



The Monthly Session™

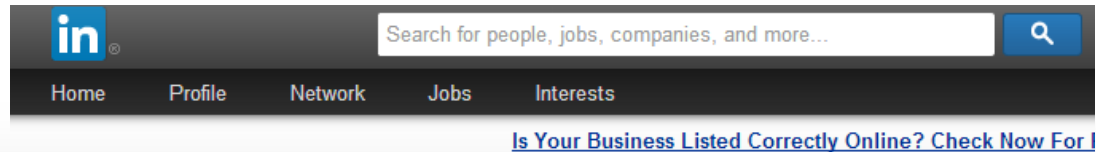
for

The Advisor P.A.C.T. Monthly Program™

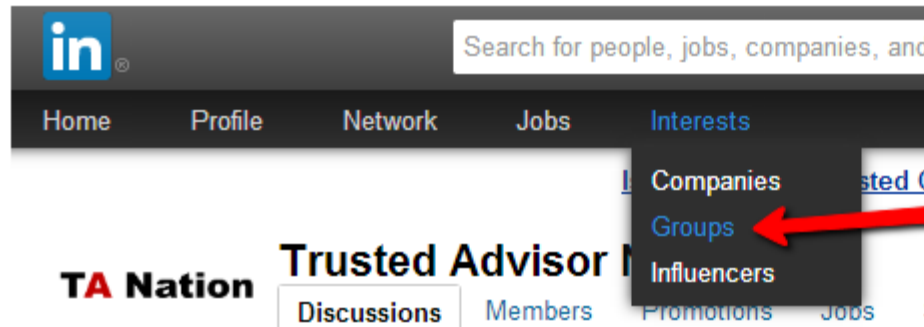
July 15, 2014

Hosted by Mark Little

Trusted Advisor Nation™ LinkedIn Group



TA Nation Trusted Advisor Nation



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Mike
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[What do you call yourself?](#)

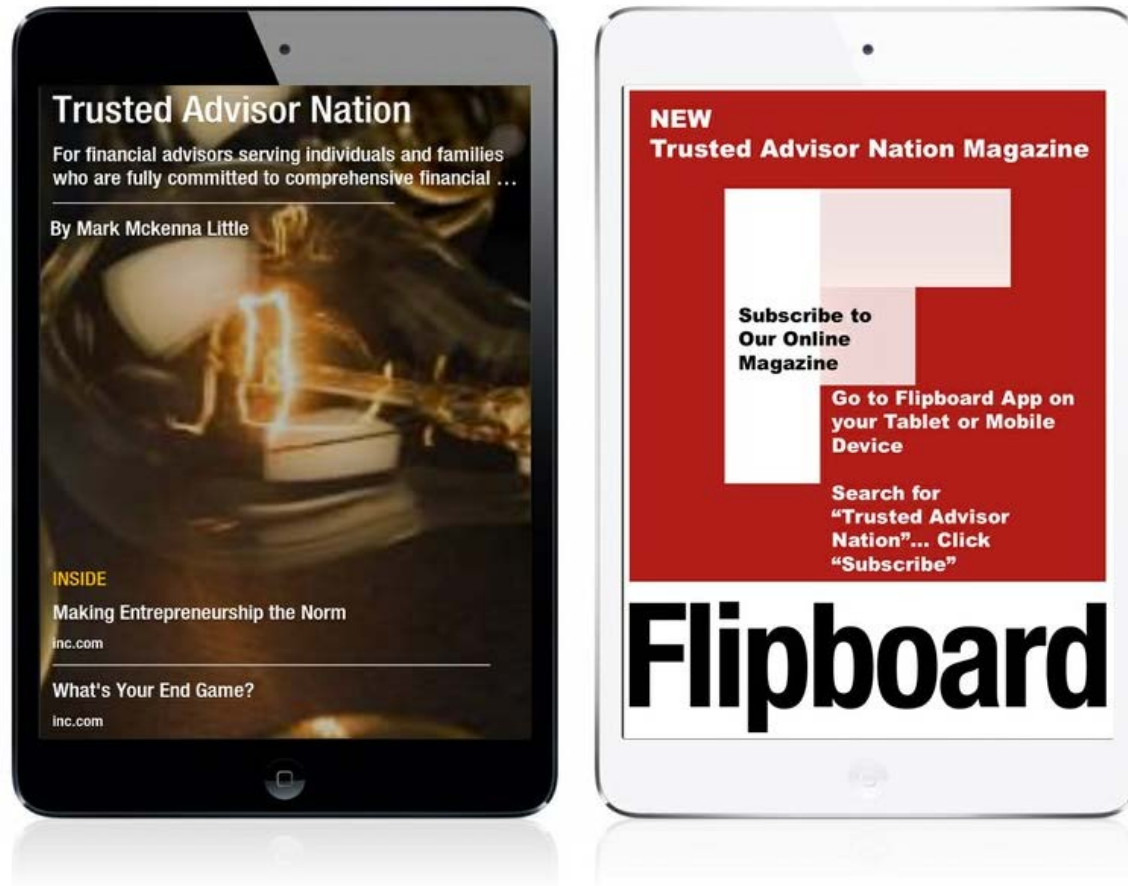
For 28 years I have hated answering the question "So what do you do?" with I am a Financial Adviser. I have tried various responses with ...
posted 22 hours ago

