

## The problem with new clients

by Carl Friesen

In many actuarial firms, anyone who brings in a new client has congratulations, promotions and celebratory beers piled on. Anyone who just manages to keep an existing client receives no congratulations and sadly, no beer.

Individual practitioners, likewise, rejoice when they land a new client but are less likely to congratulate themselves for hanging onto an existing client.

Why this discrepancy? It's no idle question, because the emphasis on new vs. old clients has serious bottom-line implications. Of course, actuaries need a steady stream of new clients. But a big part of your marketing effort should focus not so much on wooing and wowing potential new clients, but on keeping those you already have.

Consider the fact that new clients often mean a loss for you at first. This is partly because you are more likely to make mistakes while getting to know a new client – and unlike with existing clients there is no reservoir of goodwill to draw upon, and you must work doubly hard to dig yourself out of a hole. A current client will be more forgiving, and therefore more profitable. This means that existing clients pay the bills, while new clients often mean taking a walk on the wild side.

So, existing clients are important to your future. How can you encourage existing clients to continue the relationship, refer potential clients your way and heap praise on you when asked for a reference?

Consider, first, the needs of those existing clients. Quite often they want reassurance that they have made a good decision in continuing to retain you. You need to provide them with that reassurance, or they will be more inclined to take a second look when one of your competitors comes knocking.

However, consider what happens when that same client reads your article in her or his trade magazine. Imagine that the client sees you on the list of presenters for one of his or her industry conferences. Or, wouldn't it boost your credibility to be able to send your client a reprint of a newspaper article quoting you?

For individual actuaries and small firms, this means that marketing efforts must be focused not so much on attracting new clients, but on keeping existing clients.

Actively look for organizations to which present clients belong, join them and get involved. Do presentations to their luncheons and conferences, sponsor their golf tournaments and contribute to their newsletters.

Determine which publications are read by existing clients and get your projects profiled in their pages. Contribute helpful articles, and opinion pieces that show you to be an "insider" in your client's world.

The result is a more profitable practice and probably a whole lot more fun.

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