THE ULTIMATE SUCCESS FORMULA

Fast-Track Your Practice with Today’s Most Effective Strategies

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The #1 Coach For Top Financial Advisors
The Ultimate Success Formula: Fast-Track Your Practice with Today’s Most Effective Strategies
By John J. Bowen Jr., Paul Brunswick, Jeanne Hurlbert, Ph.D., and Jonathan J. Powell

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On the cover: The Gateshead Millennium Bridge, a pedestrian and cyclist tilt bridge built in 2001 and spanning the River Tyne in northern England. In the background is the Tyne Bridge, built in 1928.
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Introduction: The Success Puzzle

As a financial advisor, you face decisions every day about how to best serve your clients and run your practice well. You are also inundated daily with recommendations from the industry media, financial services firms and vendors, all ceaselessly supplying advice, approaches, tools and techniques that they think will help you.

With so many recommendations but limited time to implement them, your challenge is identifying which strategies are truly most effective. Without clear evidence about which approaches are better than others, you are left to make your decisions based on criteria that may have little to do with actual efficacy. You may try something because a colleague is doing it, for example, or because it seemed like a compelling idea when it was pitched to you at a recent conference.

This hit-and-miss approach can certainly work from time to time, but we believe that the great majority of financial advisors, rather than relying on luck, would prefer taking deliberate action guided by clear evidence of what actually works.

CEG Worldwide is in the business of coaching financial advisors. It's our job to provide the right strategies to advisors and then to help them implement those strategies effectively to escalate their success. Through our experience in working with thousands of financial advisor clients for well over a decade,
we have gained a strong anecdotal understanding of what works. This understanding has been reinforced through our numerous empirical studies of tens of thousands of financial advisors across the industry.

But even this is not enough. As we have coached our clients while they have implemented our recommendations, we have seen some accelerate at a faster pace than others—some at a breathtakingly faster pace. Why?

Do some financial advisors simply have inherent natural advantages that others do not? All are implementing a range of strategies—do some advisors apply greater focus to one or two particular strategies that yield higher results? If so, how much do those strategies contribute to their accelerated success?

To answer these questions, we undertook an ambitious research project. We wanted first to identify the specific factors that drive success and then to estimate the magnitude of the effect each factor exerts on success, independent of the characteristics of the advisors themselves. This would enable us to understand how each factor contributes to success—*net of everything else*. Now, for the first time, our research enables us to say, with every-

### The Research Methodology

What works best in the financial services industry is constantly changing. CEG Worldwide’s research is designed to help us keep our fingers on the pulse of what’s working now while delivering sophisticated analyses that show what today’s best practices really are.

For this project, we asked 2,192 financial advisors to complete in-depth questionnaires about their practices, most important concerns and key activities. The financial advisors were drawn from all three major channels (advisors with wirehouses, independent broker-dealer representatives and registered investment advisors) across the United States.

The mean annual net income of the surveyed financial advisors was $133,230, but the study group included advisors from across the entire spectrum of income. The study also included financial advisors with widely varying levels of experience in the industry, from those just starting out to those with decades under their belts. The survey was conducted in September 2013.

After collecting the data, we used regression analysis to develop a predictive model. Importantly, every effect in the model is net of—or holds constant—the effect of every other measure included in the model. This is a critical enhancement of our previous research, as it allows us to see the impact of specific factors on financial advisor income, with everything else being equal.
thing else in our model held constant, exactly what specific characteristics and actions can mean for financial advisors.

Our data have provided us with a thought-provoking story—one we think you will find very useful in accelerating your success. Although some of the findings reinforce what most of us think intuitively about what drives success in advisory businesses, others are surprising. Still others turn conventional wisdom on its head.

Our report on the research begins with an examination of three characteristics over which you have little or no control, but which can greatly affect your success. Next, we scrutinize the four broad categories of advisor activities, uncovering which ones actually help drive success—and which ones can actually undermine success. We will then delve deeper into several very specific activities and their effect on advisors’ success.

We will wrap up by offering a set of distinct actions that any financial advisor can take to set his or her practice on a new trajectory of success. By the end, you will have a simple but powerful formula for success.

