



Three Traps that Chew Up Your Day

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Time has always been the scarcest resource for successful financial advisors. Given all the demands advisors face, today it's essential to make maximum use of your workday.

To make that happen, you have to overcome three common traps.

Trap one: Being reactive

The first big trap is not being proactive in managing time.

For many advisors, rather than managing their day, their day manages them – as a result advisors are spending most of their time reacting to events.

Trap two: How you use your time

Second is failing to focus on the highest and best uses of time.

Quite simply, too many advisors get bogged down in stuff that is low value and don't spend enough time on their highest value activities.

Those high value activities will vary with the advisor.

Typically, advisors need to spend some time on team management and communication, portfolio research, dealing with admin and client service issues and on continuing education.

Generally, however, these aren't the activities driving the success of a business.

Rather the things that make advisors excel typically fall into two categories – first, communicating with existing clients and second, talking to or doing things that will facilitate talking to prospective clients.





Trap three: No consistent routine

The third trap is not having a consistent routine for each day. Without a consistent routine, it's all too easy to get sidetracked and to have your day get away from you.

How advisors are spending their time now

Cerulli Associates is a leading firm based in Boston specializing in research for the financial industry.

Late last year, they published a survey on how advisors spent their time in 2009.

What Cerulli found was that the average advisor spent 27% of their day dealing with existing clients and 16% with prospective clients.

So that was just over 40% spent on these highest value activities, which of course left almost 60% spent on lower value activities.

These lower value activities included 11% of advisors' time on client service issues and then between 7 and 10% of their day in five other areas, including research and due diligence, trading and asset management, office administration, training and professional development and compliance.

Two things stood out.

First, the time spent on research and due diligence and trading and asset management averaged about 17% – for some advisors it was much more, for others much less.

Advisors have to take a very hard look at their value proposition and how differentiate themselves to clients – and if it's not related to the investment selection process, then take a very hard look at how much time they're spending in this area.

Second, I was also surprised by the 11% of the average advisor's week spent on client service related issue – that's four hours a week, almost 200 a year.

In some cases, advisors have no choice but to get involved. Yet, as much as possible, you need to delegate lower value activities, even if it initially takes a bit of extra time to explain something.

Putting a value on your time

Let's suppose you buy into the notion that you need to delegate everything you can outside of high-value activities.



As part of that, you should put a value on your time, say \$40 or \$50 an hour or perhaps more – and using that as a guideline for deciding whether to do something yourself or to hire someone to do it.

If I can hire someone for \$12 or \$15 an hour to do filing and my hourly rate is \$40 or \$50, even it takes them twice as long as it does me, it still makes sense to do this.

Improving the return on your day

A good place to start is by getting a handle on where you spend your time currently.

For one week, track how you're spending your time in 15- or 30-minute increments, putting that time block into common categories.

Here's one possible list of common activities for assigning each time block:

Clients

- Preparation for meetings or calls
- Meetings (including travel)
- Phone calls that you initiate
- Taking and returning calls that clients initiate
- Client service issues
- Preparing for and conducting client seminars and workshops
- Other client activity

Prospects

- Preparation for meetings or calls
- Meetings with prospects
- Phone calls with prospects
- Preparing and conducting prospect seminars and workshops
- Profile building activity
- Volunteer activity
- Other prospect activity

Office and admin

- Planning weekly and daily schedule
- Formal team meetings
- Informal team communication
- Office admin
- Head office calls and meetings
- Other office activity



Compliance

Research and professional development

- Daily reading
- Attending manager presentations / road shows
- Education sessions
- Other reading and professional development

Other

Once you've done that, you need to summarize the results and ask if this is consistent with focusing on the highest and best uses of your time.

If not, consider blocking out time in your calendar for high-priority activities, whether it is calling clients you haven't spoken with for a while or making that overdue contact with a prospect.

Quite simply, if you block out time for them in your calendar, these activities are much more likely to happen.

In the process, you'll see a dramatic increase in the return from the time you spend on your business.

** Dan Richards conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries and to reach him, go to www.strategicimperatives.ca.*

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