

## EXECUTIVE EDUCATION

## Are You Maintaining an Ally Portfolio?

By DAVID ACKERT

As any financial advisor will tell you, a balanced investment portfolio reflects a thoughtful distribution of assets for a minimum of risk and a maximum yield. If you choose your allocation wisely and you maintain it carefully, you will see a return. The same concept is true where referrals are concerned. Your allies are your greatest business development asset, which is why they too require that you choose them wisely and maintain them carefully.

Allies are fellow professionals who understand what you do and refer multiple clients to you. They are more than just occasional referral sources. They are revenue pipelines. They have quite literally allied themselves with your business and will continue to do so as long as they are properly incented. Some allies are satisfied as long as you do good work for the clients they refer and you send them an occasional bottle of wine to show your gratitude. But in most cases, they expect a quid pro quo of equal exchange. They will continue to scratch your back as long as you scratch theirs.

Because allies are so critical to a thriving referral pipeline, it is important to manage them just as you would any valuable portfolio. But most advisors don't take the time to design an Ally Portfolio; a system that identifies Allies quickly and maintains those relation-

ships for a maximum return on investment. As a result, their allies, if they have any, refer inconsistently. And as a result of that, their book of business is wanting.

Here's a simple set of qualifiers that will help you choose allies wisely. It's called "The 4 Cs:"

1. Chemistry
2. Commerce
3. Competence
4. Collaboration

Keep these "4 Cs" top of mind so that they become the filter for your business relationships. Here's an example: You meet a new contact during a networking function at which point you immediately assess the first "C" - Chemistry. Your intuition tells you that like them, trust them, and want to spend more time with them. This takes no more than a few minutes.

Then you move to the second criteria (Commerce) by asking them questions about their profession and industry. After a few inquiries, they confirm that they have access to your prospects.

To test Competence, you can take them out to lunch and ask them questions such as, "What kinds of client issues are you working on right now?" or "What are some of the biggest professional challenges you've experienced to date?" Their answers will give you a sense of how competently they deal with tough situations.

Collaboration tells you that if you give

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them business, they will be inclined to reciprocate. You can test this by giving them something of value early in your relationship. Email them an article or introduce them to a colleague. Then measure their response. Do they acknowledge your gesture? Do they thank you? Do they try to send something of value in return? Their response will give you a sense of how likely they will be to reciprocate a referral when the time comes.

You will find that, when used consistently, the 4 Cs will significantly reduce the amount of time required to identify an ally, weed out people who are unlikely to reciprocate, and populate your Ally Portfolio with sustainable, productive alliances.

Now that you've have a system for choosing your allies wisely, you can

begin to maintain them for a long-term, sustainable return. For this, turn to the Ally Portfolio. This is a simple spreadsheet that helps you keep track of your key referral relationships. In the first column, list their name, then their profession. That way you can diversify your portfolio with a variety of professional disciplines. After all you are unlikely to have enough referrals to feed any more than three or four CPAs. In the next column, track how many incoming and outgoing referrals have been exchanged with this ally. Sorting by this column will identify your top referrals at any given time. The final column tracks your most recent contact. If it has been more than three months, it's time to reconnect so that the alliance stays relevant.

This simple combination of the 4 Cs and the Ally Portfolio is a simple, manageable way to take responsibility for the results you hope to produce through your networking. You no doubt pride yourself on your ability to advise others on the management of their assets. Make sure you are doing the same when it comes to yours.

*David Ackert is President of the Ackert Advisory, a business development coaching and training firm. He is also an instructor at UCLA Extension where he teaches networking seminars through its Financial Management Programs division. He can be reached at david@ackertadvisory.com.*