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Develop Business/Practice Management

The 6-Point Success Model for Financial Advisors

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There are no silver bullets in the retail financial services industry. But the disciplined execution of these six initiatives, from business assessment to operational efficiency, can grow your business and put you ahead of your competitors.

The truth is, you only have to be a little bit better than another advisor to one-up that person. This has been called the winning-edge concept, or as business growth expert Sam Silverstein calls it, the law of fractional advantage.

Silverstein's "law" states that all you need to do to win at anything is to be slightly better than your competition. In the 100-meter race, the winner is usually only a few hundredths of a second ahead of second place. The average margin of victory over the past 10 years in the Indy 500 was only 1.54 seconds.

That said, all quality advisors understand the model of profiling, asset allocation, investment selection, and portfolio monitoring, reporting, and rebalancing. You need to do more than be competent in these areas to differentiate yourself from your competition.

What are you willing to do to be a top financial planner? What will you do to differentiate? While there are no silver bullets, our belief is that one "secret of success" is disciplined execution. Disciplined execution is what can set you apart, and it's the focus of the six-point success model for financial advisors. If you focus on these six areas and execute, you will set yourself apart.

The six components of the success model

1. **Business assessment.** Where are you today?
2. **Business plan.** Where are you going and how will you get there?
3. **Business development.** How will you earn new revenues and clients?
4. **Financial advisory solutions.** How will you address your clients' wants and needs?
5. **Client loyalty.** How will you retain your existing client base?
6. **Operational efficiency.** How will you use your time to retain your clients and [grow your business](#)?

1. Business assessment

Assess your current business and skills. Examine the practice you have built over the years, your strengths, and where skill improvements may be warranted. How do you fare with the following "critical success factors"?

- Business development, including marketing and selling skills, networking
- Business acumen, including product and services knowledge, technology and [presentation skills](#)
- Personal organization, including time management, business tracking systems, daily game plan, written
- Business plan, teamwork/leadership, and follow-through
- Balance, including personal health and energy, your belief systems, personal and professional development

Now assess your book of business and your clients

- Who is really important to your business?
- Who is rewarding your efforts?
- What is the quality and value of your relationships?
- What acquisition methods work/have worked for you?
- How do you [leverage/improve relationships](#)?
- How well do you know or not know the client?

Don't forget accountability—it's the acknowledgment and assumption of responsibility for actions. It promotes sustainable development. As you are responsible for actions, establish a detailed set of accountability action metrics to enable you to determine if you are taking the correct actions or need to make course corrections over time.

2. Business plan

Your business plan is your formal statement of your business goals, the reasons why you believe they are attainable, and your plan for reaching those goals.

In the book *What They Don't Teach You in the Harvard Business School*, author and business success expert Mark McCormack talks about a study conducted on students in the 1979 Harvard MBA program. In that year, the students were asked, "Have you set clear, written goals for your future and made plans to accomplish them?" Only 3% of the graduates had written goals and plans; 13% had goals, but they were not in writing; and a whopping 84% had no specific goals at all.

Ten years later, the members of the class were interviewed again, and the findings, while somewhat predictable, were nonetheless astonishing. The 13% of the class who had goals were earning, on average, twice as much as the 84% who had no goals at all. And, what about the 3% who had clear, written goals? They were earning, on average,

10 times as much as the other 97% put together.

Develop and get into writing your vision, mission, values, beliefs, [goals and strategies](#), and your tactics to meet those goals.

3. Your financial planning/wealth management process

Construct a wealth management "pitch book" that reflects a process for meeting your clients' wants and needs and helps to differentiate your services. Outline your financial advisory process and deliverables. Outline an approach to position-building, and outline your wealth management deliverables that encompasses asset management, client advisory services, and the distribution of investment products.

Whereas financial planning is important for individuals who are in the wealth accumulation stage, clients must already have accumulated wealth for the wealth management process to be most effective. Be clear about your strategies for both types of clients.

You also need to have a goal, agenda, and content plan for [each client meeting](#).

4. Business-development approaches

There are four primary approaches for new client acquisition and five primary ways to increase client value.

Develop plans for each of these primary client acquisition approaches:

- Introductions from [centers of influences](#)
- Introductions from clients
- Networking (personal and corporate)
- Specialty marketing

And develop plans for each of these ways to increase client value:

- Fee-based planning
- Portfolio improvements for low-ROA clients
- Assets held elsewhere from current clients
- New assets from new clients
- Income and asset protection plans

5. Client loyalty and retention process

The VIP Forum of the Executive Board showed that very satisfied investment clients, those in the "zone of affection," are three times more likely to use their primary provider for their next financial action than someone who was somewhat satisfied, and twice as

likely to refer their primary institution. A Harvard Business School professor cited data from the Service Management Interest Group showing that 92% of satisfied customers will spread the good word about a company. To produce these apostles, companies should strive to populate the zone of affection, a pool of highly satisfied, highly loyal customers.

To create your own zone of affection, develop a:

- Contact strategy by tier
- Service deliverables strategy by tier
- Detailed creative discovery
- Plan to know more about the client than the client
- [Client satisfaction process](#)

6. Operational efficiency

It's an 80/20 world: 20% of what you do produces 80% of your results. In this final step, you need to identify the 30 or more key activities you typically address within your business and identify the 20% of activities that are critical to your success and develop an action calendar to address them.

Pay attention to your mindset, too

Motivational speaker Brian Tracy asserts that "fully 80% of your success as a salesperson will be determined by your attitude, and only 20% by your aptitude." You attract what you feel. Feel good and you attract things that make you feel good. Feel healthy, prosperous, successful, loved. You are the creator of your destiny. Create the destiny you want. Start today by writing your answers to the following questions:

- What are your beliefs about yourself that might lead to doubling your business in the next two or three years?
- What are your beliefs about yourself that might limit you in doubling your business?
- What are your beliefs about your processes that might limit you in doubling your business?
- What's your vision for your business in the next two or three years?
- What's your vision for your clients that you are willing to share with them so that they will help you double your business in the next two or three years?

This six-step success model will help you outline where you have been, where you are going, and your next steps. If you focus on these initiatives, execute them, and see to your mindset, you will set yourself apart from the competition and reap the benefits.

David Leo is a Senior Coach at Focus Partners LLC. He is a coach, consultant, and trainer to financial professionals. He has published numerous articles in Horseshmouth, the FPA New York newsletter, and other locations. David is a seasoned business manager and consultant. He works solely with Financial Advisors and firms who want to build their businesses by attracting, servicing, and retaining affluent clients.

Mr. Leo identifies gaps between what advisors are doing now and what they need to be doing to attract, service, and retain affluent clients. Mr. Leo has several decades of financial services industry experiences including over 7 years in PaineWebber's Private Client Group where he focused his expertise on productivity solutions for financial advisors. He retired from IBM after a successful 30-year career that included positions in sales, marketing, management, and business process reengineering consulting in the financial services and manufacturing industries.

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