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7 proven ways to
successfully grow your
advisory business

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**Developing and managing a centralised investment proposition
PROD Guide**

**MiFID II Explained – Our Interpretation of MiFID II and the impact
it will have on IFAs**

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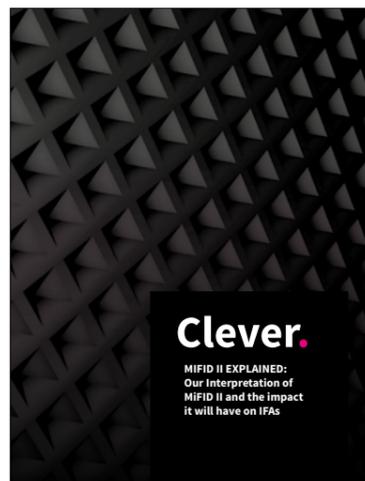
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Developing and managing a centralised investment proposition



PROD Guide



MiFID II Explained: Our Interpretation of MiFID II and the impact it will have on IFAs

Introduction.

What makes a successful business? Why do some fail and others thrive?

According to Bloomberg, 8 out of 10 entrepreneurs who start businesses fail within the first 18 months. That means a colossal 80% of them crash and burn. Add to that the 2016 statistic published by the Small Business Administration (SBA) that only half of new businesses survive beyond five years and you could be forgiven for thinking it's all quite depressing. All sobering statistics, however, the report goes on to reveal that a third of businesses do survive 10 years or more.

With over 30 years' experience in the financial services profession, we've been fortunate enough to observe some of the UK's most successful IFA firms and practitioners and have distilled what we believe to be the seven proven ways to grow a business.

Some of these may seem obvious, although we hope one or two might give you a real lightbulb moment.

From being perceived as relevant and topical to embracing technology to proactively managing your time, this guide shares some genuine insights to help your businesses stay successful.

Be topical.

From the outset, one of the most important factors for any business is to be relevant to clients and add value to their lives.

Your clients may know what you're doing, but they may not know why or how! So, it's helpful to provide some context to the financial information you're sharing with them. If your message is seen to be topical as well as relevant, it will help clients understand their investments through the stories you tell.

This is particularly so in today's unsettled world. With Brexit, geo-political events and global economic concerns all causing high levels of uncertainty, this is an ideal opportunity to show your clients you're informed and have your finger on the pulse. Similarly, if a major change happens within the financial services profession, you need to be quick to respond and put some narrative to the numbers.

So be proactive, keep in touch with your clients by sending them an e-update as soon as possible. They will be wanting to know how any issues could impact their investments and a timely, well-worded communication from you could provide just the reassurance they're looking for.

To cite an old but relevant example that's still extremely powerful, in 2008 when banks seemed to be collapsing nearly every day, our managing director, Colum, sent a newsletter to all his clients to explain the situation to them. Over the following days, weeks and months, he didn't receive a single email, letter, or phone call expressing concern. On the contrary, he received five recommendations and even received a card from one client concerned about how the events might impact Colum's own business.

Communication works!

Linked to this, make sure you give yourself head space and time to plan for your long-term business future. Why not block out time in the diary and treat it as important as a board meeting. This planning time will ensure that any actions you take answer your own 'Big Why?' and are aligned with your long-term objectives and overall strategy. We also like the maxim; 'know to grow.' If you're to run a dynamic, forward-thinking business, you need to be constantly fuelling it with new knowledge so it's important to keep up to date with the latest technological and legislative developments.

