Increasing Financial Advisor Productivity with Five Questions

As a manager, you are responsible for the growth and productivity of the financial advisors (FAs) whom you manage. At times, this may seem a daunting responsibility.

What can you do to facilitate their success? The answer is quite a lot, if you can help your FAs answer five questions:

1. What is your ***business model***?
2. What ***new products, services, ideas and markets*** can you introduce into your practice?
3. How do you identify and implement ***systems and processes***?
4. How do you assure ***quality and continuous improvement***?
5. What is the definition of ***excellent service***?

Case study: Ron

When we first started working with Ron, he was 46 and had been a financial advisor for 20 years. His practice was mature. He worked with clients who were between the ages of 50 to 80. His focus was retirement planning. While this is a very large market, Ron was struggling. His revenue was flat over the previous four years and his expenses were increasing. He wanted to get back on a growth trajectory.

Business model: The first step in growing Ron's business was to identify, clarify and improve his ***business model.*** In other words, he needed to better define how he intended to deliver value and convert that value into revenue. Wal-Mart's business model is based upon operational excellence. They sell based on lowest price, so everything they do is designed to drive down costs and keep prices low. BMW, on the other hand, sells based on excellence and prestige.

In working with Ron, we helped him realize that he wanted to differentiate himself through exceptional service. From there, we helped him define his business model as follows:

1. ***Vision***: Where are we going? Ron's vision is to be known as the Financial Ambassador in his community. Ron and his staff are committed to educating and coaching their clients to assist them in realizing their dreams.
2. ***Mission***: Why are we here? Ron strives to set himself and his team apart through what they do after the sale. Ron has segmented his clients and defined the service levels for each client segment. The team understands service excellence and strives to meet and exceed client expectations. They have defined ***Service Excellence.***
3. ***Values:*** What is important to us? Ron and his team believe in informing and empowering clients. They act on this value by holding seminars and educational workshops to inform and educate seniors and others of the risks to which they are exposed. He conducts periodic reviews with his top 150 clients to ensure that they are working towards their goals.

New products, services, ideas and markets: We asked Ron to look at opportunities to address the client's whole balance sheet, both the asset and liability side. As a result, Ron significantly increased insurance revenue through highlighting the risks to which his clients were exposed. He began to attract far more assets and grew his annuity business. He also discovered that his clients could refer children and grandchildren. Now, he has a business that spans three, and sometimes four, generations.

Systems and processes: A multi-generational business requires the right systems and processes in order to manage these increasingly complex relationships, all of which are profitable. How does the advisor seek next generation referrals? What ongoing links will exist between these clients to support and reward family referrals? Also, Ron's children are now in the business and will continue to serve inter-generational families. How will succession be managed in this legacy business?

Quality and continuous improvement: Business success often arises from a willingness to continually get better and to identify opportunities. One way that we helped Ron and his team to continuously improve was to implement a regular contact strategy, whereby they seek opportunities to interact with clients. Recently, Ron called one of his clients for a review and learned that the client had just received a $600,000 inheritance. This opened up a host of opportunities.

Service excellence: In refining his business model, Ron was able to define service excellence for different segments of his clientele. Defining and ensuring a consistent level of service is especially important for a business like Ron's that is so dependent upon a referral network. Ron and his team will be able to ensure long-term inter-generational client relationships by consistently delivering on their service promise.

By answering five key questions, Ron was able to redefine his business and enter a new phase of dramatic growth. You can utilize these five questions enable your advisors to identify, clarify and intensify how they can grow their business.

As a manager or coach, the **art** is in your ability to utilize these five questions to guide your advisors in a reflective process that enables them to find new purpose and direction. The **science** is in working with them over time to apply, refine and integrate their business model and utilize new products, services, ideas, systems and processes to continually demonstrate service excellence. The payoff is that your advisors are more effective in their practice and more fulfilled in their lives. Isn't that what management is all about?

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