

The Power of Borrowed Trust

A guide to building relationships with Centers of Influence (COIs)

Jason Early, CRO @ BizEquity

Can I trust this person?

It's what every prospect is thinking in the first several minutes of a meeting with an advisor, or anyone they will potentially do business with for that matter.

Traditionally, advisors walk into meetings with very fancy charts, proposals, and lingo in an attempt to impress the prospective client with their knowledge and expertise. The problem is, your expertise does not build trust; in fact, it has the opposite effect. A recent study by Hearts and Wallets found that consumers are actually more confused than ever by financial planning.

An old mentor of mine, Tom Quirk, always used to share the Theodore Roosevelt quote:

"Nobody cares how much you know until they know how much you care."

Building trust at scale is challenging, however, because it takes time. So, I want to introduce the thought of borrowed trust. Advisors are waking up to the \$13.1 Trillion opportunity that exists within the business owner community, but we know it's not as easy as walking into a business and asking to provide them with financial advice.

By default, the accountant or CPA is often the business owner's most trusted advisor. Often, if not all the time, they know the financials of the business as well as the business owner. That creates and builds trust in the relationship.

There are all types of COI relationships that advisors have and build to meet new business owner clients. These four are the most common:

- Accountants
- Attorneys
- P&C Brokers
- Benefits/401(k) plan Brokers

All of these financial professionals have business owner relationships that they can help you harness.

In our view, accountants are the most powerful because of the borrowed trust concept. Because the accountant has such an intimate knowledge of the business, there is almost certainly trust built.

When an accountant, who the business owner trusts, introduces you as an advisor, you are benefiting from their trust relationship. You are assumed to be trustworthy, which is a distinct advantage from the start.

“Trust is the glue of life. It is the most essential ingredient in effective communication. It’s the foundational principle that holds all relationships.”
-Stephen Covey

The challenge that most advisors have in building sustainable COI relationships is creating two-way value. It is much easier for the accountant to refer business to the advisor than vice versa. Think about it. Virtually every business already has an accountant relationship - they need to. However, according to the American College, 60% of business owners say they do not work with a financial advisor. That creates tension in the relationship because the accountant feels like he/she is the only one bringing value, by referring clients. The best advisors, with the best COI relationships, find ways to deliver value to the accountant's practice even if it doesn't mean new clients.

Compensation is one way, however, if you can find a way to add value to their clients outside of just your advice, it can really motivate the accountant to walk you through doors.

In our world, we know that only 2% of business value themselves today. One of the reasons we believe that to be true is that business valuation done traditionally, wasn't built with the business owner in mind. It's intrusive. It's slow. It's off-line. And it's expensive!

We have seen advisors on the BizEquity platform build incredible COI relationships by offering a real-time, complimentary business valuation report to the accountant for their clients. The advisor has the opportunity to make the accountant look like a hero, and it motivates them to introduce the concept to all of their top business owner clients.

Engaging business owners can be very difficult without introduction. Center of Influence development is the single best way for advisors to grow their practice in that market because they can leverage the trust of the exist-ing relationship. The key to sustaining that relationship and make sure that they continue to make introductions is delivering additional value to their clients and their practice.

How can we help?

BizEquity provides the technology and support to help an advisor:

- Deepen relationships with centers of influence by providing a complimentary, real-time business valuation report
- define their ideal business owner target based on their firm's operating style.
- Market their services to business owners with off the shelf white-labeled marketing content and presentation materials.
- engage a business owner and value their business in less than 20 minutes.
- Automatically benchmark the value and operational metrics of the business against their peers.

Not working with business owners today?
You should. We make it easy. Let us help.

www.BizEquity.com | 844.249.3789 | info@bizequity.com