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The following article was published on YourBiz on July 6, 1998. YourBiz has since been purchased by The Journal of Financial Planning. Authored by Kip Gregory, this piece illustrates how insurance brokers should use technology to tap into the too often forgotten realm of relationship management.

Want to Improve Your Business? Get to Know Your Clients.

While some businesses comb alley dumpsters looking for information on their customers, planners sit on an untapped gold mine of information they frequently don't put to use. Many take the client profiling process for granted and collect information only for compliance purposes. The best planners, however, see client profiling as an opportunity to gather information they will use in a successful, coordinated relationship management program.

A good relationship management program combines these elements: 1) gathering the right information; 2) managing it effectively with software; and 3) using the information.

Gather the Right Information

Software can help you capitalize on what clients tell you, but it's only as good as the information you give it. To use customer databases effectively, develop your strategy and tactics to leverage the information -- *before* deciding which software to use.

What should be in your database? Start by analyzing what you already gather. Review new account applications from broker-dealers, custodians or insurance carriers. Request sample profiling forms from five advisors outside your market. What information do they require that could be useful to you? Consider important relationships (names of children, parents, tax and legal advisers), dates (birth, marriage, divorce, deaths, stock option grants), and career milestones (date of hire, last promotion).

When profiling, ask questions to get information that helps strengthen relationships over time, and uncover opportunities for more business. Bill Bachrach's "What's important about money to you?" is one example. Learn about family, career, community involvement and personal interests. What achievements are they most proud of?

If you're stuck for ideas on what's worth knowing, consider Harvey Mackay's example. In *Swim with the Sharks without Being Eaten Alive,* he lists 66 data points that his firm obtains *over time* to better understand its customers and their needs. Commit to casually learning at least two new facts about a client during every conversation -- *and record them in your database.*

Pick the Right Software

Your choice of systems depends on your situation. First, if you use an older version of a leading program, consider a product upgrade. The current releases of these programs are far richer in features than their predecessors. Starting from scratch, you have a wide variety of options.

Popular programs include ACT, Goldmine, Outlook, and Maximizer. Though you can build your own in a database like Access, my advice is don't reinvent the wheel. For ease of customization, support and availability of third-party add-on products, go with either of the leading programs: ACT or Goldmine.

For stand-alone and small office users, ACT can do most of what you need, without a steep learning curve. It offers the greatest number of enhancement products. For larger offices, or if you manage complex corporate clients, Goldmine may be a better solution, but it'll take more time to learn. Both Goldmine and ACT offer limited, no-charge support after which technical support can be purchased by incident or subscription.

Use It

The smartest reason to use contact management systems is to show clients you're on top of their situation. Clients won't know how hard you work to develop their profile, but they will reward your responsiveness with their business.

Everyone acknowledges client birthdays and anniversaries. What about remembering a 1st or 18th birthday of a child or grandchild? Or, how about recognizing their high school or college graduations or weddings? Your system can remind you to call, or make casual mention of it during your meeting next week, or even prepare a customized note for you, all automatically.

ACT!Pak!, from Oakhurst Systems ([www.oakhurst.com)](www.oakhurst.com), is a third-party add-on that allows you to automatically schedule a sequence of correspondence, meetings and telephone conversations at the touch of a button. Want your year-end statement to be followed by a phone call five days later, and in turn a quick "thanks for your time" note a day after that? Easy to do.

Another tip: group your contacts into meaningful categories. Come across an article on grandparenting that you think clients would appreciate? Share a copy with everyone in your "Grandparents" list. Or send your "Trust accounts" group an article on pending tax law changes that may affect them.

If you'd like to know more about how a strong relationship management process can revolutionize your business, please contact Kip Gregory at kip@gregory-group.com. Mr. Gregory is Principal of The Gregory Group, a Washington, DC consulting firm that provides marketing and technology coaching to financial professionals.

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