

Looking for some inspiration for your business plan? Listed below are ten action items that will help you make 2006 a record year...

1. Make a Commitment to Business Planning

If you want to have a record year in 2006, you should make a commitment to business planning (an ongoing activity) rather than just writing a business plan (a one-time event). Business planning is a process that consists of developing, monitoring and adjusting a strategy for your business. When you go into the business planning mode, it's like going up in a helicopter and looking down on your business. This 10,000-foot view allows you to see the proverbial forest. Most advisors spend the vast majority of their time working on the tactical aspects of their business. This is like having your teeth sunk into the bark of the trees.

TIP: Make time for planning by building strategy sessions into everyone's calendars (see sample below)

RECOMMENDED BUSINESS PLANNING SCHEDULE

WEEKLY	one hour in the office
MONTHLY	half day in the office
QUARTERLY	full day, offsite

2. Organize Your Team Around Function

Your business has certain core functions that must be performed (e.g., marketing, portfolio analysis, client service, etc.). When you organize around function, you basically assign each function to one or more individuals. This is the best way to achieve true synergy on a team. The alternative (which is the model used by many financial advisors) is to organize around products or services (e.g., managed money, retirement plans, insurance, etc.). The biggest flaw with this model is that the various advisors who make up the team are responsible for performing all of the core functions; this cannot be done. The end result is often a group of advisors who are operating their own businesses (ineffectively) instead of belonging to a single, cohesive practice.

TIP: The Functional Organizational Chart (PDF) will help you develop your organizational strategy.

3. Raise the Bar in 2006!

If you believe in the "less is more" philosophy, you should double (or triple) your new account minimum right now. When you focus on quality instead of quantity, you position your business to grow faster. This will also enable you and your team to deliver superior advice and service to your clients. To avoid getting referrals that fall below your new account minimum, you should inform all of your key clients and centers of influence about your new account minimum. If you position this properly (i.e., that you are doing this to enhance the level of advice and service you provide for clients), it will be welcomed news to everyone involved.

TIP: Use the chart below to determine what your new account minimum should be.

YEARS IN THE BUSINESS	RECOMMENDED NEW ACCOUNT MINIMUMS
Less than 5	At least \$500,000 (or \$5,000 in annual fees)
5 to 10	At least \$1,000,000 (or \$10,000 in annual fees)
More than 10	At least \$2,000,000 (or \$20,000 in annual fees)

4. Make Room to Grow

If you want your business to grow faster, it must have room to grow. Most advisors' businesses get stuck at a certain revenue level (plateau) because they and their team are working at (or beyond) full capacity. In order to grow your business, you need to have time to market. You must also have time to process the new clients and service the ones you have. Marketing, which is the engine that drives your business, is a function that requires you to be proactive. You create room to grow by minimizing the barriers that are keeping your business from achieving its full potential. This includes having too many clients, trying to be all things to all people, and asking the wrong people to perform certain functions. The bottom line is that you have to have some "running room" if you want to increase the growth rate of your revenue line.

TIP: The ideal range of clients/households for a \$1 million planning/consulting based practice is 50 - 100.

5. Get Out of Non-Core Businesses

One way to create the room your business needs to grow is to exit non-core businesses or client types. These might include trading accounts, 401(k) plans and endowments/foundations. While they might sound lucrative, these types of clients may not be worth the time and energy it takes to attract and service them. If you have clients that fall outside of your core business model, you should give them to another advisor and split the revenue stream for two or three years.

TIP: For most advisors, the core business is a fee-based, consulting/planning model that employs a professionally managed investment platform. The "sweet spot" is the individual investor with \$1 to \$5 million in financial assets.

6. Develop a Professional Brochure

If you want to be successful in attracting HNW investors, you need to position yourself as someone who is serious about serving this market. The best way to do this is to invest in a professional brochure for your business. We're not talking about the "three-panel" variety or a spiral bound "pitch book." We are talking about a professionally designed (hard copy) brochure, similar to the ones used by money managers and fund companies. A professional brochure will cost you between \$5,000 and \$10,000. The upshot is that you will recoup your investment with just one new client. Once you have developed your brochure, the first thing you should do is get several copies into the hands of your key clients and centers of influence – anyone who is in a position to refer you the types of clients you should be working with.

TIP: Your brochure should be designed to position your firm or parent company as an integral part of your value proposition. The idea here is not to replace your firm's branding efforts but to complement them.

7. Implement a Seminar Campaign

After all these years, seminars are still one of the most effective ways to attract new business. Keeping this in mind, you have to be creative if you want to stand out from the crowd. For starters, try calling them something else like workshops, symposiums, briefings, summits, etc. Link your topics to target markets that you are trying to attract. For example, if you are trying to attract corporate executives, your topic could be "Creating Liquidity for Your Concentrated Equity Position." If you are targeting HNW investors, your topic could be "Planned Giving: How to Avoid Estate Taxes and Leave a Legacy." Finally, select unique venues. Rather than using the same old hotel, try a local art gallery, museum or historical property.

TIP: Hold quarterly seminars and invite appropriate clients and prospects. Mail out wedding style invitations and use a caller to follow up. This is much easier and more effective than straight cold calling.

8. Implement a “Four Seasons” Client Appreciation Campaign

Many advisors view their marketing seminars and client appreciation events as one in the same. You will achieve better results (and avoid potential conflicts of interest) if you keep them separate. A client appreciation event should be just that.

SEASON	SUGGESTED EVENTS
Winter	Angel Tree Party, Super Bowl Party, Ski Trip, Cooking Classes
Spring	Golf Classic, Kentucky Derby Party, Easter Egg Hunt, Meet the Chef Dinners
Summer	Fourth of July Family Picnic (you flip the burgers), Habitat for Humanity Project
Autumn	Football Party, Educational Trip, Fishing Expedition, Historical Tour

TIP: Make these annual traditions. Match client invitation list to event type. Encourage clients to bring friends and family.

9. Develop a Professional “Concierge” Service

Speaking of exceptional service, you should also develop a Professional Concierge Service (PCS) for your clients. A “PCS” is a broad network of professional advisors and service providers who can help your clients achieve non-financial “life goals” or solve specific problems. Your network should be customized to your client base and could include everything from a teaching golf pro (for clients who want to take up golf) to a travel agent who specializes in high-end “adventure” travel (for clients who want to see/do something off the beaten path). You will have fun developing your PCS and you might even get some business from the advisors and service providers you bring into your private network.

TIP: Where do you find people for your PCS? Ask your clients for names – they will be more than happy to help you build this network once they understand how it will help them.

10. Ask Your Manager to Invest in Your Business (if necessary)

If you are not in a position to self-finance the ideas described above, try asking your branch manager for help. If you present a well thought out business plan that outlines exactly what you will do with the funds, he/she should make the investment in you and your business.

TIP: When presenting your plan, you should remove as much of the “downside” as possible. You can do this by including a provision that if you fail to bring in a certain amount of new business (ask your manager what he/she thinks is reasonable), you will pay him/her back for part or all of the investment.

FINAL THOUGHT

Remember that it takes money to make money. Treat your business like a real business. If you want your business to grow faster you should plow some of your profits back into making it grow. There is probably no better investment you can make than to fund the future growth of your own business. If you don’t believe that, it may be time to retire or embark on a new career!

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