But before anything else, let’s look at an age-old question: What is success?
What Is Success?

To fully understand what drives success, we need to establish clarity about exactly how we define success.

Of course, success means different things to different people, but for our purposes here, we will use this three-part definition:

1. **Client impact.** Successful financial advisors provide an outstanding client experience and help their clients maximize their chances of achieving their most important financial goals. At the same time, they are able to attract a steady stream of prospective clients whom they can serve very well.

2. **Economic value.** Successful financial advisors drive substantial economic value in their practices. This includes not only higher net incomes, but also significant equity in their businesses.

3. **Quality of life.** Successful financial advisors know that they are not in business simply to grow their businesses, but to build a great quality of life. And they focus on enhancing quality of life not just for themselves, but for their partners, teams, families and, most important, their clients.

Given this definition, we have chosen net income as our primary measure of success. Although net income most accurately reflects what the marketplace values, it is also a reasonable proxy for success as we have defined it, particularly in regard to client impact and economic value. And
although a higher net income does not ensure a higher quality of life, it does make it possible.

Accordingly, in this report we will express the impact of particular activities in terms of dollars of net income. Success drivers increase net income, while success suppressors decrease it.
Some Things You Just Can’t Change

Our model identified three financial advisor characteristics that strongly predict success: years of experience as an advisor, current assets under management and gender. These are characteristics over which you have no immediate control, but it’s important to understand the impact each can have on your overall success.

Beginning with years of experience, we found that, with everything else in the model held constant, each additional year added an estimated average of $4,954 to the annual net incomes of the financial advisors we studied. Growing your income by simply remaining in business is not a particularly effective strategy, but we do know that some financial advisors take exactly this approach.

The next significant predictor of success is current assets under management (AUM). Here our model estimated that, controlling for all other factors in the model, the financial advisors in our study earned an additional $199 of net
income for each additional $1 million in AUM. Although clearly there are actions you can take to increase your AUM over time—we will discuss some of them later in this report—the mere fact of having these additional assets at this moment drives success.

The third advisor characteristic that predicts success, gender, exerts the strongest effect of the three. With everything else in the model held constant, we found that male financial advisors in our study earned $40,339 more in net income, on average, than did the female advisors.

These data clearly tell us that financial advisors who are inexperienced or female face a distinct disadvantage. Young female advisors face the double handicap of both experience and gender.

However, there are young financial advisors, both men and women, who are achieving very high levels of success. Likewise, there are many superstar female financial advisors who earn substantial incomes. Undoubtedly, these individuals are taking deliberate actions that enable them to overcome the things they cannot control in order to achieve significant success.

So although there are some things you can’t change, there are many things you can do to increase your chances of success. If you are young, you can’t change the number of years you have been practicing, but you can undertake certain activities early in your career to overcome the disadvantage of inexperience. Similarly, if you are a woman, you can lessen the gender gap by focusing your efforts on key areas that will yield greater income. And of course, regardless of your age, current AUM or gender, you can make changes in your practice to boost your success.
Our goal throughout the remainder of this report is to convey which activities and areas of focus will result in higher income—and which will actually suppress income—along with the estimated magnitude of the effect of these activities.
Areas of Focus: What Works, What Does Not

Every day, you make decisions about how to spend your limited time. You want to be as productive and effective as possible, so you try to devote yourself to what you believe are the highest, best uses of your time.

Of course, not all activities yield the same results in terms of growing your business and furthering your success. If you are like many financial advisors, you may have a strong intuitive sense about how you should spend your time. Intuition can be a good guide at times, but we believe that empirical evidence provides a much more powerful compass about what actually works for driving success.

Before estimating the effects of advisor activities on success, we used factor analysis to group a range of advisor activities into four “buckets,” or areas of focus:

1. Client service
2. Practice strategy
3. Practice management
4. Client attraction

We then used our predictive model to estimate the impact of each focus area (group of activities) on success (net income). Our model estimates the average increase in income for increasing activities in each of these four buckets. In essence, it shows the effect that moving an additional “step” on
each ladder—by increasing activities in that area—has on income. What we found may cause you to reconsider how you spend your time.