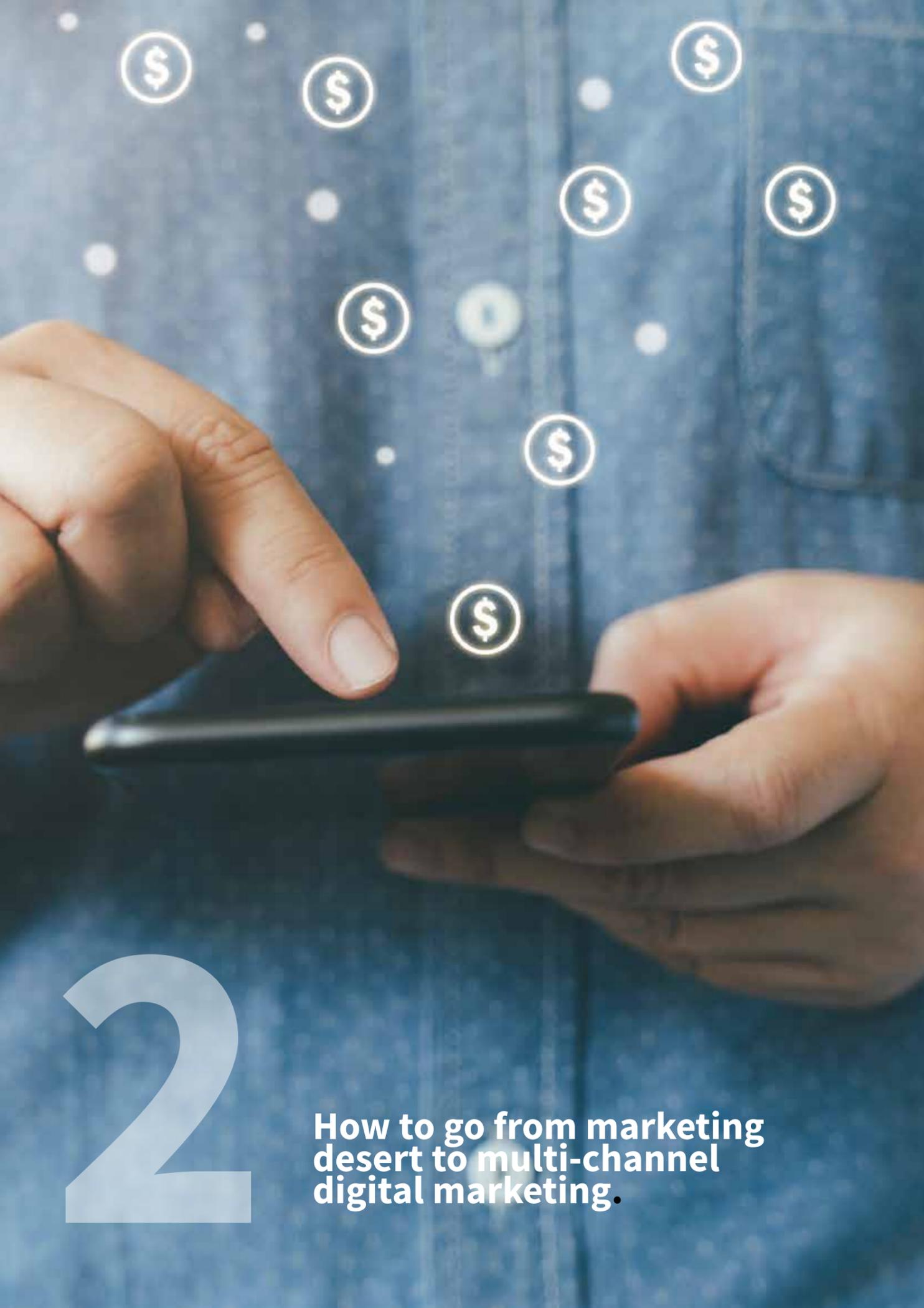
After all, how can you plan for tomorrow, if you don't know about today?



The Big Why...

Next step

Block out some strategic planning or 'know to grow' time in your diary. Consider whether there any topical issues you could provide your clients with some real insight on.



2

How to go from marketing desert to multi-channel digital marketing.

Use marketing to look professional and build a pipeline of leads.

A common mistake that many business owners make is to treat marketing as a cost rather than an investment. They can also be bewildered by, even dismissive of, the many choices available to them within the marketing arena.

To give you an example from our experience at CleverAdviser; several years ago we were operating in what to be honest was a marketing desert. After at least a year of planning and preparation, we went live with a multi-channel digital marketing programme. In just a two-month period, we saw a near tenfold increase in qualified enquires, already resulting in business completions. Another key lesson we've learnt has been to ensure that your brand is consistent across all your materials and channels. You've worked hard to establish your business 'look and feel' so make the most of every opportunity to get it in front of your target audiences. Above all, look professional in everything you do.

Brand awareness is simply the ability of a client or lead to recall your brand, be that through your company logo, colours or message strapline. Subconsciously, an individual will be building up an impression of your company every time they come across

your brand. It's an ongoing process all leading up to the final decision to sign up with you so it's important to have as many touchpoints as possible, all reinforcing your message. This is especially crucial where financial issues are concerned as the vital element of trust must be established.

You may well have heard of the four Ps in the marketing mix: product, price, promotion and place. But how do you get the perfect balance? You've no doubt spent a lot of time and effort developing your website but how do you maximise its potential on an ongoing basis? And how do you make sure you're using all the main communication channels to drive traffic to it? It's well worth stepping back and spending a significant amount of time considering all these issues.

