paretoplatform
systems in action

Your Business Assessment

Business Assessment
Start Date – End Date

Business Assessment Overview

Your business will be assessed in accordance with the 4 main categories covered in our Pareto Systems consulting program. They are as follows:

- **Strategic Analysis**
    - Client Classification/Client Count
    - FORM
    - Organization and Structure
    - Procedures Manual
- **Targets and Goals**
    - Your Ideal Life & Life's Goals
    - Your Legacy
- **Actions**
    - Advocate Process
        - 1st Appointment – Is there a fit?
        - 2nd Appointment – Recommendation Process
        - 3rd Appointment – Delivering the PFPS
        - New Client Welcome Process
    - Advocate Service (including Events)
    - Client Advisory Council
    - C.A.S.T
- **Reality Check**
    - The Reality Check section at the end of this business assessment provides a complete list of the Action Items.

Before we get started with your Business Assessment, take a few minutes to articulate your Mission Statement. This should be a brief and concise statement that clearly defines what it is you want your business to deliver. The first step in getting others to truly understand and be able to articulate to others what you do, is for you your self to have this committed to mind. There is more information on how to write Mission Statements in the READ section of this module.

Your Mission Statement:

STRATEGIC ANALYSIS

Client Classification / Client Count

Purpose

- To determine exactly the number of clients in each client class and be aware of the current client mix.
- To plan a strategy for reducing the number of substandard clients and for increasing the number of preferred clients.
- To define the criteria that will allow us to effectively classify our clients.
- To classify our clients according to these clear definitions.
- To determine the level of service to provide to (and thus the amount of time to spend on) each client.
- To increase our assets under administration and average assets per client while reducing the total number of clients.

Expected Results

We will:

- Invest more time in our AAA clients.
- Know what class any client or prospective client falls into.
- Focus team resources to better serve all clients.
- Focus time and efforts on the 20% of our clients who are generating 80% of our income.
- Consistently apply the Pareto Principle -- the 80/20 rule -- to business.
- Reconsider the value of each action and the client group it is applied to.
- Review the time spent with those 80% of our clients who generate 20% of our income.
- Concentrate on our preferred clients, and thus attract more preferred clients.

Current Status:

- Do I have an Ideal Client Profile?
- Do I have Knock-Out Factors to ensure I bring on certain clients?
- Do I have a consistent Classification System?
- Do I make too many exceptions when I take new clients?
- Are my Client Standards clear to my team?

- Do I REALLY focus on the top 20% of my clients?

ANNUAL BENCHMARKING

Business Totals (as of DATE ________):	This Year	Last Year
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
AAA Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
AA Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
A Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
AF Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
B Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
C Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________
▪ Assets of average household	$ ___________	$ ___________
D Clients:		
▪ Total number of households	= ___________	= ___________
▪ Total assets under management	$ ___________	$ ___________

❖ Action Items:

- ❒ What do I need to put in place to have strict standards for existing clients?
- ❒ What do I need to put in place to ensure I have strict standards for new clients?
- ❒ What am I doing with clients in my D group?
- ❒ Are my clients all coded in my contact manager?
- ❒ Am I concerned with the number of clients or number of Advocates I have?

FORM (Family, Occupation, Recreation, Money)

Purpose

- To learn more about the lifestyles and interests of our AAA, AA and A clients.
- To enable us to better serve our best clients by understanding their particular needs, desires and goals.
- To gain knowledge about our clients that our competitors do not have.
- To allow us to begin shifting to client-focused relationships.

Expected Results

We will:

- Learn more about preferred clients.
- Provide customized attention and services that meet the individual needs and situations of each client.
- Introduce clients to the first of many changes that we will be implementing.
- Be more responsive to specific client interests and circumstances.
- Begin to create advocates for our services by being more responsive to clients' needs.

Current Status:

- How much FORM information do I have on my best clients?
- How do I currently record FORM information?

❖ **Action Items:**

❒ How will we gather the FORM information that we do not have?

❒ How will we record and use our FORM information?

❒ Do we need to evaluate the capacity of our contact manger to do what we need it to do?

❒ Do all team members have access to FORM information?