**Focus on Client Service**

This area of focus is all about delivering the client experience. Our predictive model shows that, with all other factors in the model held constant, focusing more heavily on client service can yield an $8,256 increase in income, on average.

The most important activities that can produce this increase are better understanding your clients’ needs, maintaining effective communication with them, improving clients’ satisfaction and building stronger client relationships.

Less consequential activities in this area include delivering high-quality financial services, responding effectively to market volatility, retaining more current clients and gaining needed support from financial institutions.

Later in this report we provide specific recommendations for advancing your income by enhancing your focus on client service.
Focus on Practice Strategy

The practice strategy focus area is about being thoughtful and deliberate about growing your business and ultimately moving toward an exit. Increasing focus on practice strategy actually decreases income by an average of $8,792.

The items in this area that exert the strongest effect on income include being concerned about selling your business, moving your practice to a different broker-dealer and exiting the industry altogether. Other, less consequential activities include going independent, succession planning, working with top wholesalers and growing your practice by acquiring another advisor’s book of business.

Taking a strategic approach is part of the foundation of any successful business. However, it is very possible to be overly concerned—and to spend too much time—on issues of practice strategy. Rather than making clear decisions and plans, financial advisors can succumb to “analysis paralysis”—continually gathering information but deferring final decisions. Rather than being a success driver, a practice strategy focus can become a huge distraction that takes away from the activities that do drive income.
Practice strategy is important. However, if you are focusing on it instead of (or to the exclusion of) the other areas, you may well see your income drop. And to the extent that you are not an authority in a particular area of practice strategy—and most financial advisors are not—consider consulting with an outside expert to create a clear plan. Then move on and shift your focus to the activities that will drive your success more effectively.

**Focus on Practice Management**

The practice management focus area consists of activities related to business operations and team management. As in the practice strategy area, we have seen a tendency for financial advisors to overthink these activities. Concern around running a business efficiently is well-founded. However, too much concern has decreasing utility and may greatly detract from the activities that have the potential to drive higher income.

In fact, our model estimates that, for the financial advisors in our study, each additional step up the practice management ladder yielded an average decrease in income of $13,567. Our estimates show that, among the four areas of focus, practice management has the greatest potential impact on income, either positive or negative.

The practice management elements that have the greatest impact on success and income are efforts to increase the efficiency of the business and activities around retaining high-quality team members. These are followed in importance by recruiting and hiring high-quality staff, managing time more efficiently, making better use of technology, managing the growth of the business and maximizing the value of the business.
Just as financial advisors are rarely experts in practice strategy, they are seldom experts in issues of practice management—nor, as our data show, should they be. Rather than becoming bogged down in operational challenges or personnel management, your time would be far better used in the areas that yield positive outcomes in income and success. To ensure that your practice is well-managed, designate an in-house practice manager or outsource practice management activities to experts.

**Focus on Client Attraction**

The final focus area revolves around marketing: attracting a steady stream of new, qualified prospective clients. Activity in this area is rewarded by higher income: On average, among surveyed financial advisors, placing significant focus here yielded an estimated average increase of $10,441 in annual net income.

The most impactful activities in this area are finding clients who are more affluent, significantly growing assets and attracting a larger number of qualified prospective clients with whom to begin conversations.
Of lesser importance are dealing with the competition for wealthy clients, expanding the product or service offering to serve wealthier clients, creating strategic relationships with other professional advisors to garner referrals, and moving from commissions to fee-based compensation.

These data support what we have long seen to be true among the most successful financial advisors we coach. They understand that the most important task they can undertake to further their success is to focus on building a world-class client experience that builds trust, enhances satisfaction and keeps clients over the long run. This makes them highly competitive with virtually any other financial advisor.

With their competency in the client experience in place, we see the top advisors turn their attention to client attraction. They focus on actions that pull qualified prospective clients to them, rather than attempting to rely on timeworn push marketing techniques. By establishing their expertise in serving select niche markets of affluent clients, they create a value proposition that competitors find very difficult to beat.

