

Innovation Update:

# Integrating the Voice of the Client in Your Business

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## Integrating the Voice of the Client

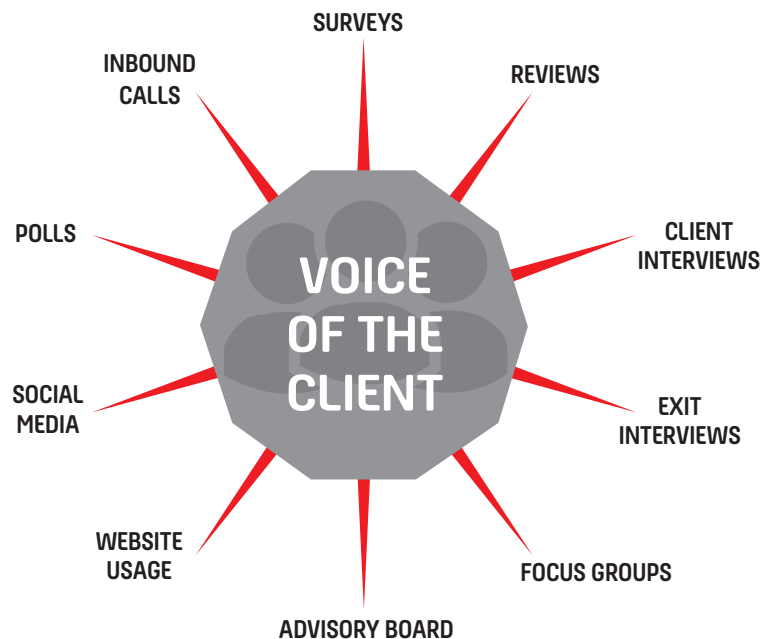
This report is designed to help you enhance the client experience to ensure it is not only deeply engaging, but drives growth. The strategies we'll share reflect the work of some of the most progressive financial advisory businesses and a core set of beliefs that draw on our on-going investor research.

- We believe that, in an industry in which 89% of clients say they are satisfied with their advisory relationship, good isn't good enough.
- We believe that great service is table stakes and that advisory firms need to focus, instead, on a great experience.
- We believe that a great experience is co-created with the same clients you are building the experience to support, rather than relying on what you believe they want and need.
- And, we believe that all of this starts by integrating the voice of the client into your business.

**"Get closer than ever to your customers. So close, in fact, that you tell them what they need well before they realize it themselves." ~ Steve Jobs**

## What is 'Voice of the Client' Research?

Simply stated, Voice of the Client Research (VoC) is focused on creating a formalized process to gather input from clients, in order to design the client experience around their needs, wants and challenges. While VoC represents a single, over-arching strategy, the methods used to execute on the strategy depend very much on your business and your goals. Those methods may include common approaches to gathering feedback, such as client interviews, focus groups, advisory boards or surveys. However, VoC can be defined more broadly than direct feedback to incorporate insights from other sources, including website usage patterns, comments on social media, recorded call data and online reviews.



Some firms may use a single method and others a multiplicity of methods to reflect their more complex client relationships. Using the broadest possible definition, a VoC process captures everything that clients are saying about a business, product, or service and brings that together to provide you with a clear perspective on your firm, offer or brand.

When looked at through this lens, it should be clear that VoC is a strategy rather than a tactic. It is an approach to doing business rather than a way of gathering feedback. This report is less about whether you should use surveys or polls or interviews; it is about the role that the voice of the client plays in creating a differentiated client experience. The tools you use depend very much on your objectives, however the strategy is the starting point, if your goal is to drive deeper engagement.

It's also important to highlight that VoC is not only about measuring how you are doing, but provides critical insights that inform how you deliver your client experience. As such it can help you look back and measure what you have already delivered and look forward to determine what you will deliver in future.

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## It Starts with 'Why'

As with any strategy, the first question we should ask is not 'how', but 'why'. Why is VoC a worthy strategy to both understand and pursue? There are two reasons that stand out.

### 1. In future, the client experience will be co-created

It is accepted wisdom that the way we will need to engage with clients is changing. Those changes are being driven by a number of trends that are more obvious when we look outside the four walls of this industry. And one such trend – or disrupter – is referred to as 'co-creation of value'. The team at Absolute Engagement believes that, in future, value will be co-created. That is, in future the client will have a different (and more pronounced) role in both defining and creating value.

The concept of co-creation of value is rooted in research from C.K. Prahalad and Venkat Ramaswamy. (See [Co-Opting Customer Competence](#) for more detailed information). Financial services was, by no means, the first industry to embrace the concept, however we believe that this will change in future as RIAs seek to differentiate themselves. And while true co-creation may be far in the future, it is worth thinking about now and holds out the potential to transform how you work with clients.

Simply stated, co-creation of value focuses on how you work with clients to create value. In the past, value was created by firms and offered to clients. That meant that the primary goal of the business was to identify and target the right clients for the product/service being made.

In the future, according to this theory, value will be driven by clients, who will take an active role in innovation of the product, service and overall experience. When we think about co-creation of value, we change the question we need to ask. Instead of asking what can we offer to clients, in order to drive engagement, we need to change the question to ask what we can create with clients in order to drive engagement.

