

## Where are you heading in 2009?

### Are you running your business or is your business running you?

Welcome to the New Year. It's a fairly safe bet to say that most of the industry (and indeed, your clients!) have been looking forward to putting 2008 behind them.

Now is a great time to reflect on the year that was (perhaps not for too long!) and plan for a more positive year in 2009 for your business, staff and clients. To quote Mahatma Gandhi, "the future depends on what we do in the present".

Of course you can't control what the markets will do but you can control what you and your staff will do. If you haven't already, you should take your staff away from the office for a day and create your Business Plan for the year.

What are the ideas that you have toyed with for years that you still haven't implemented? Is this the year that you will take action on them?

Take a good honest look at how you do things within your business.

- Are you confident your clients receive a consistent experience from your business?
- Are you getting the most from your staff and resources? That is, have you empowered them to deliver efficient services to your clients?
- When you needed to communicate more to your clients over the past year, could you do so effectively?
- Are you comfortable with the way you charge?
- Are you certain that all of your clients get the service they are paying you for? Are you happy with the delivery and content of your client reviews?
- Are you confident that you will achieve what you want from your business? (more money, more leisure, more holidays, more professional recognition etc)
- Are you happy with the number and type of new clients you receive?

### Tick Tick Tick...

Do you have potential time bombs in your business?

- Client demographic...if your client base is predominately retirees and you charge ongoing service fees linked to their FUM, not only have you suffered along with your clients in the market downturn, but quite aside from market movements, you are sitting on a declining revenue base as your clients draw their pensions, reducing their fees paid to you while possibly increasing their servicing needs.

- Legacy trail books...what percentage of your overall revenue is generated from trail payments on your D/Bronze clients? Could you cope if a change in legislation forced these payments to cease?
- Corporate Super clients... do you have corporate super funds that generate revenue from contributions and trail, for which you are not providing comprehensive service to their employees?

If you know that you have issues in your business that need attention but you haven't managed to fix them on your own, seek assistance from someone outside your business. You've heard it before, even elite athletes still need coaches to keep them performing at their best, and help them to fix the small (or large) issues that may stand in the way of achieving their goals.

Engaging the services of an external party can assist you to identify the root cause of your issues – and provide you with the tools to fix them. They can also open your eyes to alternatives that you may not currently be aware of. Speak with the Practice Development Manager provided by your dealer group, or engage an external consultancy to assist you, and you will reap the benefits.

The advisers on the Elixir Consulting Prac-Nav coaching program who run their Business Plan to the calendar year have set their Business Plans for 2009 and 2008 saw them increase their revenue by an average of 28%. If we strip out those advisers who are not in growth phase right now, the average revenue increase actually lifts to 46%, but perhaps more importantly, all of them are servicing their clients better and enjoying their business more than when they started on the program.

## Secrets of Success

Despite our name, there is no magical elixir that we have supplied our clients. Clearly, some firms have fared better than others in these tumultuous markets. What have they done differently? Broadly, they have:

- a consistent focus on their business - a clear business plan and regular monthly coaching sessions to ensure appropriate actions are being undertaken
- consistent business practices including efficient methods of communicating with clients - particularly important in times of market volatility
- diversified revenue streams - Those who charge set dollar ongoings clearly weren't affected as much as others, but even if you receive ongoing revenue that is linked to FUM, you can still generate revenue from plan fees, risk insurance, finance/mortgages, in addition to the standard ongoing investment advice revenue
- effective client review processes
- a documented marketing plan - those who have efficient systems in place to handle existing clients still managed the time to implement their marketing plan and bring on new clients to the business

As a result of these actions, these firms enjoy excellent relationships with their clients with high retention levels and regular new client referrals.

If the definition of insanity is to continue to do the same things and expect a different result - what are you going to do differently this year?