The message in our research so far is clear: You do not need to spend more time on your business, but you do need to spend more time on the activities that tend to drive success and less on those that may suppress your success. Pay the most attention to the actions that are going to make the biggest difference in your success.
Once we understood the impact of the four broad focus areas, we dug deeper into the data to uncover several very specific activities that have a strong association with financial advisor success and income. We turn to those next.
A Deeper Dive

The four areas of focus provide good foundational guidance for determining practicewide priorities. But our research also isolated a number of distinct actions that—net of the focus activities and advisor characteristics that we controlled for—can have a very significant impact on your income.

Here we scrutinize how the number of clients you have, how often you contact your top clients and the percentage of clients’ assets you manage can each affect your success.

**Adjusting the Client Base**

It is commonly assumed in our industry that bigger is better: The more clients financial advisors serve, the more successful the advisors are and the more likely they are to earn higher incomes. Many automatically take for granted that an advisor with 500 clients is more successful than one with 100 clients.

Our data tell us that this assumption may not always be correct. The simple fact of having one additional client

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**SUCCESS DRIVER: DELIBERATELY CHANGING THE NUMBER OF CLIENTS**

Estimated average *increase* in annual net income for financial advisors *growing* their number of clients:

$12,906

Estimated average *increase* in annual net income for financial advisors *reducing* their number of clients:

$42,463

*Amount is net of all other factors. N = 2,192 financial advisors.*
at any given time adds a mere $16 of net income, on average. This makes having more clients a complete non-starter as a success driver.

However, deliberately changing the number of clients you serve can drive success. Our model shows that, compared to keeping the client base the same, increasing the number of clients produced an estimated average increase in net income of $12,906 for financial advisors in our study. And in a complete turnabout of conventional wisdom, actively reducing their client rosters yielded an even bigger increase in income: an estimated $42,463, on average.

In our work with financial advisors, we coach them to determine their ideal number of clients and then take deliberate steps to reach that number. Much more often than not, having fewer, more profitable clients has meant higher net incomes for these advisors. So we discourage you from seeking more clients just for the sake of having more clients. You need both the right clients and the right number of clients.

**Contacting Top Clients Frequently**

Frequent client contact is the cornerstone of solid client relationships. Our study found that increasing contact with the top 20 clients, in particular, has a significant positive impact on income. Our data indicate that for each week of increased contact with the top 20 clients, the surveyed financial advisors’ net income rose by an estimated average of $209.

When you combine top-of-the-line client service with
frequent personal communication, you trigger an ongoing cycle of events. You build trusted relationships that enable you to understand clients’ most important goals and values. With this knowledge, you can address those goals effectively, further enhancing client satisfaction. Because clients are satisfied, they are more likely to remain with you over the long term, even through market downturns. And as long as they remain satisfied, they are more likely to give you additional assets to manage and to provide you with introductions to qualified prospective clients.

This cycle can happen with any client, but when you focus your efforts on your biggest clients, the rewards are proportionately larger. Certainly you should never neglect your smaller clients, but go the extra mile for your top ones.

**Capturing a Greater Share of AUM**

Our research found that, everything else being equal, financial advisors in our survey added an estimated average of $797 in net income for each additional percentage point they managed of their clients’ total assets.

Many clients, especially affluent ones, have multiple financial advisors. You will not be able to change this fact, but your goal should be to become the primary financial advisor for every one of your clients. This does not mean that you will manage 100 percent of the assets of each client, but it should mean that you manage the lion’s share of your top clients’ portfolios. This will put you at the top of their minds when they acquire additional assets to invest.
Key Actions to Take Now

Our research has provided clear evidence about the actions that tend to drive financial advisor income and success. In this part of our report, we provide specific steps for executing on six of the most important of these success drivers.

If you act on even just one or two of these recommendations, we believe you will see a noticeable boost in your success and associated income. Implement more, and you will rise well above your peers in client impact, economic value and quality of life.

SUCCESS DRIVER: BETTER UNDERSTAND YOUR CLIENTS’ NEEDS
Action: Conduct comprehensive discovery on every client and prospective client

The foundation for every lasting client relationship is a thorough understanding of not only the client’s assets and financial goals, but also his or her most important values, relationships and lifelong goals.