Organization and Structure

Purpose

- To examine the current structure and organization of the team.
- To realize there are many different tasks which need to be completed.
- To identify the different tasks for which each team member is responsible.
- To uncover and address overlooked vulnerabilities and untapped opportunities.

Expected Results

We will:

- Become aware of the advantages and disadvantages of current structure and organization.
- Assess how to effectively delegate tasks within the team.
- Create a reference to use in producing a Procedure Manual.
- Revise the chart whenever the team changes.

Current Status:

- Who is on your team?
- What activities are they responsible for?

❖ **Action Items:**

❒ What areas of the business need more coverage?

❒ Can anything be delegated?

❒ Do we need more staff?

❒ If we need more staff what exactly will they do?

❒ What are our challenges and how will we overcome them?

Organization and Structure Chart – As of: Date

Shareholders

CEO

Spreading Influence	Client Process	Advocate Service	Operations	General Manager	Administration
Events	Initial Contact	Call Rotation	Back Office	Database Mgt	Incoming Calls
Clt. Advisory Council	Introductory Kit	Articles Of Interest	Accounting	Procedures Manual	Fire Fighting
FORM Maintenance	Appointment Prep.	Review Meeting Prep.	Compliance	Office Supplies	Opening Accounts
	Asset Allocation	Annual Anchor	Personnel	Office Equipment	Application Follow-up
	IPS Maintenance	Thanksgiving Card	Benefits		Reporting
	PFPS Maintenance	Moments Of Truth	Holiday Schedule		
			Trading		

Procedure Manual

Purpose

- To document every aspect of business.
- To make all staff members aware of operational procedures.
- To ensure procedures are implemented.
- To facilitate the training of new or temporary staff.
- To consistently and congruently re-allocate duties with minimal disruption and effort.
- To create a framework to work on the business and not in it.

Expected Results

We will:

- Know exactly what tasks need to be completed to run a successful business.
- Know when each activity needs to be completed.
- Have the necessary scripting and templates for business communications.
- Successfully and promptly complete all tasks, improving client satisfaction.
- Have access to a detailed procedure manual, which will create efficiency in every day activities and when training staff for new responsibilities.
- Ensure consistency and habitual implementation.

Current Status:

- Do I have a Procedure Manual?
- Have I looked at my Procedure Manual?
- Is my Procedure Manual standardized and easy to use?
- If someone on my team left, is my business at risk?

❖ **Action Items:**

- ❒ What is my timeframe to complete/update my Procedure Manual?
- ❒ Who is responsible for the Procedure Manual?
- ❒ What standard will I use for my procedures?

TARGETS AND GOALS

"When the WHY is clear, the HOW gets easier."

Duncan MacPherson

Your Ideal Life & Life's Goals

Purpose

- To consciously choose and record what I want to accomplish over the next 3 months, 1 year and 3 years.
- To determine what will be my pinnacle of success, my ideal life.
- To regularly repeat the goal-setting process.
- To keep a long-term record of my goals and objectives.
- To routinely review what I recorded at previous goal setting sessions.

Expected Results

I will:

- Become aware of exactly what is important to me.
- Notice a new level of awareness and accomplishment.
- Be more likely to achieve my goals if I regularly review them and write them down.

Current Status:

- Do I have a set of defining goals that inspire me?
- Do I have a method/process for regularly reviewing my Life's Goals?
- Are my goals more about business or myself?

❖ **Action Items:**

❒ Do I need to create an Ideal Life statement?

❒ Do I need to clarify and establish my Life's Goals?

❒ Do I need to put a process in place to make sure I regularly ground myself by reviewing my Life's Goals?

Your Legacy

Purpose

- To regularly rejuvenate and invigorate myself and my financial planning practice.
- To recognize the ways that my personal and business life influence each other.
- To see the advantages of this awareness in every aspect of my life.
- To be more productive.
- To offer more to my family, friends, colleagues and clients

Expected Results

I will:

- Enjoy increased productivity.
- Enjoy improved job satisfaction.
- Make this pattern a habit.
- Have a more complete and fulfilling personal life.
- Take the time to enjoy life, guilt free.
- Bring to life my clearly defined sense of purpose with my newly installed processes.

