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Research Reveals Financial Advisors Are Missing Opportunity to Attract Clients through Referrals

SEI Launches ReferralBuilder Program to Increase Advisors' Referability Score

OAKS, Pa., Sept. 26, 2017 /PRNewswire/ -- Referrals are a powerful, effective, and cost-efficient way for financial advisors to obtain new clients. Yet most advisors find it challenging to attract enough referrals to help them reach their growth expectations, according to a new report published by SEI (NASDAQ: SEIC) in collaboration with Absolute Engagement and The Client Driven Practice LLC. Data generated by the new study, *What Makes You Referable? The Elements of Referability*, reveals that advisors lack a formalized framework to fully leverage their contacts and maximize their referral potential. In response to this need, the SEI Advisor Network today launched the SEI ReferralBuilder Program to assist advisors in enhancing their ability to generate a consistent stream of new clients through referrals.

The study gathered data from 512 advisory firms across the U.S. SEI used these findings to design the SEI ReferralBuilder Program and help improve advisors' referability score. Studies conducted by Julie Littlechild, CEO, Absolute Engagement, and Stephen Wershing, CFP, President, The Client Driven Practice LLC, reveal that 50 percent of investors report having referred an advisor, while less than five percent of advisors report actually receiving referrals from clients.

"Attracting referrals involves more than a tactical marketing campaign or simple outward facing techniques," said John Anderson, Managing Director and Head of Practice Management Solutions for the SEI Advisor Network. "Businesses that attract the most clients have a formal framework of systems, habits, and characteristics that work together to project a specific and compelling value proposition to target clients, and that support and reinforce each other. The more sections of that framework that are in place, the more referable advisors become."

In order to create ongoing referrals, advisors need to communicate effectively and to multiple audiences, including their clients and their staff. More than 40 percent of firms that stated they had not been referred indicated that they had not communicated the description of their ideal client to their employees or clients. Highly referable firms talk about their ideal

client description with everyone, and their employees need to understand the target audience as well.

"The potential opportunity is easier to achieve than advisors think," said Wershing. "We heard directly from people that make the referrals and the advisors themselves that there is significant untapped potential to increase referrals. In the past, referral advice has all been tactical. Through this research, we discovered that approaching referrals strategically led to more success."

The SEI ReferralBuilder Program

To assist financial advisors in increasing their referability, the SEI Advisor Network has introduced the SEI ReferralBuilder Program, which is a series of tools to help advisors build a framework that allows them to tap into their potential for referrals. Resources offered by the program include worksheets, analysis, and coaching that enable advisors to better target their clients, create a custom experience, involve their clients, and implement a referral marketing system. The framework also includes a scoring system so advisors can measure their progress. Key components of the framework, along with tools to address each, include how to:

- Define your ideal or target clients and their unique needs and wants
- Talk about those clients about their needs
- Involve clients in the experience you provide
- Have a system for attracting and tracking referrals
- Differentiate yourself by customizing your offering to your ideal client
- Emphasize your differentiators when describing your business

"This research makes it clear that while advisors want to increase client referrals, it's understandably hard to know how," said Littlechild. "There are a lot of tools out there for advisors; however, they do not lay out a clear framework of how to be more referable. I believe the SEI ReferralBuilder Program will help advisors realize this untapped opportunity and determine what they need to do to market themselves differently, communicate to the right audiences, and have the right system in place to attract and track referrals."

SEI is launching its ReferralBuilder Program at lunch and learns across the country this fall. To view the full report, *What Makes You Referable? The Elements of Advisor Referability*, please visit: [Financial Advisors Knowledge Center](#).

About The SEI Advisor Network

The SEI Advisor Network provides financial advisors with turnkey wealth management services through outsourced investment strategies, administration and technology platforms, and practice management programs. It is through these services that SEI helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability, and transparency, the SEI Advisor Network has been serving the independent financial advisor market for more than 20 years, has 7,300 advisors who work with SEI, and \$59.8 billion in advisors' assets under management (as of June 30, 2017). The SEI Advisor Network is a strategic business unit of SEI. For more information, visit seic.com/advisors.

About SEI

SEI (NASDAQ:SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth.

As of June 30, 2017, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages, advises or administers \$809 billion in hedge, private equity, mutual fund and pooled or separately managed assets, including \$307 billion in assets under management and \$497 billion in client assets under administration. For more information, visit seic.com.

Company Contact:

Dana Grosser
SEI
+1 610-676-2459
dgrosser@seic.com

Media Contact:

Meredith Mitchell
Prosek Partners
+1 212-279-3115 ext. 268
mmitchell@prosek.com

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