Results-Driven Solutions March 2011 Newsletter

by Sarah E. Dale and Krista S. Sheets

"To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity."
Douglas Adams

Happy March!

We've been quite busy working on some new initiatives and apologize for not sending you a newsletter during the last couple of months. We promise to make up for it with valuable insight that you can use in your business.

In January, Krista was presented with the Consultant of the Year award from Target Training International, the leading developer and marketer of research-based, validated assessment tools. As many of you know, she is dedicated to the development of teams and has a passion for helping individuals capitalize on their strengths. This accomplishment demonstrates her commitment to human capital management. You can read the press release at: www.ParagonResources.com/library/ttiaward.pdf

In February, Sarah, an avid fisherwoman, enjoyed a trip to Cancun, Mexico where she finally fought and caught a sailfish - a goal that has resided on her "bucket list" for 25 years! She is currently preparing for her little brother's wedding in London, England in April, right before the royal wedding.

In this month's newsletter, we provide you with valuable data from your peers on the topic of SERVICE. 1550 Investment Professionals helped us update a previous survey that we conducted in the industry. We also remind you of how important it is to fully utilize your support staff. We hope that these topics are of interest and value to you. Please feel free to share the content of this newsletter with anyone who may be interested or may benefit from the material.

NEW Research Report on Service in the Investment Advisory Industry

In 2006, we surveyed top producers and veterans on the service that they provide to their clients. Last year, we repeated the survey to see how the market volatility may have changed your approach with your clients. Below are some highlights of our research.

To view the original 2006 survey, please go to: www.ParagonResources.com/library/surveysummary.pdf
To view the 2010 survey results, please go to: www.ParagonResources.com/library/surveysummary2.pdf

Highlights:

- Those of you who feel the overall service you deliver *"Works Well"* or *"Works Extremely Well"* has decreased from 77% in 2006 to 71% in 2010.
- You are more challenged in *"Exceeding Your Clients' Expectations"* with 47% indicating that you need some or significant improvement (37% in 2006).
- But, you feel that you are doing a better job of responding to reactive client requests scoring 92% in the *"Works Well"* and *"Works Extremely Well"* categories (87% in 2006).
- You're listening to best practices, with advisors who segment their client base increasing from 72% to 83%.
- 24% have a written ideal client definition compared to only 20% 4 years ago. When defining your ideal client, more of you are using the characteristics *"Accepts My Advice with Ease"* and *"Referrals (actual and potential)"* than you previously used.
- 77% of the survey respondents feel that you should proactively communicate with your best clients on a monthly basis, with 9% indicating a range of 24-60 times per year.

- Even though there is no real change in the portion of people conducting client surveys in the industry, more of you are utilizing firm resources and 3rd party companies to provide this service. (60% versus 42% in 2006.)
- On average, the survey respondents indicated that they control more of their clients' wallet share than in the previous survey – 46% control 81-100% whereas in 2006, only 33% controlled this portion.
- For those of you who have teams, you are more actively communicating each team member's roles to your clients. (67% in 2006 vs. 71% in 2010.)
- You also feel that your clients are more comfortable working with support staff, rating 69% *"Very Comfortable"* in 2006 and now 76% in 2010. This demonstrates that teams work for your client relationships!
- Lastly, due to market volatility, 53% of the respondents changed their service strategy. Most changes included increased proactive communication, face-to-face meetings, education, and more frequent reviews of client information and goals.

Service Remains a Critical Business Driver!

After a challenging couple of years in a volatile marketplace, more and more advisory teams have realized that SERVICE and the overall EXPERIENCE that they provide to their clients has become an even more critical factor to both maintaining and growing their businesses. In addition to dealing with turbulent times, the industry has become more commoditized. There is minimal product differentiation with more widespread availability. Today, clients can buy essentially the same products from most companies, just wrapped up in slightly different packaging. These trends again reinforce SERVICE as a differentiator and a key driver to the ATTRACTION of clients, the RETENTION of clients, increasing REVENUES, and increasing REFERRALS. Of course portfolio performance will always be an important part of the equation, but it is the service, the advice, the proactive communication, the appreciation, and the value one brings to a relationship that will trump "the numbers" that clients see on their statement!

Throughout the country, advisory teams across all industry channels (wirehouse/regional/independent/bank) have begun to pay more attention to their overall value proposition, moving beyond the WORDS and focusing on the ACTIONS associated with delivering the ultimate client service experience. This is great news for both the clients you serve as well as your own business. However, you can see from the survey, there is still room for growth and many teams are in the process of working through the steps to devise and execute a unique, powerful, and memorable service strategy. One of your most vital resources in these endeavors is, of course, your sales assistant or client service rep.

