



Thriving Amid Chaos

There is little doubt that the near-term outlook for the economy and financial markets is uncertain. Unemployment remains stubbornly high, the federal government is dysfunctional and apt to remain so at least through next year's presidential election and European debt concerns continue to threaten the stability of the international financial system.

Amid this uncertainty, however, remember that crisis breeds opportunity for those that position themselves for success. This holds for all financial services participants – from sponsor firms, to money managers, to RIAs to individual advisors. Thriving in today's world relies on a two-pronged approach to managing your business.

First, it's important to look inward at your business to make sure that you're operating as efficiently as you can, and that your resources match your goals. Second, it's important that you look outward to ensure that you are effectively servicing your clients and communicating your value-added proposition.





Inward-Looking: Focus on Efficiency – The Three Ps

You can't control the economy or the markets, but you can control how you run your business (or practice). While operating efficiently is always important, tough times demand that you manage costs even more closely.

Start by looking at your three Ps – your people, planning and processes:

- People – having the right people in the right positions
- Planning – having strategic goals in synch with resources
- Processes – having the proper systems and tools in place

People: Whether your business is small or large - 2 employees or 2000 employees - it's important that you have the right people, that they are in the right positions and that they are properly trained. Some questions to ask yourself include:

- Have we identified and relayed our expectation of each position?
- Do we have the right balance of leadership vs. management?
- Are employees operating at their highest and best use?

In many cases, your employees are your most important asset; certainly this is true for any employees that interact with clients. How your employees treat clients – the experience that clients receive – will dictate whether they remain with you – especially during difficult times.

Planning: Do you have clearly defined strategic goals? Do your strategic plans encompass client service, marketing and social media? While many people loath the idea of setting strategic goals and committing their marketing plans to paper, well run businesses know that the only way to effectively manage a business is to set benchmarks and then periodically assess your progress.

It's vitally important that your strategic plans match your desired goals and are in synch with your resources. Making a careful assessment of your business – in other words successful planning - will help either ensure that your goals and resources are in synch, or prod you to make the necessary changes.

Finally, make sure that your strategic plans are articulated to employees. Having everyone on the same page increases the odds that you will be successful; it will also build morale, as everyone will feel that



they are part of the team.

Processes: Your processes – how you run your business from an operations perspective – must be designed to run as efficiently and productively as possible. Even if you’ve successfully negotiated the people and planning issues, your business can become derailed if you don’t execute properly.

In today’s rapidly changing world, what was leading technology yesterday may very well be outdated today. Best practices are constantly evolving, and while time consuming, it’s important that you or someone you trust is assessing your business and proactively seeking ways to improve your operating efficiently on an on-going basis.

The best way to be the best that you can be – to turn potential into profits – is to ensure that your 3Ps are operating well individually as well as in unison.

Client-Facing: Focus on Communications – The Four Cs

How effectively you communicate with clients, and by extension prospects, is the second key determinant to your continuing and future success. In today’s fast-paced world, where news travels faster than ever before, and often becomes outdated almost immediately, people demand and expect information when they want it and how they want it. If you don’t provide it to them, either someone else will or they will find it themselves.

For example, almost everyone is looking for reassurance about their investments and their economic future. If you don’t provide that reassurance – via a “news flash” type e-mail or tweet for example, that reassurance will likely come from either the news or from your clients doing research on their own on the internet. That is not a position that you want to find yourself or your business in.

Put yourself in your client’s shoes – on the same side of the table – and think about the types of information that you would want. What would make you feel better about your advisor and other people that you do business with? What would make you sleep better at night?

A successful communication strategy must be:

- Clear
- Consistent



- Convenient
- Compelling

Clear: Since you aren't competing for a Pulitzer Prize, spend more time making sure that your communications are clear, and less time using jargon and words that people will have to look up in the dictionary. Your clients may not understand words that may be commonplace to you as a financial services professional. Remember, this is about your clients - not about you.

In addition, always remember K.I.S.S. – Keep It Simple Stupid. Make your communications short, focused and to the point, so that people will be willing to spend the time to read what you have to say.

Consistent: Be consistent in the frequency with each form of communication that you utilize. For example, if you publish a quarterly newsletter, make sure that you release it at approximately the same time of the quarter each time. If you normally blog weekly, don't start blogging either more or less frequently.

Always keep in mind that there are dangers to both under- and over-communicating. If you under-communicate, you risk disappointing clients and perhaps opening the door for someone else to woo them away. If you over-communicate, you risk the chance of turning people off and of diluting the impact of your message.

How do you know how much to communicate? Ask! While you can't customize your communications strategy to each client, you can survey your clients and determine what the majority of them want and then tailor your communications as much as possible.

Convenient: Deliver your message the way that your clients want to receive them. If you don't make it convenient, then the odds are that your message won't get through. This concept relates to both your communications out to clients, as well as your availability to be reached by clients.

On the outgoing aside, as above, the best way to ascertain how to make your communications convenient is to ask clients how they want to receive information from you. As to incoming, make it as easy as possible for clients to contact you. Adding all of your social media contact information to your e-mail signature, for example, is a great way for clients to decide how they get information from you.



Compelling: The content you provide has to be compelling and lead to an action that will satisfy a client need. For example, always make sure that you fill-in the “subject” line on e-mails and make the title attention grabbing. We all get so many e-mails every day, many of which never get opened, it’s vital that you impel people to open yours.

Before sending a mass e-mail or letter, ask yourself: Am I providing actionable information? Am I adding value? If you aren’t, you should reconsider sending it.

Let’s say that you want to help alleviate concerns over the stock market and you come across a great article by a well-known economist. By all means consider forwarding the article to your clients. But do so with a commentary of your own attached. Show the clients that you have an opinion!

If you only send the article, you are seriously undercutting your own ability to add value. Information is readily available in many places, as are assessments of the market. Your unique perspective, however, is only available to your network. Help them understand how valuable you are!

Conclusion

It’s possible to thrive in today’s world, though admittedly it’s not easy! Take the time to assess your business from the inside out – review the 3Ps and the 4Cs to assure yourself that you are running your business as efficiently, and communicating your message as effectively, as you can.

The odds are that you might need some readjustments as you go through this process. As you assess your efficiency – the 3Ps – invest as necessary to make the changes that you need. Bring in outside assistance in areas that exceed you or your organizations’ areas of expertise. Be realistic with yourself – the longer you wait, the more it will cost you in the long run.

On the communications side, as alluded to above, consider a client/ mailing list survey. Often times, people are flattered that you are asking their opinion, and the information the survey yields will prove to be invaluable in helping you refine your communications strategy. It also further demonstrates that you are being proactive and not hiding under your desk waiting for the air to clear!