You might also want to consider outsourcing your marketing. We did just that by engaging a specialist financial services company, who were able to offer us specific recommendations from the huge array of choice in line with our objectives. We all have specialisms; we're experts at investment propositions, they're experts in strategic marketing. By working alongside them, it allows us to concentrate on what we're good at whilst gaining valuable input from them on how to communicate more effectively with our clients and prospects.

Next step

Why not review your brand identity as an outsider or even better get someone independent to do so. What impression do they get from each channel? Get them to be really honest. Build their findings into your marketing plan and consider how you can build up a pipeline of good quality leads.

3

**The power of technology...
and how your
business can embrace it.**

Improve efficiency and make it easier to connect with clients.

The rise of the smartphone has been phenomenal. It reached a tipping point in 2014, when the ownership of smartphones overtook that of desktops for the first time (source: Morgan Stanley Research). Since then it has continued to increase rapidly; Statista forecasts there will be nearly 54 million smartphone users in the UK by 2022.¹

They're not just useful for 'social' activity or shopping either! As Dave Chaffey from Smart Insights said 'The implications are clear, if you're not able to reach your audience through mobile search or display, or you're not providing a satisfactory mobile experience, you will miss out compared to competitors who are.'

We expect information to be easily accessible now; anywhere, anytime. So, consider whether your clients can easily access your services via their smartphone? And does your site display correctly?

The advances in mobile technology have introduced major advantages for businesses too in terms of increased productivity and flexibility within the workforce.

And it's not just smartphones that are influencing the way we do business. 2020 will see more video being used to tell clients meaningful stories.



Investigate which technologies would make a significant impact on your processes and improve the client experience.

ROI agency Zenith estimates that people in the UK will watch on average more than 100 minutes of online video per day.² The estimates for 2020 have already been exceeded. For business-to-consumer brands, video conferencing is another example of how technology is revolutionising client communications and improving accessibility.

As the popularity of video and story-telling increases, so too does competition. Personalisation tools will help you improve engagement with your content and build a relationship with your audience. Accenture research shows 91% of consumers are more likely to engage with brands that recognise, remember and provide relevant information.

Technology underpins our entire offering at CleverAdviser. We use processes to not only find new business but also to retain our clients. We've estimated that back in 2006, given the use of the fastest computer we could have purchased or rented at that time, it would have taken 247 years to have comprehensively tested what we had invented here at CleverAdviser. Last year, we performed that very same test using the latest technology including the cloud and big data, and it took just over thirty minutes!

One thing's for sure, technology will continue to evolve and develop at speed. The challenge is for your business to embrace what it has to offer and harness the advantages. Technology can add value by driving through operational efficiencies but also in building value in your proposition. For example, if you're not already, how can you use cashflow planning software to present a better proposition, or integrate your systems to improve workflow and reduce cost?

Sources

¹ https://www.ofcom.org.uk/__data/assets/pdf_file/0017/13616/uk_1.pdf

² <http://www.cisco.com/c/en/us/solutions/collateral/>

4

Why are you doing what you're doing?

Improve and document processes.

The most successful IFA practitioners we know are very process focused. They can tell you exactly why they're doing something and how it relates to their overall business goals.

In today's busy world it's easy to succumb to the 'headless chicken syndrome', saying yes to everyone and rushing around from meeting to meeting, task to task. But being busy, of course, is not the same as being effective. So, every now and again it's worth stopping to ask yourself 'why am I doing what I'm doing?' The answers may be quite revealing!

Running a lean machine.

Many lessons can also be learnt from Lean principles as used in manufacturing. Henry Ford pioneered the concept which was subsequently developed by Toyota in the 1950s.

Over the next few decades, companies gradually discovered that more streamlined processes on the shop floor could be replicated in their back office with a direct impact on improved internal and external customer service. With the result that Lean philosophy is now adopted by businesses of all different types, regardless of whether you offer services or manufacture products. The transferable principles centre around creating value for the client with the minimum amount of waste and the maximum degree of quality, and focus on three key areas:

Non-value added - or waste!

This is all the work which does not contribute to the end result and often impedes it - for example, mistakes, delays and duplications.

Non-value added - essential

This relates to any activity that must happen but is of no visible benefit to the client - this might often involve internal processes such as invoicing, time logging and meetings.

Value added

This is where your clients can see real tangible benefit - and will crucially be what they're willing to pay for. This is what you should build your service offering around.

