Three Steps to Make your Business Grow
August 6, 2013
by Dan Richards

Advisor Perspectives welcomes guest contributions. The views presented here do not necessarily represent those of Advisor Perspectives.

If you’ve got ambitious growth plans for your business, you need to track progress against three sets of objectives: three-year goals, one-year/quarterly goals and day-to-day goals. All three of these are essential for success – but few advisors rigorously track progress in all of these categories.

Below is a framework to achieve progress against your most important goals. This is especially important given that focusing on the right goals is your most important business decision.

Widely considered the father of modern management, Peter Drucker was an influential advocate of setting the right goals and then rigorously tracking progress against those goals. Along the same lines, Bill Gates has talked about the critical importance of clear objectives and accountability in the not-for-profit sector, which historically has not been numbers-driven and outcome-focused.

Your chance for lunch with Dan

This fall, Dan Richards will be hosting advisor roundtable lunches to discuss key challenges, share ideas and answer questions.

There is no cost to attend these lunches. Lunches are currently scheduled in Boston, New York, Chicago, Dallas and Houston – with other cities being added.

If you’re interested in more information on these lunches, please email jonelle@clientinsights.ca

Dan Richards
ClientInsights-President
6 Adelaide Street E, Suite 400
Toronto ON M5C 1T6
(416) 900-0968

Three-year goals

The first step is to set mid-term goals for your business, three years from now. The key is to have quantifiable measures against which you can track progress. Some of the categories of mid-term goals that you could focus on include:

Overall practice measures:

- Traditional financial measures such as assets, gross commission and practice profitability
- The percent of income that comes from fee-based income and other recurring revenue
- The proportion of small, low profit clients
- The capability of your team (measured by upgrading skills and credentials)
- Your team satisfaction and commitment (measured by a third party rating)

Attracting new clients:

- Building your brand as the go-to expert in a key client community (measured by number of articles in industry publications, opportunities to speak or number of members of the group who have agreed to receive ongoing communication)
- Developing referral relationships with five professionals
Attracting x new clients with assets over $x (pick an amount that is significantly larger than your current average client)

Adding x prospects who’ve agreed to receive information from you and with whom you’re communicating at least once a quarter

Serving existing clients:

- Conducting one-on-one, targeted activity to deepen relationships with your top 20 clients
- Reducing voluntary attrition to a specified level among clients you want to retain
- Improving client satisfaction by x% (measured by an external satisfaction survey)
- Establishing relationships with the heirs of 10 of your top 20 clients

As a starting point, pick one or two priorities from each of the three categories above, whether they are objectives on this list or others that you select. At the end of this process, you will have a maximum of six priority goals to attain in three year’s time. Those priorities will drive your activity in the next three years.

**Annual and quarterly goals**

For each of your three-year priorities, identify the one- and two-year milestones that you need to achieve to have a realistic change at hitting your three-year target. Here’s an example of how this might work:

<table>
<thead>
<tr>
<th>Goal</th>
<th>% from fee based</th>
<th># of qualified prospects communicating with</th>
<th># of relationships with heirs of top 20 clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>20%</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td><strong>End Year 3</strong></td>
<td>40%</td>
<td>150</td>
<td>10</td>
</tr>
<tr>
<td><strong>End Year 2</strong></td>
<td>33%</td>
<td>105</td>
<td>7</td>
</tr>
<tr>
<td><strong>End Year 1</strong></td>
<td>26%</td>
<td>65</td>
<td>4</td>
</tr>
</tbody>
</table>

And then further break this down into quarterly goals:

<table>
<thead>
<tr>
<th>Goal</th>
<th>% from fee based</th>
<th># of qualified prospects communicating with</th>
<th># of relationships with heirs of top 20 clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>20%</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td><strong>End Q4</strong></td>
<td>26%</td>
<td>65</td>
<td>4</td>
</tr>
<tr>
<td><strong>End Q3</strong></td>
<td>25%</td>
<td>55</td>
<td>4</td>
</tr>
<tr>
<td><strong>End Q2</strong></td>
<td>24%</td>
<td>45</td>
<td>3</td>
</tr>
<tr>
<td><strong>End Q1</strong></td>
<td>22%</td>
<td>35</td>
<td>2</td>
</tr>
</tbody>
</table>

And if you’re an advisor who likes to have the clearest possible goals against which to operate, break this down into monthly goals for each quarter.

**Day-to-day goals**

The final step to execute against your key goals is the most important of all. Each Monday, identify one specific step to move forward against each of your goals in the coming week. Write down those steps – and then the following Monday track whether you completed that activity entirely, in part or not at all.

Here’s what that weekly scorecard might look like:
<table>
<thead>
<tr>
<th>Week of August 5</th>
<th>% from fee based program</th>
<th># of qualified prospects communicating with</th>
<th># of relationships with heirs of top 20 clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To do</strong></td>
<td>Talk to Marilyn Choo re fee based program</td>
<td>Get permission from Joe Woods to add to emails</td>
<td>Speak to Hendersons about setting up a family meeting</td>
</tr>
<tr>
<td><strong>Completed entirely</strong></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Completed in part</strong></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Not initiated</strong></td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For day-to-day goals, you’re not focusing on the outcome from that activity, but rather whether that activity took place. That’s because you need to focus on what you can control – and in the short term you can’t control results; all you can control is your activity. That said, if you execute the right activity each and every week, then the results will follow.

Some might say that this is a lot of time and effort to plan your activity. But in the words of that other eminent management guru, Yogi Berra: “If you don’t know where you’re going, you’ll end up someplace else.”

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, go to [www.clientinsights.ca](http://www.clientinsights.ca). Use A555A for the rep and dealer code to register for website access.