[Lynfa Davies](#) 5 seconds ago • Surely it depends on who you are taking to and what about? Inside a corporate, your title might matter because of status (!) but if you are ... »

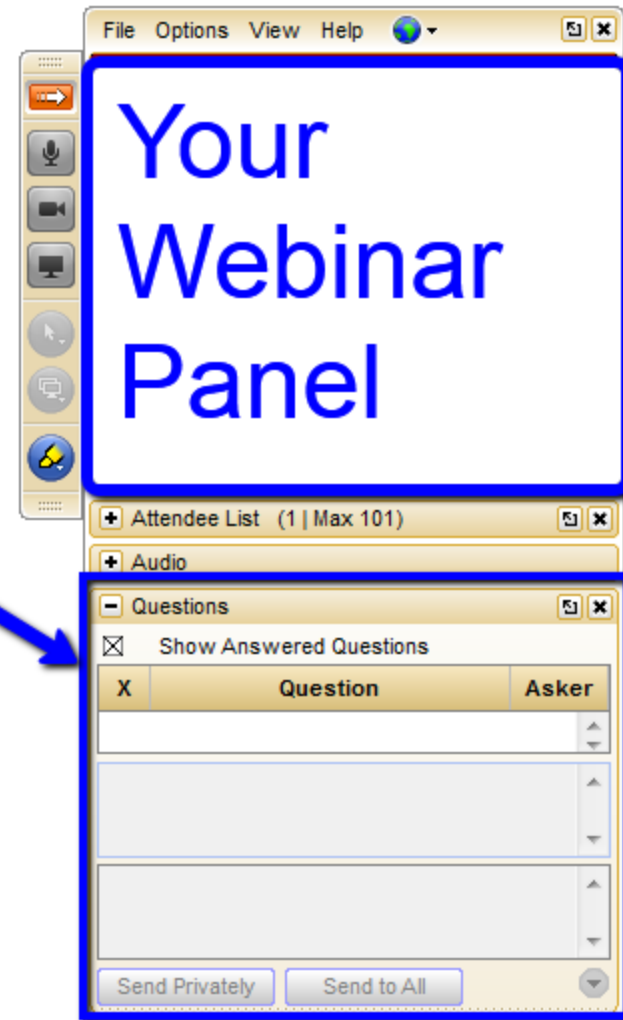
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Trusted Advisor Nation™ Magazine



As we go through today's content, please enter your questions here



Issues Covered in this Session

- ✓ ***Firmly Establishing Your Ideal Client Profile***, nothing differentiates you more than having higher standards in selecting your clients, than potential clients have in selecting an advisor.
- ✓ ***The Annual Recurring Revenue Exercise™***, the most useful on-going tool in managing your client acquisition process
- ✓ ***The Advisor Value Score™*** (AVS), a method of measuring your indispensability, and your value, to clients.

Firmly Establishing Your Ideal Client Profile

What kind of clients do you enjoy most?

- ✓ Clients who give you energy... not energy drainers
- ✓ Clients who appreciate you and all you do
- ✓ Clients who understand the value you provide... and aren't cheap or stingy
- ✓ Having an Ideal Client Profile means you are drawing a single simple line
 - On one side of the line are those clients you serve best... your Ideal Clients
 - On the other side of the line is everyone else... your Non-ideal Clients
 - Simple!

