KNOW NO BOUNDS

PARAGON RESOURCES

Results-Driven Solutions February 2010 Newsletter
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"The ultimate success of a financial services practice means maximizing ROP - Return on People and Return on Process"
Sarah Dale and Krista Sheets

In this month's newsletter, we discuss two helpful team activities that focus on organizing your business and your time. The first one relates to the importance of conducting annual client segmentation. The second one provides you with information on how to organize your day and includes questions that you should answer to ensure that you are properly allocating your time. Additionally, we offer a productive way to use your time to make a difference in the reputation of your practice. We have heard from our advisory clients that the implementation of this idea has led to building strong, fruitful relationships with a critical partner to your clients, their accountant. We hope you find this information valuable to your business. Please feel free to share the content of this newsletter with anyone who may be interested in the material.

THE ABC's OF CLIENT SEGMENTATION

In 2006, we conducted a survey with over 400 financial advisors on service in the industry (for the results see: www.ParagonResources.com/library/surveysummary.pdf), and we were happy to hear that over 70% do some sort of client segmentation. This newsletter reminds you of the importance of routinely segmenting your client base to become keenly aware of these valuable assets in your business. Just because you've categorized your clients once doesn't mean you should never do it again. To the contrary, you and your team should do this on an annual basis. As you embark on the New Year and conduct your business planning, you should include a review of your clientele. Organizing your client base will lead to increased awareness of not only your relationships with your clients, but also the efficiencies and inefficiencies of your business. You will ensure that your clients are receiving the appropriate level of service by conducting this review. Most importantly, your assessment of clients should also uncover new revenue opportunities. We feel client segmentation is so important that we made it the first step of a *5-step process to 5-Star Service* in our book, Know Service.

With proper client segmentation, you and your team can do the following:

- Make wiser decisions about where your time, money, and resources are allocated when servicing your clients.
- Become aware of each client's value to your business and ensure that you are doing everything you can to attract and retain the best clients.
- Determine how to show your appreciation, add value, and maximize each of your client relationships.
- Uncover organic growth opportunities that lead to an increase in new assets.

While segmenting your client base, here are some questions you should answer:

- What is your primary business model – what do you do for your clients and more importantly, what won't you do for your clients?
- What is your profitability for each client?
- How much wallet share do you have for each of your clients? What can you do to maximize your client relationships?
- What qualities do your best clients possess?
- Do you know enough about your clients' families, circles of influence, etc.?

- How many qualified referrals are you receiving from your clients?
- Do your clients know that you want and need referrals?
- Do your clients know the value you bring to the relationship?
- Can any of your clients be better served elsewhere?
- Should you consider increasing your account minimum?

If you would like more assistance with conducting your own Client Segmentation Campaign, we have provided step-by-step instructions in the first of five toolkits included in Know Service. We even provide you with a sample Client Scorecard and a Question Guide for Defining Your Segmentation Criteria and Ideal Client Relationship. For more details, please visit www.ParagonResources.com/knowservice.

In order to update our 2006 results, we will be conducting another Practice Management Survey this year that will specifically focus on client service. Please be sure to look for details in our future newsletters. We hope you will participate!

ARE YOU TOO BUSY?

In the hyper-chaotic world that we live in, we would all like to have an extra hour or two in our day. Unfortunately, we are all afforded the same 24 hours. So, it behooves us to make sure we are spending that time wisely if we want continued business success and personal satisfaction. To do so, we suggest that you reflect on how you utilize this valuable resource, and focus on properly organizing your day to reap results.

Call a team meeting to evaluate your current allocation of time, both as individuals and as a business. The questions below will facilitate a constructive dialogue among the team members to assess where your time is being spent, and will determine if your efforts support your personal and business goals. It is important to include the alignment of roles and responsibilities to team members, as many inefficiencies are often uncovered in this critical area of your business. The goal here is to organize your business and *increase your efficiency*.

Our Team Development Process is an ideal solution for building awareness about the people who drive your business. Included is a comprehensive analysis of each person's strengths and motivators, as well as potential workplace stressors. This tool will be beneficial in ensuring that each team member is spending time on the activities that are best suited to them as an individual and that are applicable to their role. Please contact us or visit our web site at: www.ParagonResources.com

Individual Time Utilization Questions

- ❑ Where are you spending your time currently?
- ❑ Are you focusing your energy on items within your control?
  - Are you in control of your defined activities or others' expectations?
  - Are you wasting time focusing on elements outside of your control, like firm initiatives or challenges, government or world problems, the economic environment, etc.
  - Are you allowing the "reactive" to control your day?
- ❑ Are you spending too much time with the wrong clients and prospects?
  - Have you defined your "ideal client relationship" and are you staying true to your definition?
  - Have you segmented your clientele appropriately?