The discovery process we recommend goes well beyond the typical “fact finders” that many financial advisors use when establishing new client relationships. You should inquire deeply into each of these seven areas:

- **Values.** These are not just the client’s values around money, but the most important values in his or her life.
• **Goals.** What does the client want to accomplish in life, both personally and professionally? How about helping his or her children, parents or other family members? What are the quality-of-life goals? What about charitable goals?

• **Relationships.** Which relationships—including family, friends, co-workers and community members—are most important to the client? What about pets?

• **Assets.** What are the client’s sources of income? What are the assets and how are they structured? Is there life insurance? What are the client’s biggest financial worries?

• **Advisors.** Who are the client’s professional advisors, including lawyer, CPA and other financial advisors? How does the client feel about those relationships?

• **Process.** How involved does the client want to be in managing his or her finances? How often does the client want to be in contact and in what manner (such as email, phone calls or face-to-face meetings)?

• **Interests.** What does the client most enjoy doing? Spending time with family? Sports? Movies? Books? Working out? Hobbies?

Discovery at this deep level enables you to uncover what clients really care about in life. This enables you not only to be a more effective advisor, but also sets the stage for building long-term, trusted client relationships.

**SUCCESS DRIVER: CONTACT TOP CLIENTS FREQUENTLY**

**Action:** Ensure systematic client communication on the topics that matter most

When you have regular and meaningful interaction with your clients, they will be much more inclined both to give you more assets to manage and
to provide you with introductions to prospective clients. The impact of excellent communication is greatly magnified with your top clients, who are very likely to have both greater assets and more qualified introductions to offer.

Use these guidelines to implement optimal contact with top clients:

• Make your contact personal. A client newsletter is not a substitute for a meaningful conversation. Pick up the phone or send a personal email. Use your smartphone to record and send a quick video greeting to clients on their birthdays. When you see a magazine or newspaper article that you know would be of interest to a client, rip it out and mail it along with a brief personal note.

• Make your client contact a systematic part of your everyday work. Our previous research has found that affluent clients prefer, on average, 28 contacts per year from their financial advisors. That frequency of contact will not happen by chance, so leverage your client relationship management technology to prompt regular contact.

• Make your contact about more than just money. Talk with your clients about other issues that are important to them, such as family issues, sports, hobbies and current events. These types of conversations will build personal relationships much faster than a discussion of last quarter’s performance.

• Periods of market volatility are the very best time to be in close touch. The last thing many advisors want to do when the market is in turmoil is reach out to clients, but it should be the first thing you do. If you have properly set expectations about the inherent ups and downs of market performance, you should feel completely comfortable about having these conversations. Your
clients will look to you for assurance and leadership—provide them before another financial advisor does.

**SUCCESS DRIVER: CAPTURE A GREATER SHARE OF AUM**

*Action: Ask for additional assets*

Our previous research has found that most affluent clients have more than one financial advisor. This means that you almost certainly do not manage 100 percent of the assets of all your affluent clients.

Although clients may occasionally shift assets to you entirely on their own initiative, it is far more effective for you to proactively request those assets. Maximize your asset capture potential with this approach:

- **Know your clients—and their assets.** If you have conducted a thorough discovery as described above, you will have a complete picture of each client’s total assets and who is managing them. When it comes time to request additional assets, you should be able to specify exactly what you are asking for.

- **Be alert to situation triggers that provide openings for a transfer of assets.** These could include changes such as a divorce, remarriage, an inheritance, a major shift in the market or changes in estate taxes.

- **Frame your request as an offer to conduct a complimentary, no-obligation diagnostic review of all accounts—those held with you as well as those held at other firms—to determine whether the overall portfolio is properly balanced and working optimally to achieve the client’s goals.** We have found that few clients turn down this offer.

- **When your diagnostic determines that a transfer of assets to your services is appropriate, make that recommendation to the**
client. If it is not appropriate for the assets to be aggregated with you, point that out to the client—it will reinforce the trust he or she has placed in you.

