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Develop Business/Client Management

## Tackling Your Business Plan? Don't Forget Client Service Goals

By Sarah E. Dale and Krista S. Sheets  
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**If you have ignored the service side of your business, it's never too late to develop a strategy that will retain clients and bring in new business. Here's a five-step process to consider.**

We see it all the time: financial advisors who focus on acquiring new clients while neglecting their existing book. This is the equivalent of running the air conditioner with the windows open—not terribly cost-effective.

In reality, creating five-star service for clients is more than just a mantra for your client associate. It's something that can help you drive sales and create the long-term relationships that are critical to your success.

When executed well, client service can become the foundation for all your business planning initiatives. It is an essential part of client acquisition, practice management, and even your [business succession](#) plan. After all, an advisory practice with a well-defined client service model is [more valuable](#) than one without.

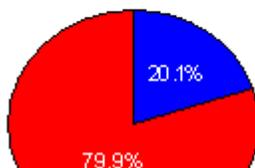
Client service revolves around deepening your ideal existing relationships. Remember, these are the clients your competitors wish to steal. The following five-step process shows you how to create an irresistible five-star service platform that will retain clients and help you [maximize referral](#) opportunities.

An easy way to remember this process is to think of your five A's: Analyze, Allocate, Assemble, Activate, and Assess.

### Step 1: Analyze your book

Your first activity is to analyze your book of business. Yes, you've heard this before, but organization of your clientele is at the heart of your service model. All the clients in your book of business deserve some level of service—and if they don't, they shouldn't be your clients.

Do you have a written definition of your ideal client relationship?



Obviously, most of your resources should be spent on your [best clients](#). You need to know where the majority of your business is coming from and recognize which relationships are profitable, which relationships proactively provide referrals, and which relationships you really enjoy.

Analyzing your book will help you create a clear definition of your ideal client relationship and subsequently define

criteria to segment your practice into sublevels.

Survey results showed that 93.8% of respondents were trying to [prune clients](#) from their lowest segment. This statistic clearly shows the importance of understanding your ideal clients and maximizing those relationships to increase both your overall business and time efficiencies.

Since each financial advisory practice is different, how you analyze and segment will vary. Devise the segmentation criteria that are right for your business model and style.

## Step 2: Allocate your service menu

The second "A" in the process is Allocate, and here you need to devise a [service menu](#) and specifically distinguish the type of services the practice should provide to each of your newly segmented clientele. Some menu items may depend on the type of firm with which you work, and others are individualized based on team preferences, feasibility, and style of business. You should identify core service ingredients for all segments and then those additional service ingredients you'll provide to your best clients or true advocates within the practice.

Most important, your service menu should define the communication and [appreciation items](#) each level of client will receive. Remember, communication is the number one client complaint in our industry, yet [communication](#) is the very foundation for client relationships and service.

The service menu you devise will help you properly set client expectations and will lead to a [commitment agreement](#). Each segment of your client base will know exactly what to expect, and your team will know precisely what needs to be delivered at what intervals.

## Step 3: Assemble your resources

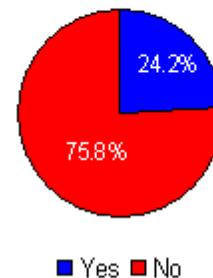
The third step in the process is Assemble. In this step, you should identify and assemble the resources required to activate the service menu. Ultimately in this step, you are looking to define the total means available to implement your service menu and take your practice to the next level. You need to think about all your resource providers; these include people, [technology](#), and knowledge. You will be defining the "who" and "what" that will aid in the delivery of your service initiatives.

Additionally, you will decide where you will find these resources. Remember, there are many different people and facets that affect the service side of your practice. From the branch receptionist to home office product specialists to your preferred wholesalers, and so on, these are all people resources you need to identify and subsequently [optimize](#). You will be building accountability into your process and assigning responsibilities to leverage both time and talent. At the end of this third step, you will have a master list and a plan of exactly how to maximize all resources going forward.

## Step 4: Activate your service model

With a newly segmented book of business, an ideal service menu, and the right resources, the time has come to activate the plan. You need [systems and processes](#) so the service initiative

Do you have a written service agreement defining exactly what the client should expect by doing business with you?



is delivered consistently for the long run. This fourth step, Activate, is purely about implementing, executing, and doing.

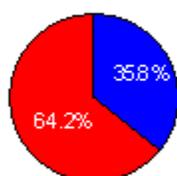
One of the most common challenges in execution is developing processes that result in your service initiatives running like a [well-oiled machine](#) yet giving an air of customization. In order to minimize the time and maximize the result, you have to find the balance of the super-efficient factory and personalized high-touch services for each client. This is where the work from the Analyze step will add value, because team awareness of each client is vital to execution. This is also where today's technology can play a role. Your practice needs to have standards for each activity to increase the pace of execution but allow for customization.

There are enormous numbers of advisors who claim that service is what [differentiates](#) them, but they have nothing to back it up—it's just words, not actions. It is the activating stage that will differentiate you. The execution of your service menu will show your clients your commitment to service. The processes and tools you use may initially seem like more work, but they will soon become positive habits and activities that become a normal part of your practice management. Step 4 is your opportunity to really connect with your clients, establish commitments to each other, and differentiate your advisory practice.

## Step 5: Assess your service model

Just as you perform client reviews and rebalance portfolios, you must assess whether your service menu is attaining the results you set out to achieve. Step five requires evaluating your service from everyone's perspective—yours, your team's, your external partners' (if you have them), and, most important, your clients'. You should use strategies such as [client surveys](#) on a regular basis; you should evaluate your service ingredients and the systems your team uses to deliver your menu. You should grade yourself on how well you know your best clients and determine if any clients should be considered for movement up to a higher tier.

Do you survey your clients on the service you provide?



■ Yes ■ No

By the end of the Assess phase, you will have all the information necessary to identify what is working and what is not within your service model. This is the time to fine-tune and make any necessary tweaks or changes to your service model. Regular reviews and adjustments ensure ongoing success with your clientele.

## Closing thoughts

Five-star service is not about wowing new clients or providing 90 days of exceptional service; it is about a lifetime of service that leads to increased business and client retention. This is about transforming the ordinary to the extraordinary from both a business perspective and a relationship perspective. Client names become client relationships; casual interactions with other professionals and product providers become partnerships; your business dramatically increases, and the team's name and reputation become well known in the community.

In order to achieve long-term unvarying delivery, you must have a service model with standards, processes, and systems in place, in addition to the team's all-important commitment to providing your clients unbeatable service. It is far more profitable and takes less time to maximize current clients than go after new ones; therefore, our process really focuses on

deepening your existing client relationships. However, the process also translates into finding more clients like your best clients and then servicing them in a way that will absolutely keep the competition away. Certainly we are all aware that portfolio performance has its place of importance, but service is where you will make or break your relationships.

It is the small things you do that will make a big difference to your clients' loyalty and commitment to your practice. Creating, communicating, and delivering a well-orchestrated service model with distinct levels of service will translate into positive, rewarding client experiences and increased business.

So no more excuses. No more trying to justify or rationalize why you are ignoring a critical area of your business. No more believing that your clients are any different than anyone else's. No more thinking it's just a numbers game driven by performance.

This is a relationship business, and your success is defined by your ability to build strong, profitable relationships. That ability is primarily defined by the service you deliver. It's time to take action and make decisions that will ultimately save you from the realm of extinction and take you into the sphere of long-term success and satisfaction. It's time to stand up and deliver exceptional five-star service.

### **Additional information**

[Research Report on Service in the Investment Advisory Industry](#), Paragon Resources, Inc.

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