The Key: Be **Strict** With Your Ideal Client Profile

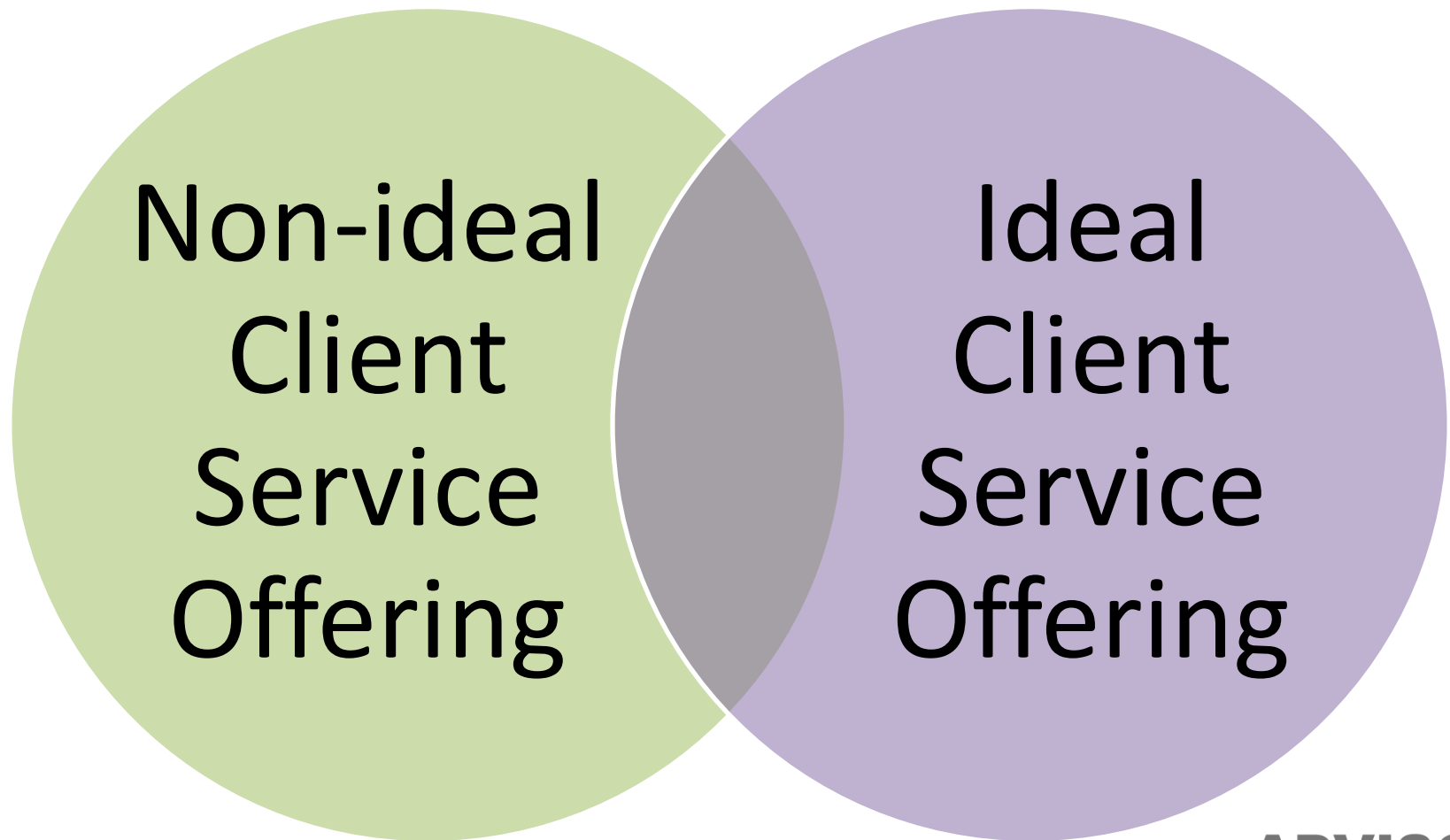
What is your **Ideal** Client Profile (ICP)?

- ✓ A profile of the client you serve **best**
- ✓ Includes traits and attributes of “the **person**”
- ✓ Includes a financial component, a **minimum** requirement of some sort
 - Primarily to avoid embarrassment of Non-ideal Clients
 - Ideal Clients will have no reaction
- ✓ Is the **key** to building an Ideal Client Community
- ✓ Makes clear which clients you **won't** accept
- ✓ Should be **strictly** enforced when adding Ideal Clients

What is your Ideal Client Profile (ICP) is **not**?

- ✓ Your ICP does **not** prevent you from accepting “Survival Clients” if your business requires revenue from Non-ideal Clients (NICs) to survive.
 - ✓ Ideal Clients should **know** they’re a member of your Ideal Client Community
 - ✓ NICs should know they’re **not** Ideal Clients
 - ✓ NIC services should be starkly contrasted (much less) than Ideal Client services
 - ✓ There should be a clear and obvious incentive for a NIC to join The Ideal Client Community
 - ✓ Ideal Clients should receive Truly Comprehensive Financial Services™
 - ✓ NICs should not receive anything looking like Comprehensive Financial Services

