

*For this month's newsletter, I have invited our strategic partner, Client Opinions, to contribute its expertise. Founder Colin Wahl has extensive marketing and market research experience in the Investment Advisory Industry and is a Chartered Financial Analyst. He started Client Opinions to leverage technology to provide an automated, measurable, and continuous method of obtaining client feedback so one can anticipate problems, capitalize on opportunities, and deepen relationships. His web site information and a special promotion for Paragon Newsletter Subscribers can be found at the end of this newsletter.*

The essential first step to our *Optimize Your Business Process\** is to REALIZE your performance barriers and the obstacles that are standing in your way of achieving greater success. To do this, we advise our clients to assess their business INTERNALLY and EXTERNALLY. Internal analysis can include calculating your client acquisition cost and profitability, determining if you have the right people doing the right jobs, assessing the efficiency of your systems and operations, and much more. Examining how well your clients perceive what you do for them is performing an external analysis. This is soliciting client feedback. As you look to increase the value of your business, it is critical to get input from these key stakeholders about your company's strengths and weaknesses.

A business doesn't really have a choice about whether or not it is going to get client feedback. Clients give you feedback all the time, whether you like it or not. Face it, you like to hear the good stuff, but how you respond to the bad feedback is critical to the longevity of your business. What does it mean if a client doesn't invest ALL their assets with you? What if they question your investment advice or are hesitant to sign the papers? Some may even fire you. In some manner or another, they are letting you know something about you and your business - something you can do better.

The only choice you have is how you choose to get client feedback. You have a simple decision - seek it proactively or deal with it reactively. It seems to be a clear choice to me. If you get feedback early and proactively, you can act. If you get it late, there's not much you can do about it, you've already eroded your trust and credibility, or worse, lost the relationship.

It's very difficult to collect unbiased client feedback on your own. People have a tough time being honest when they are face to face with you. Many people feel it is easier to just leave the relationship rather than tell you what is wrong. There is a real art to phrasing questions to get to the truth. Some of you may rely on your firm to structure a written questionnaire or have designed one yourself. But, you really need a professional who knows what to ask, how to ask it, and then knows how to interpret the results so you get real feedback that is actionable. Clients are also more open and candid in providing feedback to an independent third-party expert.

Colin suggests that every successful practice should implement a formal "Voice of the Client" program that captures continuous, unbiased, and measurable feedback. This program transforms client research from an ad hoc process to a continuous process of proactively identifying new business opportunities and uncovering issues before they become problems.

Three key questions can tell you a lot about how you interact with your clients, how well they understand your business, and how you can improve what you do.

### **1. How satisfied are your clients?**

There are really two levels of satisfaction, emotional and product/service.

**Emotional Satisfaction:** How satisfied are clients with their relationship with your practice? Do they like you?

**Product/Service Satisfaction:** Do clients like the quality of your offerings? Having a good relationship buys you some capital with the client, but that runs out quickly if your products and service are poor.



### 2. Are you doing the right things right?

We are always surprised at how many businesses do a great job on things clients simply don't care about! You might be sinking money, time, or resources into something you think is critical, but after asking your clients, you may find that it's not something that is important to them. Ask your clients what is important to them and customize a service plan for their needs. Invest your efforts into what your clients deem to be mission-critical to THEM, not to you.

### 3. How well do your clients know your portfolio of products and services?

It's not uncommon to see less than a 50 percent client awareness of a firm's products and services. If you offer multiple solutions or have evolved your business model over the years, be sure to constantly take time to build your clients' awareness. Think of the lost revenue if your clients don't know all of what you can do for them. Existing clients are by far the best prospects. They are already predisposed to buying from you, and simply educating them on your full range of offerings can often generate qualified sales leads.

Remember that all of your competitors are constantly in front of your clients. Asking your clients "what are competitors doing that we should be doing?" is a great way to get new insight into your business.

To summarize, there are ten core beliefs for conducting a Client Survey:

- #1 You can't avoid getting client feedback.
- #2 Your only choice is... whether you get feedback proactively or reactively.
- #3 Listen hard and your clients will reveal the secrets to growing your business.
- #4 Internal feedback is necessary but not sufficient.
- #5 If you can't measure it...you can't manage it.
- #6 The ROI on new business from an existing client is mostly "R".
- #7 Existing clients are your best prospects.
- #8 Clients are the DNA of your business...learn about the building blocks of your company.
- #9 Asking clients for their feedback is the highest form of respect you can offer.
- #10 A systematic client feedback process is a strong "competitive differentiator".

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*To learn more about Client Opinions, please go to: [www.ParagonResources.com/about/clientopinions.php3](http://www.ParagonResources.com/about/clientopinions.php3). Be sure to let them know that Paragon sent you and they will give you a \$750 discount.*

*\*OPTIMIZE YOUR BUSINESS :: A Virtual Practice Management Workshop CDROM: This interactive CDROM contains almost 2 1/2 hours of live recordings from actual practice management workshops programmed into a user friendly, interactive visual program. Included is the 5-step Optimize Your Business process and Action Plans, providing tools and exercises for implementation. This is an ideal program for eliminating your practice management issues so that you can take your business to the next level.*

*To learn more about our practice management tools, please visit our website at [www.ParagonResources.com](http://www.ParagonResources.com) or phone us at 770.319.0310 to learn more.*

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