

Fast-Track Your Success

Make sure your time to succeed doesn't run out while you keep doing things the same old way.

ARE YOU COMPLETELY SATISFIED with the financial success — and quality of life — provided by your business?

Most financial advisors today have pretty good incomes rather than great ones, and most find their lifestyles acceptable, not wonderful. But why are things this way? Why don't more advisors have the fantastic careers and businesses they once dreamed of? What can you do, starting right now, to reclaim those dreams?

Consider three reasons why many advisors aren't nearly as successful as they could be:

- They think that more time in the business somehow automatically leads to substantially greater success
- They confuse activity with productivity
- They don't take notice of or implement what works — empirically and experientially proven success strategies

A Matter of Time: Not!

First, many advisors think that it's "just a matter of time," that if they continue to do what they've already been doing, they'll eventually achieve far greater financial success and a better lifestyle. But our research here at CEG Worldwide does not bear this out.

In January and February of 2007, we conducted a comprehensive study



of 2,094 financial advisors, across all advisory channels, that classified advisors into four quadrants based on net income (before personal taxes):

- Quadrant 1: 150 or fewer clients and net income of \$300,000 or less
- Quadrant 2: more than 150 clients and net income of \$300,000 or less

- Quadrant 3: more than 150 clients and net income of more than \$300,000

- Quadrant 4: 150 or fewer clients and income greater than \$300,000

As the table below shows, the most successful advisors — those in Quadrant 4 — were among the youngest of the advisors surveyed, and were practi-

Advisor Demographics

	Q1	Q2	Q3	Q4
Age	36.7	43.9	45.9	41.8
Years compensated for providing financial products	15.4	16.8	17.2	15.5

N = 2,094 financial advisors. Source: CEG Worldwide.

cally tied with the Quadrant 1 advisors for the least number of years in the business. Obviously, then, longevity does not necessarily, or even usually, lead to success.

Doing What Works

Unfortunately, many advisors confuse activity with productivity. You can be as busy as a bee, but if what you're doing is irrelevant or ineffective, while it may assuage your conscience or make you look good, your basic situation won't change very much. What counts is being busy doing the right things. In fact, if you keep doing the same things and keep getting the same results — yet you keep hoping for different results — well, that's very close to one of my favorite definitions of insanity.

Instead, consider the flip side of this tendency to be constantly busy with the same-old same-old: implementing empirically proven success strategies. Think about it: If certain advisors have been in the business no longer than you (and in some cases, less time) yet are much more successful than you, then what might explain this? In a nutshell, they must be doing what works. In all probability, you haven't been.

So instead of sitting around for another five or 10 years waiting to be successful, why not begin today to implement one or more of the following proven strategies? You can simply sit around waiting for some kind of time-based magical transformation of your business, or you can get very focused and deliberately do certain things that work.

Five Keys to Success

Here are five strategies that can make a significant difference to your financial success and quality of life:

1. Focus on Fewer, Wealthier, Clients. Quite simply, the most successful advisors have fewer, wealthier clients. The sooner you really “get” this and start running your businesses

Advisors who spend the most time on client-facing activities have the greatest incomes.

accordingly, the sooner greater financial and lifestyle success will come your way. (Note that with fewer clients, you will inherently be pulled in fewer directions, leaving your attention and schedule less fragmented.) This may mean turning down clients who are too small, pruning your book, and finding other ways to cultivate a smaller base of truly affluent clients.

2. Specialize in a Niche. You can't be all things to all people. In every area of endeavor, from law to medicine to business, specialists do better than generalists. If you specialize in an affluent niche, you'll be able to better serve those in the niche, which will rapidly enable you to work with — you guessed it — fewer but wealthier clients. A great way to nail down a niche is to conduct center-of-influence interviews with the niche's movers and shakers. These will help you quickly determine the needs of those in the prospective niche and the best way to meet those needs.

3. Market Effectively: Far too many advisors fail to market effectively. On the one hand, they don't do the two things that work best: implement a formal referral program for existing clients, and develop strategic relationships with accountants and attorneys (especially trust and estate attorneys). Note that occasionally *receiving* a referral from a client is not the same thing as *regularly asking* for referrals as part of your

standard operating procedure. And occasionally having lunch with an attorney or accountant is not the same thing as creating a formal strategic relationship that benefits everyone involved. On the other hand, mass marketing is almost always wasted time (and money). Yes, it's easy to buy a big list and send out a compliance-watered-down marketing piece, but the ROI on this rarely makes sense.

4. Regularly Ask for Additional Assets. Just as a formal referral program works wonders, regularly asking your existing client for additional assets is an easy and effective “must do.”

5. Increase Time Spent on Client-Facing Activities. Our research consistently shows that advisors who spend the most time on client-facing activities have the greatest incomes. It follows, then, that outsourcing all but your core client-facing functions makes sense, beginning with money management and IT functions.

Being Successful on Purpose

Most extraordinarily successful advisors are extraordinarily proactive about their careers. They understand that businesses do not flourish by themselves, but that a business plan, a marketing plan and an ongoing focus on profitability are necessities. They also understand the importance of leveraging known drivers of success, such as the five key strategies listed above. And they not only orient themselves toward working with fewer but wealthier clients, they make certain that they offer these affluent clients the services they are looking for in the ways they are looking for them.

Ultimately, the only truly finite resource in this business is your time. So make sure your time to succeed doesn't run out while you keep doing things the same old way. Instead, go ahead and take the necessary leap of faith. If you take the right leap, the net (profit) will appear. **B**