Current Status:

- Do I serve my business or does my business serve me?
- Do I use time or does time use me?
- Is the way I use time congruent with my Life's Goals and Ideal Life?
- How much income do I really need?

❖ **Action Items:**

❒ What changes do I need to make to how I use time?

❒ What do I need to do to ensure I control my business?

❒ What habits do I need to change?

❒ What habits do I need to create?

❒ Do I need to establish a weekly team meeting to enhance accountability?

ACTIONS

Advocate Process

"How you bring clients on has everything to do with the long term nature of your relationship."

Tom Frisby, Pareto Systems

Purpose

- To provide a clear and precise structure for all financial planning activities.
- To outline the initial four appointments with a new client.
- To outline the appointments at which I will introduce our improved process to current clients.

Expected Results

Clients and potential clients will:

- Learn to expect and appreciate this process.
- Anticipate exactly what will be discussed at each meeting.
- Better understand what we do.
- Be able to explain to others the advantages of our services.
- Feel more comfortable with our financial planning process.

Current Status:

- What is the process I use for creating a client from a prospect/referral?
- Do I follow my process the same way every time?
- How often do I catch myself "winging it"?
- Do I follow a consultative process or a sales process?
- Is the process I follow more about me or my new client?

❖ **Action Items:**

- ❒ Develop a system to ensure all new clients are introduced in a consistent and predictable way.
- ❒ Communicate the new Advocate Process to your team, and ensure they know what to do in the parts that concern them.
- ❒ How do I communicate my new process to my best current clients so they will be more comfortable recommending me to people they know?
- ❒ What tools do I need to access or develop to be accountable to my clients?
- ❒ Have I finalized my New Client Welcome process to ensure all new clients are properly oriented and anchored to me and my business?

1st Appointment – Is it a Fit?

Purpose

- To establish rapport and understanding with a prospective client, so that you both can make a well-informed decision about working together.
- To build trust in you and your financial advice.
- To tell clients about you and your business.
- To use the FIT meeting with all new clients.
- To use an abridged version of your introduction at all meetings and events.
- To ensure clients can clearly and precisely tell others about you.

Expected Results

<u>You will:</u>

- Build your client relationships within forthright and well-understood parameters.
- Ensure that you are not selling at the proposal phase.
- Have an agreed upon process to follow when doing business with those clients who decide to work with you, and with whom you decide to work.
- Pre-emptively answer many of your client's questions.
- Set the stage for a productive, professional relationship.

<u>Your clients will:</u>

- Trust you more readily because you clearly state your process, and their role within the process.
- Learn what they can expect from you.
- Learn what you expect from them.
- Be able to share your introduction with friends, family and associates when they are recommending your services.

Accountability

<u>You will:</u>

- Feel confident in your partnership with your clients.

- Gain more consistency and congruency in the way you represent yourself and your practice.
- Notice consistency in the ways that your clients represent you and your practice.

Your clients will:

- Be more receptive to your suggestions.
- Talk about your trustworthiness.
- Talk enthusiastically about what you do and how you do it.
- Be clear, precise and accurate when describing you and your approach to family, friends and associates.

❖ **Action Items:**

❒ Be clear on and adhere to your ideal client and knock out factors when determining fit.

❒ Put all the pre-appointment and during appointment mechanics into place and stick to your process.

❒ Make all fit calls within 48 hours of the first appointment and always make your assessment of fit before the client makes their determination.

2nd Appointment - Recommendation Process

Purpose

- To provide clients with a simple and easy procedure to follow in recommending us to others.
- To make the recommendation process clear and to establish that it is a normal and accepted process.
- To stop asking or hinting about referrals, and instead to have a clearly defined process that can be communicated in a forthright fashion.
- To position recommendations as a service to our clients rather than as a favour or benefit to us.

Expected Results

Both we and our clients will:

- Understand the recommendation process.
- Respect the recommendation process as part of our overall philosophy and approach.
- Increase the number of referrals that match the AAA and AA client profiles (as redefined in the Client Classification section).

Current Status:

- How do I approach referrals: do I ask for them or position them as part of a process?
- Am I consistent in dealing with the referral issue?
- What is my true feeling about dealing with referrals?
- Do I deserve to be referred?
- What type of client do I presently get referrals from?
- How many referrals have I had in the past 12 months?
- How do the referrals I had in the past 12 months measure up against my Ideal Client profile?
- Is the subject of referrals more about me or my client?