Should be little or no overlap

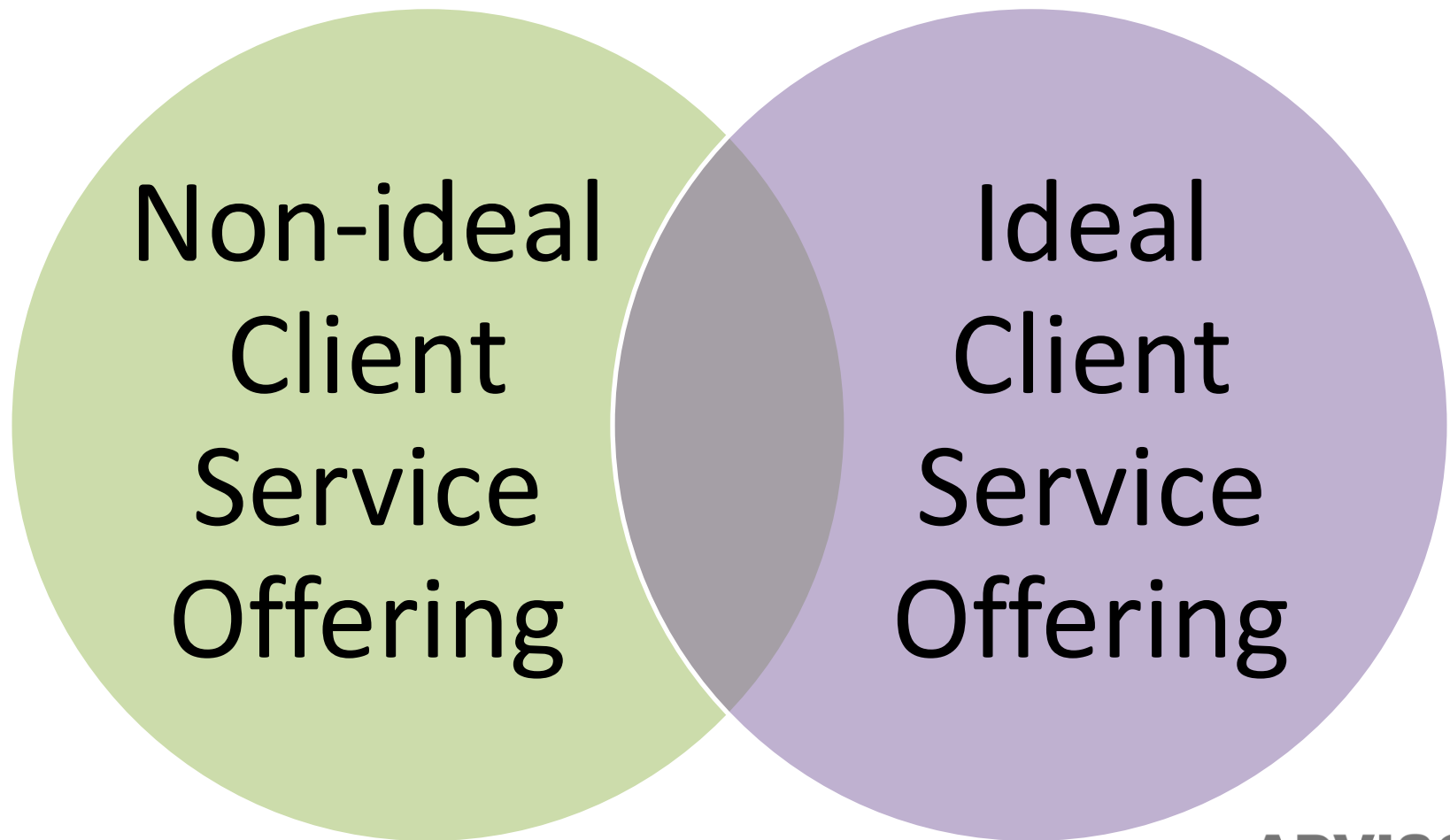


1 choice is best

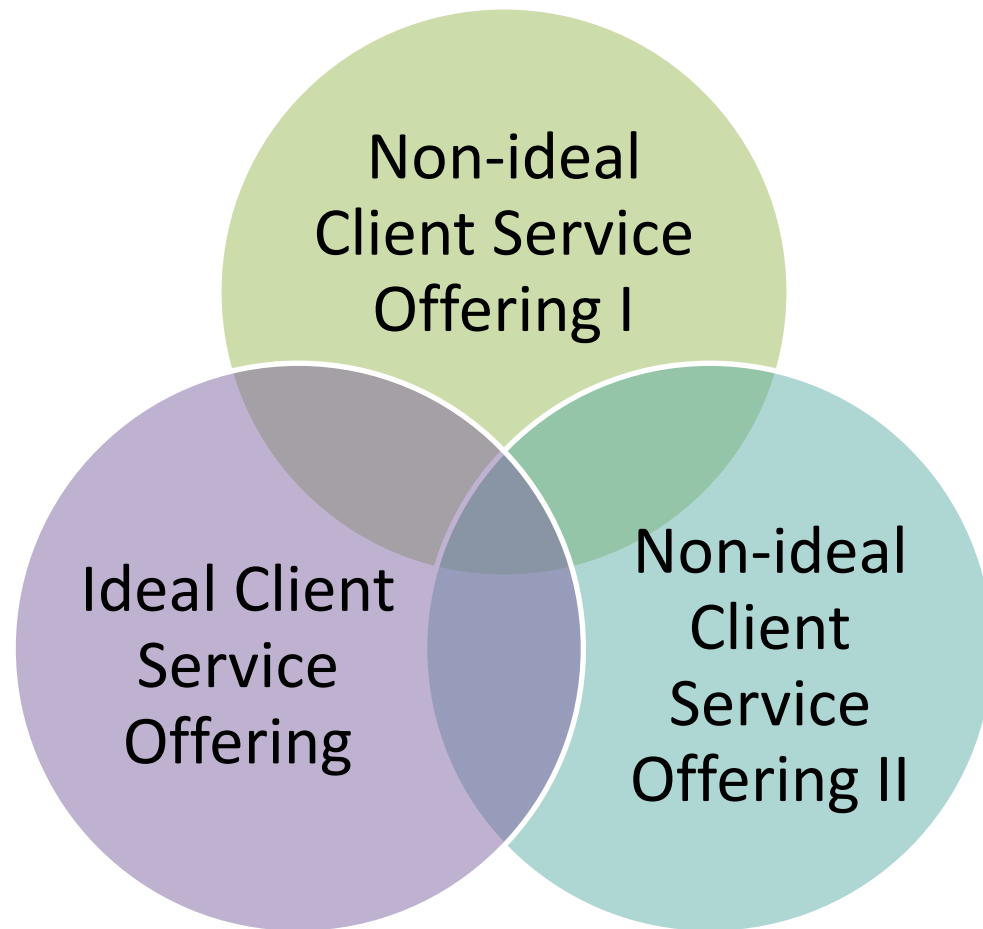


Ideal
Client
Service
Offering

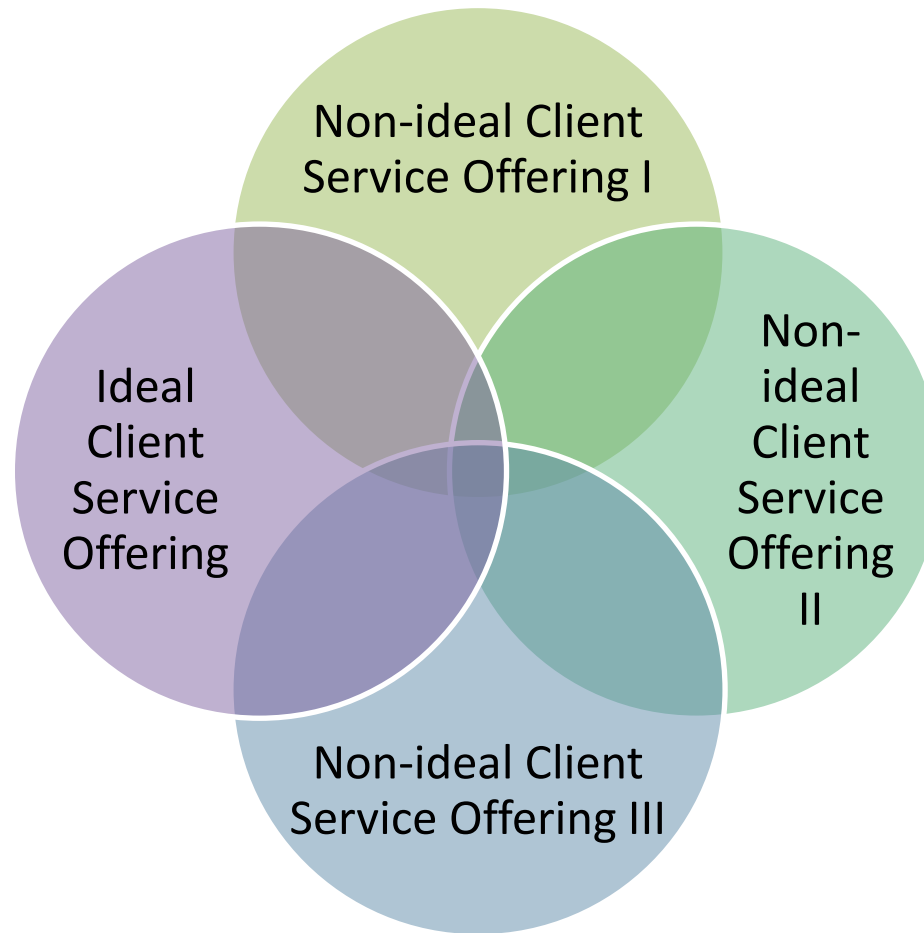
2 choices are ok



3 choices are confusing

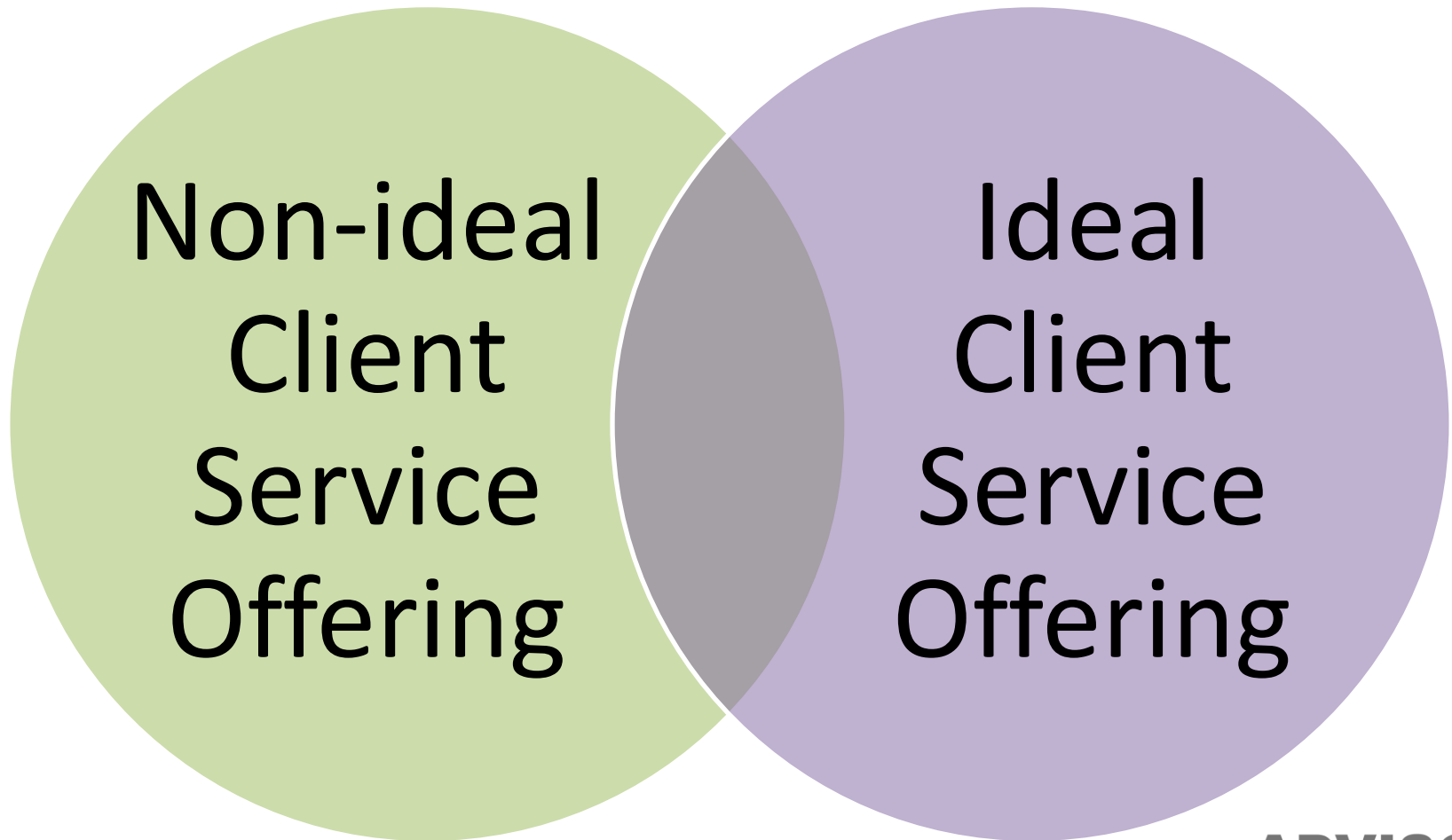


4 choices are far too many



Keep it simple

2 Clearly Contrasted Choices



Traits and attributes of your ICP, “the person”

(could include any or all of the following)

- ✓ Description of personality traits you feel are important
 - Should always include “Financial Delegator”
 - Should include several characteristics you feel are important
- ✓ Geographic location
- ✓ Business demographic
 - Business Owners only
 - Business Founders only
 - Corporate executives only
 - Corporate CEOs only
- ✓ Personal enjoyment

Imbed Advisor PACT™ within your Ideal Client characteristics



Our Ideal Client

The Client we serve the best has the following qualities:

- ✓ **THEY ARE FINANCIAL DELEGATORS:** Our community of clients appreciate, and are happy to follow, the advice of a team of financial experts coordinated by a single Trusted Advisor.