While participating in a recent Corporate Event, we heard both the *frustrations* and the *jubilations* of a group of professional and experienced sales assistants. Do some of these frustrations sound familiar?

Balancing a growing workload in an environment of increased paperwork and regulations.

Not having an organized client base where they really understood who should be receiving what levels of service.

Wearing multiple hats and trying to manage their advisors' time as well as their own.

Lack of consistent team communication – who's doing what?

Wanting to transition from the reactive to the proactive.

Wanting to better understand their advisor's vision and goals and their role in achieving those goals.

The *jubilations* emerged as we began to work through our 5-Steps to 5-Star Service and engage in peer-to-peer sharing of ideas and processes. With TIME as the CONCERN and EFFICIENCY as a clear GOAL, these sales assistants were thrilled by the resources, tools, and simple "how-to" instructional steps that the book and workshop provided. We heard comments such as:

> *My advisor frequently talks about segmentation, but we have never actually gone beyond asset-based segmentation. This process will help ME help HIM really create an organized client base that focuses on our most valuable clientele.*
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> *The checklists, scripts, letters, and tools are priceless. We all know we need them but with time never on our side, it is so hard to start with a blank piece of paper! Now, with this foundation, we can customize to our team and move to the execution phase more quickly.*
>
> *The key to my sanity is PROCESSES. I have many in place, but these resources will help both me and my advisors better communicate AND become more efficient in our client meetings, our fact- finding, our seminars, and in appreciation events.*
>
> *I always thought our practice delivered pretty good service, but I now realize much of it is reactive. I particularly love the service commitment piece; this will really help my advisor and I better tell our overall story and have clients understand what we offer. We can use this to both solicit their preferences and set expectations.*
>
> *I wasn't really excited about coming to this program because I have so much to do and my advisor doesn't like it when I am away! However, when she sees all these great resources and ideas, I know she will be as excited as I am. Creating these systems will give me the hours back in the week to work on other elements that always get pushed down my 'to-do' list.*

We are big believers in the questioning technique. Spend some time reviewing the data from the service survey and consider the following questions -

- How are you and your team doing on delivering the ultimate client experience?
- Is your book of business organized and segmented based on your definition of an ideal client relationship and do you have an ongoing process to maintain those client segments?
- Are you executing a proactive service model that is systematized and designed to exceed client expectations on a CONSISTENT basis?
- How much time have you dedicated to working ON the business and creating processes to increase your efficiency?
- Are you maximizing the time and talent of your sales assistant, client service rep, and other support members? Do they understand the importance of their role on your team? Do they understand your vision and 2011 goals? Have you empowered them to take the service side of your practice to new heights?

"We've always known WHAT we needed to do; the challenge was on the HOW to do it with everything else we have to do. The 5-Steps to 5-Star Service process, outlined in the Know Service book, gave us a simple roadmap to follow to implement into our practice."

Order Know Service at: www.BoundlessPublishing.com

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Introducing the Performance Insights Process™

Your roadmap to driving growth is here! Whether you are a home office team responsible for helping your sales force deepen their success, or an individual advisory team, this tool is the foundation to jumpstart the business in a customized and results-driven manner.

Corporates and individual advisory teams have a critical and consistent goal - **DRIVING PERFORMANCE**. To achieve that ultimate performance sooner rather than later, internal practice management consultants, coaches, and corporate support teams must utilize a method to really understand each advisory team and their challenges. They must go beyond their symptoms to get to the root cause of their pain. Our new Performance Insights Process™ is a unique suite of diagnostic tools that looks at 3 performance drivers - **PEOPLE, TEAM DYNAMICS, and BUSINESS EFFECTIVENESS. This process** is designed to achieve the following goals:

- identify the potential **performance barriers** that are hindering the ultimate success of an advisory team
- **facilitate key decisions** that need to be made for the **future growth** of the practice
- **provide a roadmap for specific action**

Through a targeted and personalized approach, advisory teams gain the awareness, the knowledge, the action plan, and the tools to achieve those PERFORMANCE numbers they seek! If you or your firm is interested in this new suite of results-based resources, please download the overview at: www.ParagonResources.com/library/pipoverview.pdf for more information or contact Krista or Sarah.

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

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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