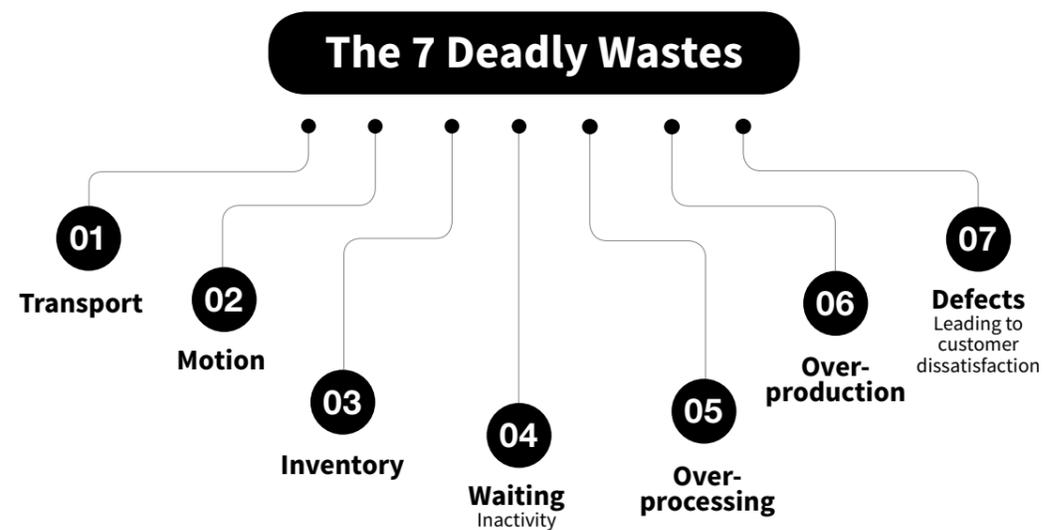
Explore your current practices. Get into the habit of questioning everything you're doing - is it adding value or merely adding cost or wasting time? If you can reduce wasted effort, you will help improve efficiency, leaving more time and energy to concentrate on the things that your clients really value.

What financial planning clients value the most:

- Help in making the right choice
- Help with tax efficient planning
- Peace of mind
- Being kept informed
- Value for money
- Great service

In fact, in financial planning the value-add is often about ensuring your professional know-how and expertise is conveyed to the client.

So how can you reduce waste in your business in a way that helps build client relationships?



For example, ‘motion’ occurs when you or your team must take extra steps simply to accommodate inefficient processes. The activity takes time but adds nothing to the end service. Similarly, over-processing occurs when re-work has to happen. Perhaps you didn’t fully understand the client’s requirements or weren’t adequately briefed? Or do you have periods of inefficiency when you are just waiting for information? Or are you ever guilty of over-production when you are providing the client with more than is required (and what they are probably paying for)?

The seven types of deadly waste are well known in manufacturing, but some are particularly relevant in the services industry.

In most cases, people are committed to delivering a great service, just as no one sets out to intentionally design a poor process. But over time those processes can cause

delays and mistakes so that no matter how much effort is put in, they lead to customer dissatisfaction. This can be particularly true as a business grows but the systems are not adapted accordingly.

So, take time out at various intervals to independently review and assess your processes. Check they are still meeting the needs of the business and clients. This will also help prevent the seven deadly wastes from creeping in!

This whole section is perhaps best summed up by a sign our Chairman once spotted at the Williams Formula One Racing Team Factory.

“Is what you’re doing going to make the car go faster? If not, why are you doing it?”

Williams made it their aim to reduce all ‘non-value added work’, which contributed to their success.



Next step

Take time to consider what ‘non-value added work’ you could reduce in your business.

Sources
http://www.leaninnovations.ca/seven_types.html

Build authority through seminars.

There was once a time when everyone was holding seminars. But don't dismiss them just because of that!

When they're done well, they are in fact an ideal way to reach your target market. It could be that we are about to enter a period of more uncertainty for real returns on your clients' portfolios, so investors will be seeking reassurance. Holding a seminar can therefore be a great opportunity to convince potential clients that you are the 'go-to' person for information and peace of mind.

Added to which, it enables you to make valuable contacts for future marketing. As you pre-select who to invite, you can ensure the attendees meet your specific criteria - a perfect way to grow your business.

Trust is easier to develop through face to face communication when they can see the whites of your eyes! Putting yourself forward as a speaker is a great way to establish yourself as a credible industry leader in your field.

You may be saying "I couldn't possibly do that!" Don't worry, you wouldn't be alone. The three things that people are allegedly most frightened of in life are public speaking, bungee jumping and death!

However, public speaking is a skill which can be learned, and worth learning given the potential returns. There are also many useful courses and webinars available to help you develop those skills and presentation ideas, and gradually build confidence.