- ✓ **THEY ARE PASSIONATE ABOUT GOALS:** Our clients realize that achieving their goals requires both money and planning. Our community of Ideal Clients appreciates our commitment to pay close attention to all the financial details and proactively recommend the inevitable course corrections, as required, several times each year.
- ✓ **THEY ENJOY SIMPLICITY:** Our clients enjoy the simplicity, freedom, and peace of mind that comes from having all of their financial assets under the watchful eye of a single, Trusted Advisor who provides oversight, coordinating all personal financial affairs.

Our Ideal Client

The Client we serve the best has the following qualities:

- ✓ **THEY VALUE OUR WORK TOGETHER:** Our clients appreciate advice and guidance. Due to the high level of client interaction and attention, our services make sense for families who have accumulated more \$5,000,000, not including the value of their home
- ✓ **THEY FOCUS ON WHAT'S IMPORTANT:** Our clients delegate financial matters so they can focus their valuable time and energy on the things in their life that are most important to them. Clients who appreciate an advisor who views their role as to protect financial assets, and the financial strategy, allowing clients to focus upon the things which matter most in life.
- ✓ **THEY APPRECIATE THE CANDID TRUTH:** Our clients want to hear the truth from us regarding their financial situation...no matter what. Clients who rely upon complete transparency from their advisor.

Our Ideal Client

The Client we serve the best has the following qualities:

***Once we have a community of one hundred clients who
meet this profile
we will **not** be accepting any new clients.***

Avoid this...

- ✓ “What’s your Ideal Client Profile?”
 - ✓ “I don’t really have one”
 - ✓ “We have several... here they all are”
 - ✓ “We serve everyone. We do it all”

Do this instead...

- ✓ “What’s your Ideal Client Profile?”
- ✓ “Here’s the profile of the client we serve best...”



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Once we have a community of one hundred clients who meet this profile we will not be accepting any new clients.