❖ **Action Items:**

- ❐ What changes do I need to make in my mindset about recommendations?
- ❐ What script/approach am I going to adopt to deal with recommendations?
- ❐ How can I educate my clients about my Recommendation Process?
- ❐ What do I need to change in my service and accountability to my clients in order to be worthy of recommendations?

3rd Appointment - PFPS

Purpose

- To establish a template for interacting in an accountable way with our clients about their personal financial situation.
- To make the accountability document effective and efficient to use.
- To set us apart from all other advisors.
- To allow clients to know, at a glance, what financial planning strategies are being implemented, what the next action will be, and when the document was last reviewed.
- To modularize financial planning and to allow each component to be reviewed and re-adjusted independently of the other strategies.

Expected Results

We will:

- Create and maintain thorough documentation on the financial planning strategies employed by each and every client.
- Establish clarity and peace of mind about our financial planning process.
- Give our clients another reason to talk about us to people they know.
- Show clients how to consistently “buy into” an investment approach rather than to randomly buy investments.

Current Status:

- How am I accountable to my clients?
- Is what I provide unique?
- Is my client accountability part of the over-all relationship process or is it a means to an end?
- Does what I provide to clients make me worthy of their total trust?
- What do the clients I have had for over 5 years know about what I do?

- **Action Items:**

- ❒ What do I need to do in order to establish a framework for accountability?
- ❒ How do I communicate any changes or updates in my business to long term clients?
- ❒ Is my process documented and the same for every client?
- ❒ Do I need to access services or expertise to help me establish high levels of trust with my clients?

New Client Welcome

Purpose

- To establish a professional process for welcoming new clients that will:
  - Provide positive reinforcement regarding their decision to work with us;
  - Provide a welcome orientation to our business so they are informed about some of the basics;
  - Increase contact between the new client and your support staff for increased leverage; and
  - Provide structured contact to bridge them to the Advocate Service.

Expected Results

We will:

- Continue with our consultative approach to bringing on a new client by providing a new client welcome sequence that is consistently delivered to all new clients.
- Reinforce a client's decision to work with us.
- Give our clients another reason to talk about us to people they know.

Current status:

- What do I do right now for a client once the paperwork is signed?
- What are my new client's perceptions of how they are treated after they sign the paper work?

❖ **Action Items:**

❒ Do I have a welcome process developed that can be consistently applied to all new clients?

❒ Have I delegated the responsibility of executing this process?

❒ Have I clearly specified how each step is to be implemented so it may be added to the Procedures Manual to ensure consistency in delivery?

❒ Have we automated this process through our CRM to ensure consistency in delivery?

❒ Is my process implemented the same for every new client?

Advocate Service

Purpose

- To deliver first class service.
- To create a unique Advocate Service Program for each client classification level.
- To consistently deliver each service package.
- To efficiently use financial and human resources to deliver the appropriate service package to each client.
- To delegate the tasks involved in delivering each service package.

Expected Results

<u>We will:</u>

- Enjoy increased efficiency.
- Employ an automated and consistent service system for each client class.
- Earn greater trust from our clients.
- Benefit from improved client loyalty.
- Be recommended to qualified friends, family and associates of our best clients.
- Measure our business success not by the number of clients we have but by the number of advocates we have.
- Competitor-proof our clients while enhancing our referability.

<u>Current Status:</u>

- Do I differentiate service among my client classification levels?
- What do we do for client service?
- Are my service offerings unique and value-added, or can my client get them anywhere?
- Do we consistently deliver service?

- **Action Items:**

- ❒ Create a complete listing of all that we do for our clients over a 12 month period.
- ❒ Can any service items be automated in our contact manager?
- ❒ Do I need to assess the capacity of my contact manger to meet my service needs?
- ❒ What service items can be high-impact, efficient and delegated to a team member?
- ❒ Which clients will I focus on?
- ❒ What processes do I need to create?
- ❒ How many advocates do I want to create in a given amount of time?
- ❒ Do I have appropriate annual anchors in place for my preferred clients?
- ❒ Will I provide exclusive access to value-added and lifestyle events for my preferred clients? If so, who, what, where and when?