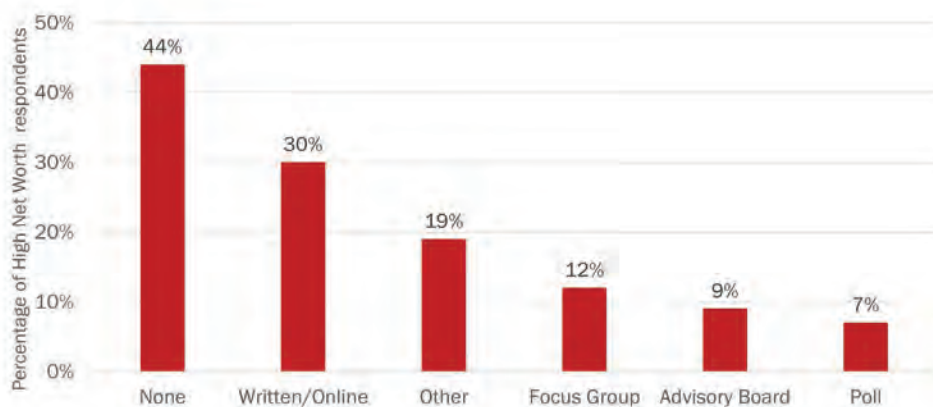
## 2. It is important to clients

Every year, Absolute Engagement conducts in-depth research among high net worth investors across North America and, occasionally, from the UK. That research provides us with a current Net Promoter Score for the industry, but also provides a window into the minds of clients. We examine what clients need, want and expect and what is driving deep engagement. One of the things we have learned is that being asked for feedback is important for Engaged clients - those clients who are the most satisfied and provide all of your referrals.

*72% of Engaged clients said being asked for input on what is most important to them is important.*

Enough said. Client feedback is important to clients, so it needs to be important to us. While clients may not use the term “voice of the client” that is exactly what they are referring to when they say it is important to be asked for input.

But here’s the thing. Just over half of high net worth clients say they have been asked for input, by some means, but only 30 percent say they have been asked via a formal survey. However you cut the data, there is a gap between the percentage who say it is important and the percentage who are being asked for input.



Q: How has your financial advisor gathered feedback or input from you? Please select all that apply.

## What Does This Mean for You?

What all of this means is that we need to actively involve clients in ‘defining extraordinary’ and understanding what they value in order to refine the client experience, demonstrate leadership and drive engagement. A clearly defined VoC strategy ensures you are getting the right insights.

But let’s get real.

While an extensive VoC strategy sounds compelling, it’s probably too complex and too expensive for advisors to execute, even successful ones. For that reason, we’ll focus in on how you can realistically and cost-effectively integrate a VoC strategy.

For advisors we believe there are three critical ways to integrate the voice of the client in order to create a deeper and more personalized client experience.



### 1. To *Guide* the Experience

You can integrate a VoC strategy to help you define, refine or enhance the client experience using the following methods:

- A survey that examines what is most important to clients and their expectations, now and going forward
- Brief issue-specific surveys/polls designed to enhance an on-going activity such as on-boarding, client reviews or plan presentations
- Exit interviews to understand why some clients leave
- Focus groups/advisory boards to go deeper on some of the issues raised through any of the above methods of integrating the voice of the client

### 2. To *Measure* the Experience

You can measure the client experience through an annual or bi-annual survey that assesses your success in delivering an extraordinary experience. You may consider one or more of the following metrics, each of which has pros and cons.

- Satisfaction
- Loyalty
- Engagement
- Net Promoter Score
- Perceived Value

### 3. To *Co-Create* the Experience

The most progressive advisors – and we like to think they are our clients – understand that the voice of the client can have a profound impact on your ability to personalize the client experience.

For example, we've worked with clients to:

- Automate the connection between the needs, challenges and aspirations of their clients and the on-going communications they receive.
- Gather on-going and immediate feedback on how clients are feeling about specific issues (e.g., markets, current news) to tailor communications and provide meaningful leadership.

### Getting Started with Surveys

Absolute Engagement works with some of the most successful advisors to help them integrate a VoC strategy. Depending on your objectives, you may choose to start with an overall survey, but one that is specifically designed to meet your specific needs. One size definitely does not fit all. When executed effectively, a survey can provide critical insights to drive deeper engagement, to grow the business and to support a meaningful communications plan.

For your business, that could mean using feedback to:

- Identify clients at risk
- Identify specific satisfaction gaps
- Understand what clients value the most
- Understand client expectations to refine your service plan
- Assess the value of current or planned communications
- Identify unmet needs, or
- Increase client referrals

Or you may have unique needs that can be supported by feedback such as buying or selling a business, enhancing your brand or messaging, transitioning responsibility for managing relationships to other team members or understanding the needs of a specific niche market.

When Absolute Engagement works with advisors to execute a client survey, we work through a five step process. If you are executing your survey internally, ensure you think through each step to get full value from the process.

<b>1. Design</b>	Clarify your goals and identify your strategic priorities in order to determine which VoC methods are appropriate and, if you are moving ahead with a survey, ensure that your questions are crafted as a reflection of your objectives.
<b>2. Execute</b>	Invite clients to participate, making use of leading software solutions that not only meet security requirements but allow you to engage clients with the survey process.
<b>3. Analyze</b>	Ensure you analyze (and can access) results in a way that reflects the needs of your entire team. Depending on the size of your team, that may mean providing access for the team as a whole and for individual advisors. You may also want to go beyond the averages to: understand differences across key segments (e.g., gender, age or wealth) as well as go deep to examine the drivers of satisfaction, engagement or Net Promoter Score.
<b>4. Plan</b>	Examine the implications of the results for each team member and the team as a whole. Create a plan to communicate your results both to clients and identify the specific actions you will take.
<b>5. Take Action</b>	Design and deliver training to your teams to help them interpret the results, follow up on risk and revenue opportunities and change the conversation with their clients based on the results.

We believe that integrating the voice of the client into your business is more than a nice to have for those firms that want to stand out. It's about more than simply asking for feedback, but that's a very good place to start.

To set a time to meet and discuss if or how a formal VoC strategy can support your business, [click here](#) or contact the team at [support@absoluteengagement.com](mailto:support@absoluteengagement.com).