

What is Practice Workflow?

By Norm Trainor

The following is based on one of Norm Trainor's clients, Matt. All of the names and telling details have been changed.

Practice Workflow describes how work gets done in your practice. For many mature financial advisors, the lack of a well designed Practice Workflow is the major cause of their frustration and dissatisfaction with the business. Over our 15 years working with financial advisors we have seen this issue time and again, and in many forms. This frustration was also confirmed in a recent study where it was stated that more clearly defined processes and systems within the practice was one of the top three ways to improve time management¹.

Let me give you an example. Matt is a successful 56-year-old advisor with 600 clients. His clients are typically retirees and pre-retirees. Matt works about 50 hours a week. His biggest frustration is that he does not spend enough time working with the right clients. Matt's highest value work is face to face with the right prospect or client in a situation that leads to a sale. Yet, he averages about 10 hours a week of selling time. Only 20% of his work is of the highest value; 80% of his time is spent on lower value activities. If he can reverse these percentages, his business will grow by 50 to 200% within a year to two years.

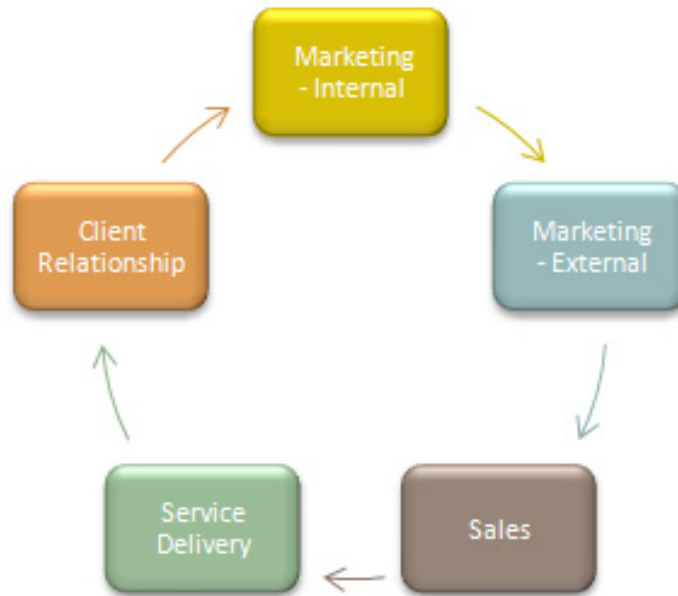
This is what we did. In the first year we worked together, Matt grew his business by 64% and the second year by 91%. Cumulatively, the business grew by over 300%. But the real benefit to Matt is that he is now doing work that he is really good at and truly enjoys. He is working fewer hours and having more fun. The solution to Matt's problem was quite simple. All he had to do was re-think and then, re-engineer his Practice Workflow.

Businesses are built on replicable processes. A process is a pattern or methodology that is distinguishable, repeatable and transferable. Before we started working together, Matt did not have a well thought out Practice Workflow. Top advisors distinguish themselves by asking the right questions. It is also true of a coach. One of the first questions I asked Matt was: "How do you use your Client Relationship Management (CRM) system?" Matt responded by saying: "I use it to keep in touch with clients by phone or email." As we talked, it became clear that Matt viewed his CRM as an electronic rolodex; this is fairly typical of mature financial advisors. They utilize only a fraction of technologies' potential to improve workflows. "Have you segmented your clientele in your CRM?" "We've been planning to, just haven't had time" answered Matt. "How do you manage your most important relationships, for example, your Top 20?" Matt indicated that his management of client and prospective client relationships was reactive and undisciplined.

¹ Advisor Impact Practice Update 2007: Time Management & Personal Productivity

The Covenant Group

Analyzing Practice Workflow helps you to define the activities within your business. By clearly identifying sets of activities (processes), you can start to create consistency within your business. Understanding and applying Practice Workflow creates effectiveness at multiple levels: advisor, associate advisors and staff. This strategic view of your practice enables you to maximize the usefulness of capabilities such as your CRM.



Working with Matt and his staff, we identified the Practice Workflow as a five step process: 1. Internal Marketing; 2. External Marketing; 3. Sales; 4. Client Service Delivery; and 5. Client Relationship Management. These processes are inter-related. When your Practice Workflow functions at a high level, the activities are seamless. Internal Marketing becomes a means of creating client intimacy and leads to future sales, introductions, recommendations and referrals.

The re-engineering of Matt's practice began with a re-working of his Ideal Client Profile [The Right Client], Client Segmentation and the implementation of his 8 robust Marketing Activities [4 Internal Marketing and 4 External Marketing]. Matt's CRM facilitated the proactive management of client and prospect activity and the delegation of Marketing and Client Service activities to his staff. Matt was freed up to focus on what he does best – attract and engage new clients and expand existing client relationships.

Norm Trainor is the founder of The Covenant Group, a company specializing in practice development for advisors. For further information, please visit www.covenantgroup.com.