**SUCCESS DRIVER: DECREASE YOUR NUMBER OF CLIENTS**

**Action: Identify ideal clients and release inappropriate clients**

When you have fewer, more profitable clients, everyone wins. It enables you to know each client better, deliver more personal service and enjoy a higher quality of life. Clients are better served and enjoy closer relationships with you.

To make this model work, you need to focus on exactly the right clients whom you can serve best and most profitably and then release those clients who would be better served by another financial advisor. Consider these steps:

- Identify exactly who your ideal clients are by creating a formal ideal client profile. We recommend documenting each of these characteristics:
  - **General description.** What is your ideal client’s stage in life, marital and family status, industry and occupation, age, interests, values and goals?
  - **Geographic location.** Where will your ideal clients be located?
  - **Amount of investable assets.** How much will each ideal client have?
  - **Minimum AUM or fee requirement.** What will be the minimum level of assets and minimum fee you will charge your ideal clients?
o **Financial challenges.** What are the key financial challenges of your ideal clients? Examples include asset allocation of large retirement rollovers, managing concentrated stock holdings and increasing tax efficiency of investments.

o **Source of acquisition.** What would be the optimal way to acquire your ideal clients—client introductions? Strategic alliances? Private events? Or something else?

o **Personal enjoyment.** Will you enjoy working with your ideal clients? The answer should be a resounding “Yes.”

- With your ideal client profile in place, identify the current clients who do not match the profile and move to release them to another financial advisor who can more effectively serve them. This may be another financial advisor at your firm or, if you are an independent advisor, an outside advisor.

- Meet with the clients you will transfer. Position the transfer as being in their best interest—which it very much is—and that you have carefully chosen the financial advisor you recommend. Reassure them that they will continue to receive excellent service and that their investments will continue to be managed according to their current plans.

**SUCCESS DRIVER: FIND CLIENTS WHO ARE MORE AFFLUENT**

**Action: Offer a second-opinion service**

CEG Worldwide’s research—as well as our experience in coaching top financial advisors—tells us that introductions by clients to their friends, family members and associates is one of the most effective ways of bringing in new affluent clients.
Instead of asking for referrals—which many advisors are uncomfortable doing—offer to provide a complimentary second opinion on the financial situations of the individuals they introduce to you. Rather than asking for a favor, you are now offering to provide a real benefit to the people they care about most. We recommend this approach:

- Describe the offer as a service designed to help those they care about make informed financial decisions. You will take the people clients introduce to you through your discovery process to identify where they are now, where they want to go and any gaps that need to be filled to reach their goals. You can describe the offer during face-to-face meetings, through email or in a letter.

- Once a client has provided you with the name of an individual he or she believes would benefit from your second-opinion service, gather the contact information, including phone numbers and email addresses. In most cases, the best way to establish contact is to ask the client to contact the individual directly to let him or her know that you will be getting in touch very soon.

- Contact the prospective client to schedule a meeting to gather the information necessary for you to formulate a second opinion on his or her finances.

- Regardless of how each introduction works out, thank your clients. Acknowledging their assistance will encourage them to provide additional introductions going forward.

SUCCESS DRIVER: SURMOUNT COMPETITION FOR WEALTHIER CLIENTS

Action: Offer advanced planning to meet the needs of affluent clients

Affluent individuals have always had important financial concerns beyond investment management. As the financial, legal and tax environments grow
more complex, ever-greater expertise is required to effectively address noninvestment issues. Yet the majority of financial advisors continue to base their entire value proposition on investment services.

This creates a major opportunity to differentiate yourself from your competition. By offering advanced planning services that address affluent clients’ concerns beyond investments, you will add much more value to your current clients’ financial lives while making it easier to draw in new affluent clients.

