

Practice Management

Elixir Consulting Business Coach, Stewart Bell, talks to advisers about increasing practice sustainability through greater efficiency and productivity...



Doing More With Less

One business issue that seemed to trend in the second half of 2013 was efficiency and productivity. I lost count of the number of conversations I had with advisers worried about being able to run a profitable business in the face of current market forces.

The perception was that unless practices can find ways of doing more work in less time, they will find it hard to survive. This view challenges me.

There are threats to practice sustainability. Competition, poor legislation, consumer mistrust, margin squeeze, lack of innovation, challenges recruiting and retaining exceptional people and the fact that there are so many poorly designed financial products continuing to receive adviser support are all reasons to worry.

However, these aren't the primary issues that will stop businesses being future-profitable.

The biggest issue affecting future sustainability of financial services businesses is that most people don't care about getting financial advice.

If more people cared enough to proactively seek that advice - rather than because of some unrelated, external reason - we'd all be more comfortable investing resources in our businesses to create better processes, decent tech and higher-quality people.

It's no surprise to me that increasing concerns about long-term practice sustainability have coincided with a drop in the number of Australians under advice¹.

But this is a wider industry problem.

It relates to issues of value, trust, professionalism, client engagement skills and media perception. It won't be solved overnight.

In the meantime, efficiency and productivity remain important. If you're struggling to find balance between generating revenue and doing the work, some business 'hacks' to consider include:

1. Consider the opportunity cost to your business of saying "Yes". It's easy to say yes to every client or business opportunity that comes along. But what do you need to give up to do so? Saying yes to one thing often means missing out on a later opportunity, or on clients better suited to your business, or even sacrificing important business planning time. Similarly, you are the sum of those you deal with. If your clients are the types that always take an age to get information back, and your referral partners display a level of disorganisation bordering on chaos, it may be time to find others who display the types of behaviours you aspire to.
2. Structure your week. Advising is not 'five minutes on, five minutes off' work. It requires focus and time. If you're trying to juggle task types, chances are you're losing time in transitional periods in between. Templating your week, so specific days are set aside for different activities, and taking time to plan days and weeks in advance, leads to pockets of time being salvaged. That wasted time can then be converted into productive opportunities, or even hours away from the office.
3. Commit to communicating. It's bound to happen: one person thinks someone else was doing a task and nobody ends up doing it, or more than one person does it and you wind up with duplication of effort. Poor communication is the leading cause of inefficient work. A solution could be as simple as a devotion to Monday morning meetings, or as complex as stringent use of workflow to ensure every single step in a process is documented. Another great way to improve business efficiency is to ask your team. They're the ones who usually do the bulk of the work, using your business systems and processes on a daily basis. They probably have some killer ideas on how to improve things.
4. Delegate, outsource and cross-train. Many business owners think it's easier just to do things themselves. However, if you're not delegating things, you're probably costing yourself money. Bookkeeping, web design, copywriting, administration, simple client engagement tasks, marketing and a host more are usually better handled by others, or by specialists who will generate a better outcome in less time. The growing online freelancer economy has made it easier than ever to find the right people at a cost that won't break the bank. Cross-training is also a worthwhile activity. Having team members who can step into each other's roles can make it easier for you to delegate tasks, as well as combat absenteeism and decrease the need to bring on additional staff. It's also important to remember that many

administrative roles can eventually become monotonous and devoid of challenge. It won't help your business productivity if you have to train a new person every six months because the previous employee got bored.

most people don't care about getting financial advice

5. Review the effectiveness of your employees. Are your members of staff diligently doing what's needed, or busy improving their Klout scores? Too many business owners choose to ignore second-rate productivity. Addressing underperformance is a necessity. You are as good as your weakest link. If someone in the team is consistently unproductive, start the process of finding someone who will add value.
6. Standardise documents. How many times have you written the same basic email to a client? It's a waste of time and energy that could be better used elsewhere. Emails, phone scripts and even marketing documents - anything that only needs minimal individualisation but gets used semi-frequently is a good candidate for standardisation. That includes the Statement of Advice (SoA). Many advisers approach the SoA with the view that it has to be perfect. It's not a marketing document; it's a legal requirement.

Most clients don't even want to read it. If you're spending hours getting it 'just right', ask yourself what the real cost of that is.

7. Find smarter ways to operate. Tech is a wonderful thing. I could outline a number of ways to leverage technology and technique to achieve more. They include examples like:
 - Using an audio recorder on an iPhone to make verbal file notes, then sending them to a Transcriber to summarise directly into your CRM
 - Leveraging Mindmapping tools (e.g. MindGenius) to fact find, present recommendations to clients and manage implementation between staff members
 - Taking a portable monitor (the ASUS MB168B+ is my favourite) to client meetings where a projector or TV isn't available. A picture paints a thousand words.
 - Using Google Docs, Dropbox or Box.com as a way of storing information in the Cloud, where clients can have self-serve access
 - Using Knowledge Centres - such as Innergi.com.au - to provide clients with the ability to access calculators, articles and other key education material from a trusted source
 - Offering clients a discount on their engagement fees if data is returned to the office promptly, and a host of other techniques to create urgency

However, a word of warning: tech solutions like these only work when you give yourself time to embrace them. They say a habit takes three weeks. Becoming more efficient is about creating better habits. Businesses that see technology as the solution to their problems, ignoring other non-tech habits (such as points 1-6), most often find themselves lamenting having spent so much on a supposed solution which didn't deliver.

As a final word, it's not just about efficiency and productivity, though it's easy to focus there during challenging times. For businesses wanting to safeguard future profitability, working on these areas in tandem with the biggest issue impacting sustainability – making more clients care about advice – is where the real prize lies.



¹ Investment Trends reports over the past 3-4 years have shown clients under advice dropping from 3m+ to around 2.4m. This has stabilised recently (0.5 off, 0.5m on in September 2013), but the medium term trend has been downwards.

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