

By Steve Saenz

Quote of the Month: "Starting epidemics requires concentrating resources on a few key areas. The Law of the Few says that Connectors, Mavens and Salesmen are responsible for starting word-of-mouth epidemics, which means that if you are interested in starting a word-of-mouth epidemic, your resources ought to be solely concentrated on those three groups. No one else matters." *The Tipping Point: How Little Things Can Make a Big Difference, By Malcolm Gladwell*

FOCUS X LEVERAGE = POWERFUL RESULTS

You know this is true, but are you as focused as you should be, and are you leveraging your most valuable assets, namely your TIME, KNOWLEDGE and key RELATIONSHIPS? If not, read on. **The secret to OPTIMIZING your business, which I define as being able to work less and make more money, is three simple words: LESS IS MORE!**

If you agree with this axiom, you're going to LOVE this issue of *Unconventional Wisdom*. If you have a hard time keeping New Year's resolutions, you should consider this a second chance; a chance to make this a breakthrough year for you and your business. Each of the ideas listed below will enable you to work less and make more money, but only if you TAKE ACTION! There has never been a better time to act than RIGHT NOW. Summer is here and the market has slowed to a crawl. It's time to get PROACTIVE!



Spend Less Time At The Office. I encourage all of my coaching clients NOT to go to the office one day per week. Instead, they should work from home or spend the day building deeper relationships with key clients. **There are at least three good reasons to do this.** First, YOU become more productive because no one is around to interrupt you. You'd be amazed at how many times you get interrupted each day and the effect that has on your ability to stay focused. Second, your TEAM becomes more productive because you aren't around to interrupt THEM. You'd be even more amazed at how many times YOU interrupt your assistant and other team members. Every time you get off the phone or come out of a meeting, you generate more work for SOMEONE. **Taking a day off gives your team a chance to catch up with you!** Last, but not least, if you take one day off from the office, you basically force yourself to be more focused the other four days. If you doubt this, try it until Labor Day and see what happens.



Launch A Digital Newsletter. If you're not communicating with your clients and prospects by e-mail on a regular basis, you are missing out on a HUGE opportunity to save time and money and, at the same time, enhance your ability to communicate with the outside world. **There are several web-based services that will automate the entire process for you;** they handle everything from enabling your clients and prospects to subscribe online 24x7x365, to collecting demographic information that enables you to send out highly-targeted e-mailings. NOTE: Please check with your compliance department before implementing this idea.



Build A Value-Added Referral (VAR) Network. This is the best door opener I have seen in my 17 years in the financial services industry. A VAR Network is a group of professional advisors and service providers in your community who (after careful screening) will become members of your own private network. This could be anything from an architect to a venture capitalist; people who can help your clients solve specific problems. The best part is that, if you play your cards right, you can get your clients to help you identify these advisors and service providers. **The power of the VAR Network lies in the fact that it ENABLES you to ADD VALUE to your client relationships.** Every time you refer a client to someone in your VAR Network, you add value by virtue of the fact that you have helped that client solve

a problem, even if it's non-financial in nature. The more problems you solve, the more value you add. If you do this on a consistent basis, you will eventually turn your clients into raving fans. The VAR Network is a key component of our Referral Builder System.



Implement A Time Blocking Plan. If you've tried time blocking and it hasn't worked, listen up. **The secret to effective time blocking is to build in some FLEX TIME.** If you try to account for every hour of every day, it will never work; that's too restrictive. Instead, you should insert several blocks of time where you can do whatever you want. **Another key to making a time blocking plan work is to eliminate as many interruptions as possible.** This includes incoming phone calls from clients and especially unannounced "walk-ins." This is especially important for those of you who live in small towns and/or work mainly with retirees (you know who you are). You must also get "buy-in" from everyone on your team. Make sure everyone is on board so they can help you stay on your plan. If you would like to see a SAMPLE time blocking plan, go to www.ParagonResources.com/library/timeblock.pdf.



Increase Your Minimum Annual FEE. Notice I didn't say "minimum account size." If you can get your arms around this one, it will change your life. I'm not kidding! The way I see it, the most valuable resource we have is our TIME. In fact, **I believe that time (not money) is the currency of choice for the truly "wealthy" individual.** If you agree, then you should start focusing on the PROFITABILITY of every client RELATIONSHIP you have now or will establish in the future. Profitability is nothing more than the amount of MONEY (annual fee) a client pays you versus the amount of TIME it takes to manage that relationship. If you're familiar with my LTV model (Lifetime Value of a Loyal Client) you know that the real upside in a fee-based relationship comes in the later years. Related to this (and just as important) is another concept I have been promoting for about ten years now – LARGER BUT FEWER. **If you want to have a business you control, rather than the other way around, you must STOP spending your time with low profitability clients and FOCUS instead on high profitability clients.** From a business perspective, **the only thing that really matters is REVENUE PER CLIENT (RPC).** If you stop and think about it, it takes about the same amount of time to establish and service a \$2 million relationship as it does a \$200,000 one. The REAL difference is that the \$2 million client pays you \$20,000 per year (at 100BP) while the \$200,000 client pays you \$5000 (at 250BP). **In other words, the fee-based pricing model provides you with incredible leverage IF you choose to take advantage of it!**



Reduce Your Client Base By 25 – 50%. Depending on which industry guru you talk to, this is either a lifesaver or a suicide strategy. **I happen to believe that a true investment professional (one who positions him/herself as a strategic partner with his/her clients) can only manage 75 – 100 client relationships EFFECTIVELY.**

Here's a story that may help you decide for yourself. Several years ago, one of my coaching clients (who had over 2000 client relationships) told me something that ALMOST stumped me. "Steve," he said, "I know you're going to tell me I should cut back on the number of clients I have. BUT, before you do, you MUST understand something. I live in a small town. I see my clients in the grocery store at night and in church on Sunday morning. If the words get out that I'm too big for my britches, I'm toast."

Well, I have to admit, this old city boy from Miami had to think about that one for a couple of weeks but he finally came up with a response. As my old friend Tom used to say, **if you ask the right questions, the client will tell you EXACTLY what you need to know!** On my next coaching call I said, "Bob, I would like to ask you a question. How many of your 2000 clients have you NOT talked to in over a year?" Bob says, "Oh, most of them." Then I asked, "How many of them have you NOT talked to in two years?" He says, "Most of them." This went on until I got to four years and then I said, "Bob, what do you think they're saying about you now?"

I share this story with you because **it serves to illustrate how OLD-FASHIONED THINKING (paradigms) can hold you back.** Yes, your smaller clients may win the lottery or inherit a boatload of money, but it just doesn't make good business sense to hang on to them for these reasons. When it comes to decision-making, my rule of thumb is this: **"Do what's right for the client and it will be the best thing for you and your business as well."** In most cases, giving away your smaller clients IS the best thing for the CLIENT!



Read This Book: The Tipping Point: How Little Things Can Make A Big Difference, by Malcolm Gladwell. If you're remotely interested in marketing READ THIS BOOK! If you have kids, READ THIS BOOK. If you care anything about the world you live in, READ THIS BOOK!

The subtitle says it all and I'll leave you with the last four sentences from the book:

"Look at the world around you. It may seem like an immovable, implacable place. It is not. With the slightest push – in just the right place – it can be tipped."