Client Advisory Council

Purpose

- To develop your business.
- To test new marketing ideas.
- To create a forum for exploring new and existing client service ideas.

Expected Results

We will benefit because our clients will:

- Take your concerns seriously.
- Make an effort to assist you in any way that they can.
- Clearly understand your objectives and how these objectives complement their own needs and desires.
- Recognize all the benefits that come with belonging to your exclusive group of clients.
- Take ownership of their responsibilities in the client-advisor relationship.

Our top clients will:

- Make constructive and useful suggestions.
- Introduce you to people like themselves.
- Become more relaxed at each subsequent meeting.
- Tell you that they truly enjoy this experience.

Current Status:

- Do I presently have a Client Advisory Council formed?
- When is the best time schedule our next Client Advisory Council?
- Do we take the opportunity at the CAC meeting to thank those who have given us recommendations – for their continued trust and confidence?
- Are we following up accordingly with attendees after the event to let them know we take their concerns seriously?

❖ **Action Items:**

- ❒ Identify who you want on your Client Advisory Council. (CAC).
- ❒ Outline the purpose of the CAC and time commitment expected to your preferred participants and invite them to participate on the council.
- ❒ Choose a date, time and venue for the CAC and invite your participants.
- ❒ Make all necessary pre, during and post arrangements for the event using the Client Advisory Council critical path event timeline.
- ❒ Take actions accordingly based on the feedback from the CAC.

C.A.S.T. – Professional Network

Purpose

- To build a network of financially-related professionals who will introduce us to quality potential clients.
- To provide our clients with access to the superior services of other professionals.
- To create a win-win-win relationship between us, our clients and our professional network.
- To develop a coordinated strategy that deliberately targets other professionals who will be valuable to our clients.
- To build high-level trust relationships with other professionals.
- To realize that professional referrals are not about sharing business, but are about sharing trust.

Expected Results

We will:

- Increase client retention.
- Earn more recommendations from professionals.
- Gain more recommendations from client advocates.

Current Status:

- What other financially related professional do I have TRUSTING relationships with?
- How have I approached professional referrals in the past?
- Are my professional referral relationships based on swapping names or sharing relationships?
- Do financially-related professionals I deal with understand what it means to be my client?
- Do I treat those in my professional network like a long-term relationship or am I just looking for the short-term result of getting a referral?
- Do I have FORM information on those in my professional network?

❖ Action Items:

- ❒ What financially-related professionals are my best clients using?
- ❒ How will I approach those financially-related professionals that my clients already have trusting relationships with?
- ❒ How will I develop trusting long-term relationships with financially-related professionals?
- ❒ Do I have criteria for determining a fit between me and these professionals?
- ❒ What do I need to document and add to my Procedure Manual for this part of my business?

REALITY CHECK

Actions	Due Date	Team Member	Complete
Ideal Life & Life's Goals			
1. Ideal Life Completed			
2. Life's Goals Completed			
3. Regular 90 day review scheduled			
Your Legacy			
1. Weekly & Daily Calendar Blocking			
2. Holidays booked for the year			
3. Team Meetings booked			
Client Classification / Client Count			
1. Ideal Client & Knock Outs defined			
2. Client Classification System defined			
3. All clients coded on CRM			
4. Client Count completed			
5. Review client count annually for progress			
Organization and Structure			
1. Complete & Up to Date			
2. Review annually or when required			
Procedure Manual			
1. Complete & Up to Date			
2. Review annually or when required			
Demographics (FORM)			
1. Strategy to collect, store & use FORM			
Advocate Process			
1. Meeting Process implemented with "Fit"			
2. Recommendations Process			
3. PFPS Delivery			
4. Re-brand with existing "A" clients			
Advocate Service			
1. Service Matrix in place & implemented			
2. Events			
3. Client Advisory Council			
4. Anchors			
Client Advisory Support Team - CAST			
1. Get to know the CAST of your best clients			
2. Establish your CAST and refer as required			
3. Add CAST to your Advocate Service Matrix			

NOTES