As you contemplate building your advanced planning capabilities, keep the following in mind:

- Advanced planning should deal with four key areas of each client’s financial life beyond investments:
  - **Wealth enhancement** aims to produce the best possible investment returns consistent with each client’s level of risk tolerance and to minimize the tax impact on those returns.
  - **Wealth transfer** intends to find and facilitate the most tax-efficient way to pass assets to succeeding generations, and to do so in a way that meets the client’s wishes.
  - **Wealth protection** is aimed at protecting the client’s wealth from potential creditors, litigants, children’s spouses and potential ex-spouses, as well as protecting the client and his or her family against catastrophic loss.
  - **Charitable giving** helps fulfill the client’s charitable goals and can often support efforts in each of the other three areas.
• Becoming an expert in each of these areas is not possible—or even preferable. Top financial advisors create networks of specialists—other professionals who have deep knowledge across the range of advanced planning specialties. The primary members of most successful networks (apart from the financial advisor) are CPAs, estate planning attorneys and high-end insurance specialists. Your network will enable you to remain focused on your client relationships while ensuring that clients’ advanced planning needs are effectively addressed.
Conclusion: The Puzzle Solved

There is no shortage of well-meaning recommendations intended to help you elevate your success. The challenge is not in accessing ideas, but in knowing exactly what works and implementing that effectively. You need a clear path through the maze.

We propose this formula for success to guide your decisions and activities:

\[
\text{Success} = \text{Clear goals} + \text{informed focus} + \text{effective execution}
\]

**Clear Goals**

If you don’t know where you want to go, you will never arrive. Our definition of success encompasses the three areas of achievement most important to top financial advisors. We encourage you to clearly identify your own goals in each area:

1. **Client impact.** What does your optimal client experience look like? Who are your ideal clients, and how will you create a steady stream of them arriving at your door?

2. **Economic value.** What is your net income goal? What is your practice equity goal?

3. **Quality of life.** How do you want to enjoy the fruits of your efforts? Do you want more time off? A higher standard of living for your family? What would a higher quality of life look like to your partners, your team and your clients?
**Informed Focus**

You must zealously guard your time and use it as effectively as possible. Just because you *can* do something does not mean that you *should* do it. Let your activities be informed by what actually works.

Our data showed that activities in two broad areas of advisor focus increase income: client service and client attraction. This means your primary efforts should be on delivering a world-class client experience and creating a continual flow of qualified prospective clients.

We also found that efforts in two areas of advisor focus decrease income: practice strategy and practice management. You must ensure that everything that needs to get done to run your practice does in fact get done, but do not get overly caught up in operational and strategic activities. Delegate them to others.

In addition, we identified three specific activities that are associated with higher net income: adjusting your number of clients (reducing client numbers yields significantly greater income than increasing them), contacting top clients frequently and capturing a greater share of your clients’ total assets. Consider focusing specifically on each of these three activities.

**Effective Execution**

Recommendations are meaningless unless you can act on them effectively. We provided six key actions that have been road tested and proven to work:

1. Better understand your clients’ needs by conducting comprehensive discovery on every client and prospective client.

2. Contact top clients frequently by ensuring systematic client communication on the topics that matter most.
3. Capture a greater share of AUM by asking for additional assets from existing clients.

4. Decrease your number of clients by identifying ideal clients and releasing inappropriate clients.

5. Find clients who are more affluent by offering a second-opinion service.

6. Surmount competition for wealthier clients by offering advanced planning to meet the needs of the affluent.

Whenever considering a new recommendation, ask yourself three questions: Will this help me achieve my goals? Has it been shown to drive success? Can I implement it effectively? Your answer should be yes to all three before you move ahead.

We wish you nothing but the best of success as you navigate our complex and often-challenging industry. The rewards—for both you and your clients—will be aligned with your effort.
About CEG Worldwide

CEG Worldwide is the No. 1 coaching organization for the financial services industry. We coach financial advisors to achieve breakthrough results in their careers by substantially increasing assets under management, accelerating affluent client acquisition and growing personal net income—all while serving their clients well. We deliver insights garnered from empirical research on industry best practices and coach financial advisors to implement these practices in their businesses. The result: focused, energized and enriched financial advisors who build substantial economic value in their practices, deliver a world-class experience to their clients and ensure a high quality of life for themselves.

CEG Worldwide also works collaboratively with leaders of financial institutions to grow new net assets under management and the loyalty of their top financial advisors while attracting new top financial advisors. We provide insights, developed from empirical research, into what motivates top financial advisors, how to help them stay fully engaged and how to accelerate the achievement of their professional goals. Our services secure the long-term success and allegiance of top financial advisors who generate significant income for financial institutions.
About the Authors

John J. Bowen Jr.