- Are you spending the majority of your time with your Signature, top clients or with the Standard, low-producing clients?
- Do you have any clients who should be migrated out of your business because they "cost" your business valuable time and resources?

- ❑ Are you putting unnecessary pressure on yourself each day?
- ❑ Are you letting others put unnecessary pressure on you?
- ❑ Do you end the day feeling behind schedule or with a sense of accomplishment?
- ❑ What is your energy level when you start the day? When you end the day?

Planning & Process Questions

- ❑ Are you PLANNING your time or WINGING it each day?
- ❑ How MUCH time are you dedicating to planning and organization?
  - Are you spending at least 10% of the work week ON the business versus IN the business? (i.e., conducting practice management and team development activities that improve the business.)
  - Are you spending too much time in one specific area of your practice so things are falling through the cracks in other areas?
- ❑ Are you focusing on activities that will reach the GOALS you have defined for yourself, your team, and your practice?
- ❑ Is your business systematized?
- ❑ Are you running your prospect/client/team meetings efficiently? Do you use an agenda?
- ❑ Are you communicating your schedule to those important in your life both professionally and personally (your team and your family)?

Resource Utilization Questions

- ❑ Are you engaging in activities that really belong to another member of the team?
- ❑ Are you maximizing your people resources and delegating appropriately?
- ❑ Are you maximizing your technological resources to increase efficiency?
- ❑ Are you and your team maximizing the use of your contact management system?
- ❑ Are you answering your own phone or does your assistant answer your phone?
- ❑ Have you identified "time wasters" and do you avoid them?
  - Information Overload: Are you spending too much time on "research"? (Newspapers, Periodicals, Research Reports, etc.) Have you identified those that provide you with the most value and eradicated the rest?
  - Technology: Are you allowing email and the internet to consume too much time and hold you hostage? Do you have any software or hardware that is out of date? Are you fully using your software and hardware capabilities?
  - Office Politics:
    - ❑ Are you giving yourself "closed door" time?
    - ❑ Do you allow anyone to come in at any time to share whatever is on their mind?
    - ❑ Do you get sucked into "water cooler" conversations?
- ❑ When you *push* activities further down your "To-Do List" or "Priority List," ask yourself a few questions:
  - Are there valid reasons for doing so?
  - Are you procrastinating because they are not activities you enjoy?
  - Are you making excuses?

- Should they actually be done?
- DELEGATE, DO, or DELETE!

RELATIONSHIP BUILDING OPPORTUNITY

During the next few weeks, take time out of your schedule to make a long-lasting impression on one of your clients' most influential people, their accountant. A small gesture now will give you many rewards in the future. Make an office visit to each of your clients' accountants and take a small gift. Include a handwritten card with a personal note: "I was thinking of you during this very busy time of the year. Here is something to give you energy when you need it most. Thanks for all you do!" Here are some great gift ideas:

- A selection of coffee from Starbucks or a local beanery.
- Muffins and pastries from a local bakery to surprise them with the breakfast they didn't have time for this morning.
- Godiva chocolate or a basket of fresh fruit to help them through those low-energy afternoons.
- A blooming plant or bunch of flowers to bring some spring sunshine into their office.

Just try to think of something that you enjoy when you are stressed and tired. You have a small window of opportunity to make a great impression. Have your team start on this today!

CORPORATE WORKSHOPS

If you are interested in adding a practice management program to your conference agendas or want to have your top talent attend a workshop that gets real results, we have the program for you. We offer several valuable 90-minute, 120-minute, ½ day, 1 day, or 1½ day programs on topics that teams want.

Visit our website at: www.paragonresources.com/solutions/workshop.pdf for more information

If you have any comments or suggestions on how we can better assist you and your practice, please know that we welcome your input. If you are looking for assistance on a specific project, please feel free to contact us so that we can craft the best solution for you using our own expertise or that of our strategic partners.

Warmest regards,

Krista & Sarah