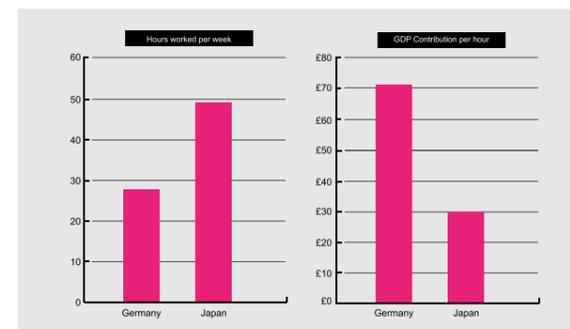
Next step

So take the plunge, choose a topic and share your insights - you might find you even quite enjoy it!

5 Public speaking,
bungee jumping, death!

What does your work/life balance look like?

It's not necessarily the hours you put in – it's what you put into the hours! As demonstrated in the charts below, the German labour force evidently work half the time, yet contribute double to GDP, when compared with the Japanese who work 49 hours per week on average.



That means they are twice as effective in half the time!

Linked to section four, this is all about working 'smarter not harder'. But what does this really look like?

Much of it is linked to simply being more self-aware. How good are you at estimating, for example, how long it will take you to complete a particular task? 'To Do' lists are all very well, but they don't necessarily help you complete them in an allotted time frame. Some people even try using a 'To Don't' list instead to make sure they're not filling their day with non-essential tasks or ones that could easily be postponed.

Next step

Chart your time over a week, then analyse your work/life balance. Are the hours spent at the office being spent effectively?

If you can get into the habit of timing yourself, you will get a better appreciation of how long it takes you to do regular tasks and the more control you will be able to take over your future scheduling.

Take your emails as another example of working smarter. Like many people, you perhaps open up your inbox at 9:00am and try to work your way through until you have zero unread emails. But is that the smartest way to start your day?

Sometimes it might actually be better to pick up the phone or go and speak to the person instead. In many cases, you can find out more and save time. So why not stop and ask yourself if you really must send yet another email?

We're also often told we should delegate more but what is the most effective way to do this? Mitzi Weinman, author of "It's About Time - Transforming Chaos into Calm, A to Z" suggests using your own navigation system of goals, purpose and scope. This helps you and the person you're delegating to keep on track.

Time theming is another method that some people find helps improve productivity. By theming your day into months, weeks or days you waste less time trying to decide what to do, because you have already designated certain days for tasks. You then have the freedom to focus on the activities you have prioritised.

Ask yourself if you're happy with the amount of time you're spending at the office or if it could be spent more profitably elsewhere? Everyone is different so work out what works best for you personally but maybe just by making a few tweaks you could improve your work-life balance dramatically.

Be like the Germans!

Invest in your team.

'Rank and yank' is a cash flow strategy which was pioneered by Jack Welch of General Electric in the mid-1980s. By ranking every member of staff based on their contribution to revenue for that year, he would promote the top 10% and fire the bottom 10%. In this way, he would effectively balance the books for that year.

This was later referred to as a mass redundancy strategy, a policy we still see struggling companies use. But are these companies struggling because of the environment they have created at their organisation, where staff live in fear every year?

In contrast, research has shown that job satisfaction has a significant effect on productivity in the workplace. And a productive workplace is a thriving one, not one that would make a large percentage of staff redundant unnecessarily.

So, grow your business by investing in your team. Show you believe in them by giving them responsibility, empower them to make decisions and make them feel involved in the future of the company. There are various tried and tested techniques you can explore to create a positive environment and promote job satisfaction.

But even before this, think about the type of people you're recruiting. Hire for attitude and [company] cultural fit - not just skills and experience - and it will make building a great team all the easier. You might have heard leaders refer to 'having good people' but what does that really mean? Gino Wickman in his book 'Traction' talks a lot about having not just the right people but the right people in the right seats. The right people share your core values and identify with your objectives. However, it's also important that you keep reviewing that they are in the right roles with the relevant skills to do the job. Are they working within their skill set and passions, according to their 'Unique Ability,' as Wickman calls it?

And finally, yes leaders do eat last! By putting others before yourself, you will see it promotes loyalty in your staff and creates a bond with your firm that grips tight even in the harshest of storms.



7 Leaders eat last.

Summary.

So, there you have it, our seven proven ways to help you successfully grow your business. We hope you will find them useful.

Whether it's being topical, embracing multi-channel digital marketing, using the power of technology, having a clear focus, running events, improving your work-life balance or investing in your team, we know from experience that all these strategies can make a real difference. And they will certainly free up your time to concentrate on the things that matter most to you.

If you'd like to know more or hear of some other examples about how we help IFAs to implement these strategies at their own firms, get in touch...

Oh, and do let us know how you get on...