CEO John Bowen founded CEG Worldwide in 2000, with the goal of bringing to bear the lessons he had learned during his career for the benefit of financial advisors and the institutions that work with advisors. His 26 years as a financial advisor and investment firm CEO had taught Bowen that many advisors lacked the high-quality empirical data and pragmatic business experience necessary to build hugely successful businesses. Bowen founded CEG Worldwide to fill that void, with the belief that providing financial advisors and institutions with research about the best practices of elite financial advisors—and the coaching to use these practices effectively—would help them achieve new levels of success while serving their clients extremely well.

CEG Worldwide represents the culmination of Bowen’s unique financial services industry experience. That experience encompasses a career as a financial advisor, including eight years as CEO of Reinhardt Werba Bowen Advisory Services, where he was responsible for more than $1.6 billion in assets. Bowen sold that company and subsequently became CEO of Assante Capital Management, where he served as a member of the senior team as the firm more than tripled assets under management to more than $25 billion. Through these experiences, Bowen learned firsthand the best practices for substantial entrepreneurial success.

Bowen is widely recognized as a leader in the financial services industry. He writes a highly acclaimed monthly column for the leading U.S. financial

Building on his success in the financial services industry, Bowen founded Financial Advisor Select (FAS) in 2012. FAS is dedicated to helping successful people make informed financial decisions by introducing them to top financial advisors. And to assist like-minded entrepreneurs in becoming even more successful, he launched AESNation.com, a virtual mastermind group for entrepreneurs, in 2014.

**Paul Brunswick**

Paul Brunswick brings proven coaching and leadership skills to the CEG Worldwide team. He has extensive financial services experience and a proven track record working with both institutional and ultra-high-net-worth clients, as well as with financial advisors and branch managers. Brunswick has both field and corporate expertise in developing talent at all levels within a financial services organization.

Brunswick has had more than 20 years of success in the financial services industry. Most recently, he was the director of national business development for Smith Barney, where he provided strategic and tactical direction to the firm’s entire private client distribution channel. He led campaigns designed to increase financial advisor net asset flow, grow fee-based revenue, and improve financial advisor competency in such key areas as investment and wealth management. He also had responsibility for internal communications, new product approval and the research strategy group.
Earlier, he worked at Smith Barney in a variety of management positions across the country. He started his financial career as a financial consultant for Merrill Lynch in St. Louis, Missouri. He is a co-author of *Breaking Through: Building a World-Class Wealth Management Business*.

**Jeanne Hurlbert, Ph.D.**

Dr. Jeanne Hurlbert is CEG Worldwide’s director of research and an expert in survey research and social networks. She earned her Bachelor of Arts from the College of William and Mary, where she was elected to Phi Beta Kappa. After earning a master’s degree and doctorate at the University of North Carolina, she served on the faculty of Louisiana State University for more than 25 years, teaching hundreds of social science and marketing students how to read people’s minds with surveys.

**Jonathan J. Powell**

Jonathan Powell’s considerable expertise in developing top-performing financial advisors is a great asset to the clients he serves through CEG Worldwide. Working with many of the nation’s top financial firms, he enjoys helping financial advisors transform their professional and personal lives by using CEG Worldwide’s research-backed principles.

Powell has hired and coached hundreds of the industry’s top financial advisors—in multiple distribution channels—for more than 25 years. After starting his career as an independent financial planner in the San Francisco
Bay Area, he went on to spend more than two decades with Citigroup before retiring to pursue his passion for training and coaching.

In his lengthy career, Powell has managed branches for Smith Barney and led Citibank’s West Coast brokerage business, overseeing 290 financial advisors and 20 managers. While at Citigroup, Powell was a sought-after speaker for national and regional conferences on topics including time management, financial advisor strategies for success and effective recruiting.

Powell earned a BA in economics from Stanford University and holds the CFP® certification. He is a co-author of *Breaking Through: Building a World-Class Wealth Management Business*. He is a co-author of *Breaking Through: Building a World-Class Wealth Management Business*. 