Family profile

- Asset level

- Income level

- Profession

- Employer

- Education level

- Life events

Also include other interests and characteristics:

- Potential for future assets
- Planning complexity and needs
- Personal values
- Interests and hobbies
- Professional, religious, or other affiliations
- Philanthropy & causes
- Personality types and characteristics
- Connections to other clients
- Type of relationship

An example of a strong ideal client profile might look like this:

- Age 35-55
- Successful professionals at a VP level or above in mid-to-large sized companies
- Married with children
- $500,000+ of investable assets, adding at a rate of 20%+ of income per year
- Values family, philanthropy, and social causes
- Enjoys travel, food and wine, and children's sports
- Financial delegator; values financial planning
- COI in their social circle; readily makes referrals

An example of a more traditional "niche" ideal client profile might look like this:

- Age 30-55
- Physician – cardiovascular specialty
- High income; $350,000+ with significant upside earnings growth potential
- Has needs for financial planning, risk management, student loan repayment planning, and investment management
- Chicago area
- Married

- Financial delegator

Another example of an ideal client profile that is too generic would be:

- Retiree

- $200,000+ investable assets

- Values advice

COACH TIP: If you're finding yourself stuck when thinking of the type of client you DO want to work with, a helpful exercise can be defining your "anti"-ideal client – or the type of client you definitely DON'T want to work with. Thinking through what would make someone a bad fit – someone you wouldn't enjoy having as a client -- can help illuminate the characteristics most important to you.

Using the *Ideal Client Workbook* or the tool of your choice, outline your Ideal Client Profile. Once you have a clear Ideal Client Profile, leverage it for growth and efficiency:

- Invite existing ideal clients to join your Client Advisory Council

  o What is the client experience like for them?

  o How do they feel you can grow and get better?

  o How can you get introduced to more clients just like them?

  o Learn how to hold a Client Advisory Council*.*

- Re-evaluate your value proposition

  o How do you uniquely meet the needs of these clients?

  o What makes you and your team a leader in serving these clients?

  o What messaging resonates with these clients?

  o Learn how to articulate your value proposition.

- Improve your client experience

  o How can you add even more value to these clients?

  o What services are important to these types of clients?

  o What are their communication preferences?

  o Learn how to improve your Client Experience.

- Tailor your marketing and business development strategies

  - Where can you meet people who fit this profile?

- Where, online, are people who fit this profile?

- What type of COIs would also have people like this as clients?

- What type of events could you co-host with COIs that would be of interest to these types of clients?

- What kinds of intimate events could you host that would be interesting to clients and their friends who fit this profile?

- Learn how to create a Marketing Plan.

Summary:

A key part of an advisor's success is being able to clearly articulate their ideal client. By identifying existing ideal clients, determining commonalities among those clients, and clearly documenting the key characteristics of your ideal client, you can be well-positioned to deliver an excellent client experience and maximize your business development strategy.

FAQs:

- **Should I have multiple ideal client profiles or niches?**

  - In some instances, it can make sense to have more than one ideal client profile, though there are generally some commonalities between the profiles. Good examples would be a large firm with two partners who have different specialties or a solo advisor who focuses on employees at a certain employer and has also developed a niche with widows as some of those retirees pass away. However, be careful of having too many ideal client profiles – at some point, it becomes too wide and generic again.

- **If I define an ideal client profile, does that mean I can't take on any clients outside of that profile?**

  - Not at all. Advisors often receive referrals from ideal clients who do not exactly match their ideal client profile. The important thing is that you are clear about your ideal client profile when you are proactively marketing your services or educating your clients on the types of people you can help. With that said, it is important that you do have some filters or requirements, or it can become burdensome for you and your team. You don't want to bring on clients you don't enjoy working with, and you may need to hold fast to certain minimum fee levels to maintain profitability.

Resources:

Learn more and download the resources referenced in this document from the *Defining Your Ideal Client* course in Carson Coaching Online.

- **Ideal Client Workbook**

- **Blueprinting Guide**