The Annual Recurring Revenue Exercise™

The Central Tool For Organizing
Client Acquisition Activities

The Annual Recurring Revenue Exercise™

- ✓ A simple **Spreadsheet**
- ✓ Lists all **clients** (Ideal Clients & Non-ideal Clients)
- ✓ Lists all **Potential** Clients
- ✓ Allows you to sort in order to create **processes** for handling each client, and potential client, scenario.
- ✓ So that there is no client or potential client who **falls** through the cracks
- ✓ A documented process exists for **each** situation, scenario and type of client and potential client

The Annual Recurring Revenue (ARR) Exercise

- ✓ Make a spreadsheet listing all your clients
 - ✓ One row for each client family (don't make separate rows for family members' individual accounts).
 - ✓ Include **ALL** Clients on this list:
 - ✓ Include all Ideal Clients.
 - ✓ Also include all Non-Ideal Clients (NICs).
- ✓ Create a column entitled "Next 12 months"
 - ✓ For each client family estimate the recurring revenue you expect over the next 12 months from all the accounts (one number) and place that number in "Next 12 months" next to each client family's name.
 - ✓ Exclude all "one-time" revenue or commissions expected and include only recurring revenue expected over the next 12 months
 - ✓ Sort the list by the recurring revenue "Next 12 months" column
 - ✓ Your client expected to yield to you the largest amount of recurring revenue will be at the top of this sorted list.
 - ✓ Your client expected to yield to you the least amount of recurring revenue will be at the bottom of this sorted list (could easily be \$0).
 - ✓ Feel free to create extra columns for yourself if you like (EX: amount of assets under your care, "one-time" revenue or commissions expected)

The Annual Recurring Revenue (ARR) Exercise

With this sorted list, draw 3 lines of separation:

- ✓ 1. Draw a green line somewhere on the list so that,
 - ✓ Ideal Clients "above the line" will ALL receive fully comprehensive financial services
 - ✓ Clients "below the line" will NOT
- ✓ 2. Somewhere on the list "below the line" draw a 2nd line in red.
 - ✓ Above the "red line" are those clients which are profitable to your business
 - ✓ Below the "red line" are those clients who are (or who you suspect) are not profitable (based upon the human time and other resources invested in them annually)
- ✓ 3. Assign every client below the green line (every client NOT to receive comprehensive financial services) to one of these 12 categories (feel free to create more categories)

Annual Recurring Revenue (ARR) Exercise

Potential Categories of Existing Non-Ideal Clients (NICs)

*(Pick the **ONE** category that best describes each Non-Ideal Client)*

1. I like (enjoy) this client (Potentially one of our Ideal Client Exception Slots)
2. I DO NOT like (enjoy) this client.
3. Client has compensated us significantly through commissions or other methods within the last 12 months.
4. Client will be forced to pay a penalty for withdrawal (or CDSC) in order to enter our Ideal Client Community.
5. Client probably has significant assets I am unaware of.
6. Client currently pays our minimum PMARR but is unaware of that fact (trail commissions, renewals, etc.).
7. Client will meet the ICP within the next 48 months.
8. Client will unlikely EVER meet our Ideal Client Profile.
9. Client and I are like family (or the idea of disengaging seems ungrateful or unfair to them).
10. Client does not have sufficient assets to qualify for our PMARR as a percentage of their assets, BUT does have the income capacity to pay our PMARR.
11. Client is “fun but hopeless”
12. I don’t recall this client (can’t picture a face).

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- ✓ 3. Assign every client below the green line (every client NOT to receive comprehensive financial services) to one of these 12 categories (feel free to create more)
- ✓ 4. Draw a 3rd blue line below your clients and list all Potential Clients
 - ✓ With these, focus upon the column listing revenue potential over the next 12-months. Speculate about this column as soon as you can.

The Advisor Value Score™ (AVS)

A method of measuring your
indispensability,
and your value, to clients

The Advisor Value Score™ (AVS)

- ✓ A simple 3-question survey to be given to every client
- ✓ Track Ideal Client results separately
- ✓ 2 objective questions
- ✓ 1 subjective question
- ✓ Takes less than 5 minutes to complete
- ✓ Give this survey
 - ✓ After every client progress meeting
 - ✓ Once per year via email or mail (anonymous)

