# HOW TO OVERCOME 6 BARRIERS TO GROWTH

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A financial advisor's business is a bit like the muscle building workout. In each case hard work produces initial success and quick results, but inevitably results hit a plateau—a growth barrier, if you will.

Many advisors are familiar with the concept, but aren't quite sure why growth begins to flatline, let alone how to break through these barriers and resume business growth.

Experts concede advisors can't keep climbing indefinitely and will inevitably reach that stage in their business, but assert that planning, prioritizing and persistence will do most of the heavy-lifting required to tear down these barriers.

Here are some common growth obstacles and what it takes to overcome them:

## NO GOALS, NO VISION

As business grows, things change. It is imperative for advisors to take time to revisit their goals and vision. "If we've lost sight of the vision, then you can bet we're basically going to be all over the map," says Simon Reilly, a business coach and behaviour analyst, who runs Parksville, B.C.-based Leading Advisor Inc. "They're going to try to become an expert at every product that's under the sun, and that fragments their focus and their concentration."

Another way to get past the plateau is to set goals, says Sylvia Garibaldi, principal and founder of SG and Associates, a Toronto-based consultancy and coaching firm for financial advisors.

"We've heard this over and over again: Set your goals and articulate them for the year," she says. "I would suggest that they actually visit these goals weekly so they have a good sense as to how far behind they really are. And then, more importantly, have somebody keep them accountable to those goals."

## SMALL ACCOUNTS

Smaller clients often don't need a high level of attention. Advisors can utilize their time more productively by focusing on bigger clients and delegate work involving smaller clients to junior staff, says Reilly.

"They should be delegating; they are getting caught up in doing $40 an hour work," says Reilly. "They underestimate the position of the assistant [and] under-hire. The assistant is going to take things away from them [so advisors] can spend more time with the client."

Garibaldi reminds advisors the all-important rule of thumb—20% of your clients generate 80% of your business.

"That just goes back to delegating some of this stuff to a junior advisor to take over, so the senior advisors can focus on prospecting and building their business," says Garibaldi. "They're servicing those that really aren't very productive or fruitful for them, and so they forget about the prospecting process."

Next: **Losing sight of the ideal client**

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Another way to break through the growth barrier is to start sketching out the ideal target audience, says Garibaldi. "You need to really know who you're talking to or who your ideal target audience is; this helps structure and determine as to where advisors should spend their resources and time to find their target audience."

In the bargain, the advisor becomes an expert in serving this particular category of prospect, which can ultimately establish the advisor's credibility and trust in the field, she adds.

While on the plateau, says Reilly, advisors have got to take a look at their client segmentation.

"They have not revisited their client segmentation in a while; there's a possibility that they could have gotten into giving C-level clients A-level service," he says. "If they're not focused on the specific kind of client they want to work with, they're not specifically focused on the niche market they want to be focusing on and [therefore] have potentially lost sight of the product specialties."

## WASTING TIME AND RESOURCES

Better time management creates more time for business development. Advisors should allocate more time to client-facing tasks and less to operations, says Garibaldi.

- No consistency in client communication strategy
- Running business by the seat of their pants
- No prospect communication plan
- Trying to be all things to everybody
- Not having an ideal target audience
- Ineffective implementation of effective ideas
- No follow up strategy for prospects

This goes back to delegating chores to junior staff.

“If they’re just trying to focus on high net worth or on the top clients [then it helps to] hire somebody to do some outbound calls for them,” she says.

The loss of control, though, is keeping many advisors doing it.

“The problem is that it’s a little bit of a leap for them to have to hire somebody,” says Garibaldi. “They don’t want to delegate, they want to be on top of things and they want to be in control of everything and do everything all by themselves.”

There is a tendency among advisors to trivialize time management, says Reilly. “A business plan and a time management plan help us be able to create new behaviours and [open up] the space for thought leading ideas.”

In the absence of these plans “we’re doing the same thing over and over again and expecting a different result,” he adds.

Next: **Weak value proposition**

## WEAK VALUE PROPOSITION

A clear value proposition is important for advisors to understand who they are and how they can help.

“A strong value proposition is what makes top advisors different, so that is important to sketch out,” says Garibaldi. “If the value proposition isn’t clearly defined, then they’re just hanging out there and not really understanding the direction they should be taking.”

An effective value proposition, she says, is an integral part of a business plan.

“If you don’t start there first, you’re kind of just doing things haphazardly and on an ad hoc basis, as they typically tend to do.”

A good value proposition makes it crystal clear that advisors understand their clients’ challenges and have the expertise and experience to help them.

## POOR NETWORKING AND REFERRAL SYSTEM

An active referral and networking system allows advisors to continually fill their prospecting pipeline with qualified leads to be drawn upon during dry spells.

“This is an activity that needs to happen daily and weekly because a pipeline takes time to build,” says Garibaldi. “I find that that there’s no real system for that among advisors who are not actively asking for referrals and networking.”

She also recommends advisors systemize their communication with clients by creating a client communications calendar. This should set out what they want to talk about throughout the course of the year, ensuring that calls to clients are meaningful and consistent.

“You can’t just pick up the call and say ‘how are you doing today, just checking in’,” says Garibaldi. “People are busy [but] they appreciate it when you contact them for a very valuable reason. If you don’t have something to communicate to your clients on a regular basis, then you’re out of sight and out of mind.”

An example of a program that advisors can systemize is to stagger annual portfolio reviews throughout the year, rather than trying to rush through all of their clients within the same month or two.

“I can’t tell you how much business comes out of annual portfolio reviews when they’re systemized,” says Garibaldi. “Make sure that every month you’re contacting a certain number of clients on your list and determine which clients to target to set up an appointment for the annual portfolio review.”

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