



Results-Driven Solutions October 2014 Newsletter

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The ultimate success of a financial services practice means maximizing
ROP=Return on People™



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In this month's newsletter, Investing Time in Practice Management Impacts Today and Your Future, we remind you to stop procrastinating and start working ON the business to reap exponential results.

Please feel free to share the content of this newsletter with anyone who can benefit from it. And, if there is anything that you would like for us to include in future newsletters, let us know! We base our newsletter content on your specific needs and what we hear from the field. To submit a topic that you'd like to see in upcoming newsletters, please email us at info@ParagonResources.com or info@knownobounds.net.

“What I've experienced is that I can't know the future. I can't know if anything that I do will change what happens tomorrow. I can't know with certainty, but what I do know is if I do nothing, nothing will change.”

~ JAMES ORBINSKI

INVESTING TIME IN PRACTICE MANAGEMENT IMPACTS TODAY AND YOUR FUTURE

With the ever-increasing complexities of the industry and the drain we all feel on our time, it is easy to procrastinate your practice management activities and push them further down that growing to-do list. This is a mistake not only for the **immediate effect** it can have on your business, but also for the **future impact** it can have on the transition of your practice.

Committing to consistently spending 10% of your work week ON practice management activities helps ensure that you stay in control of your business instead of becoming a slave to the reactive which can lead to production plateaus and lost potential. Being proactive in nurturing the business will diminish the number of fires that flare up and burn your

productivity. Neglecting practice management activities NOW can affect your business valuation when you eventually retire and transition your business to another advisor.

Certainly, succession planning and valuations are a hot topic as the average age of the financial advisor in the U.S. pushes the mid to late 50's mark. However, no one knows what tomorrow holds, so the state of your practice should be important to you no matter what your age is. A solid succession plan is just good business. Advisors not only want to ensure that their clients are well cared for after their retirement, but they also want to capitalize on the commitment they have had to their careers. Advisors have dedicated a lifetime to their craft and should receive the maximum value for their businesses at retirement. Market conditions are one factor that affects the valuation of your practice, but they are out of your control. However, you do have complete control over the practice-specific metrics of the valuation equation and that is why it is vital for you to spend time on your practice management activities.

Consider these possible valuation drivers:

Client Base

- Quantitative and Qualitative Segmentation Criteria – How selective the practice is in the clients it serves
- Age of client base
- Earning potential of client base
- Multi-generational rapport building
- Average size of relationship – asset size and revenue per client
- Number of accounts per household
- Depth of personal and professional knowledge of relationships
- Propensity to refer

Client Service Model

- A proactive, structured service menu of deliverables appropriately aligned to client segmentation and profitability
- Organized and systematized client contact including calls, meetings, cards, newsletters, etc., that fulfills client expectations of frequency and method
- Adding non-financial services-related value to relationships that exceeds client expectations
- Points of distinction and brand that are seen as a competitive advantage in the community

People

- A high-performance team of professionals that clients trust with their financial needs
- A commitment to continuous learning and development
- Shared leadership and management responsibilities; Cross-training
- Appropriate resources to conduct job responsibilities

Business Management

- A well-managed, streamlined, and efficient practice where repeated activities are all process-driven
- P&L
- Revenue stream
- Product profitability
- Strategic partner affiliation

Ultimately, all of these elements are tied to your practice management commitment and the time you invest in making the decisions that evolve your business so that it can stand the test of time. Every time you postpone your practice management to-do list of working on developing the team, segmentation, developing processes, succession planning, and so on, you should consider the impact it has on your practice both NOW and in the FUTURE. No successor seeks to purchase a chaotic practice and if one does, he or she will take advantage of the situation! Consistently taking the time for practice management work will help increase the pace of your production growth in the early and mid-phases of your career AND help maximize the value of your practice when you are ready for retirement.

Our diagnostic assessment resources serve as foundational practice management solutions in this arena. Sometimes it's difficult for advisors to know where to begin and it is not always a good idea to self-diagnose your challenges! Let's face it, every practice is unique; diagnostic tools are required to uncover the specific performance barriers that are hindering the ultimate success of YOUR business and can subsequently drive results at a faster pace. Our [Performance Insights Process](#)[™] is a unique suite of assessment resources and the first industry-specific, online 360° benchmark system designed to cultivate top performing teams. This practice management engine represents a comprehensive approach to assessing the effectiveness of three critical performance drivers – your people, the team, and the business itself. Our diagnostic offerings help you gain an inclusive analysis of your practice so you can engage in the RIGHT activities to drive production now and drive the value of your practice in the future.

Because we believe in the collaborative approach, we offer a number of resources to add value to your platforms and help firms and financial advisors grow and develop teams and practices. Below we highlight a few of our offerings and resources:

Book: [Know Service](#): Connect with Clients. Shape Your Future. Differentiate You. 5 Steps to 5-Star Service for Financial Professionals. A comprehensive, how-to book to re-engineer your service model and reap new revenues (Quantity discounts available for firms)

Assessments:

[Performance Insights Process](#) – Comprehensive 360° assessment tools reviewing the PEOPLE, the TEAM, and the BUSINESS.

[People Insights](#) – to assist with self and team-awareness, role definition, and improve team communication

[Business Insights](#) – includes Team and Business Performance Assessments to help your sales force analyze their current team and business, identify the gaps, and create an actionable roadmap for the future

Firm Workshops & Speaking Engagements: We offer a number of [topics](#) within the areas of Practice Management, Client Development, & New Client Acquisition. Our speaking services are customized to your firm; contact us to learn more.

Firm Content Development & Tools for License: Specific tools, resources, and how-to information to help your advisors build and develop attractive, engaging, retentive, efficient, and profitable practices. Co-branded tools can be licensed for on-demand access on your firm's intranet site.

Please contact [Krista](#) or [Sarah](#) 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

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