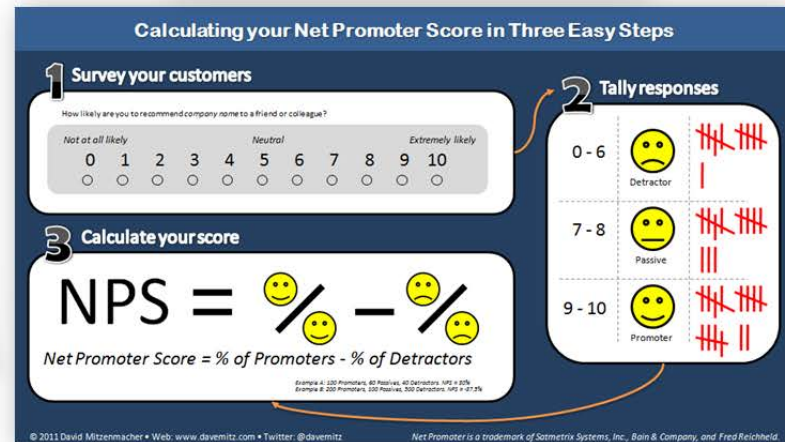
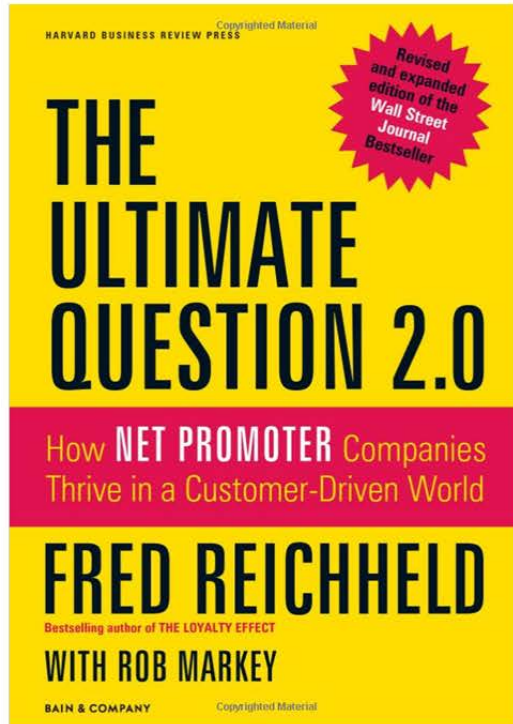
The Advisor Value Score™ (AVS) Objective

- ✓ Establish & measure your goal of being indispensable
- ✓ Measures 3 things with your clients
 - ✓ Your referability
 - ✓ Your indispensability
 - ✓ Actionable feedback to increase both your referability and your indispensability
- ✓ Establishes “referrals” as your sole means of acquiring Ideal Clients

The Advisor Value Score™ (AVS) History

Your Client Referral Score

How likely is it you would recommend us to a friend?



The Trusted Advisor Toolkit™
TrustedAdvisorToolkit.com

The Advisor Value Score™ (AVS)

Question 1 of 3

Confidential

Please Complete Before You Leave

Would you consider me to be indispensable?										
10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>
Yes. I find you to be indispensable to my personal financial affairs				I find you to be helpful, but not indispensable		No. You are not indispensable to my personal financial affairs				
Please Check One Number Above										

The Advisor Value Score™ (AVS)

Question 2 of 3

How likely is it you would recommend us to a friend?

10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>
Extremely likely						Not at all Likely				
Please Check One Number Above										

The Advisor Value Score™ (AVS)

Question 3 of 3

What's the primary reason for the score you just gave?

What's the most important improvement that would make you more likely to recommend us?

Yields potentially actionable feedback. Your clients will tell you what they want from you, that they're not currently getting ...or would like **more** of.

Confidential

Please Complete Before You Leave

Would you consider me to be indispensable?										
10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>
Yes. I find you to be indispensable to my personal financial affairs				I find you to be helpful, but not indispensable		No. You are not indispensable to my personal financial affairs				
Please Check One Number Above										

How likely is it you would recommend us to a friend?										
10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>
Extremely likely					Not at all likely					
Please Check One Number Above										

Fold Line

What's the primary reason for the score you just gave?

What's the most important improvement that would make you more likely to recommend us?



Before you
leave, please
fold this note
and place it in
the jar

Interpreting you're the Advisor Value Score™

How likely is it you would recommend us to a friend?												
10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>		
Extremely likely												Not at all Likely
Please Check One Number Above												

Advocates

Uninvolved

Faultfinders

AVS Calculation = %Advocates - %Faultfinders
(ignore the uninvolved)

Confidential

Please Complete Before You Leave

Would you consider me to be indispensable?										
10 <input type="checkbox"/>	9 <input type="checkbox"/>	8 <input type="checkbox"/>	7 <input type="checkbox"/>	6 <input type="checkbox"/>	5 <input type="checkbox"/>	4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>	0 <input type="checkbox"/>
Yes. I find you to be indispensable to my personal financial affairs				I find you to be helpful, but not indispensable		No. You are not indispensable to my personal financial affairs				
Please Check One Number Above										

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Extremely likely					Not at all Likely					
Please Check One Number Above										

Fold Line

What's the primary reason for the score you just gave?
What's the most important improvement that would make you more likely to recommend us?

Consistency in updating these 3 pieces of information will literally transform your business

- ✓ Increase the number of introductions to potential clients you receive
- ✓ Increase your indispensability to your existing clients
- ✓ Provide you with actionable, sometimes unique, ideas for increasing the value you provide clients.

Covered in Today's Session

- ✓ ***Firmly Establishing Your Ideal Client Profile***, nothing differentiates you more than having higher standards in selecting your clients, than potential clients have in selecting an advisor.
- ✓ ***The Annual Recurring Revenue Exercise™***, the most useful on-going tool in managing your client acquisition process
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