

# Business Plan

# Introduction

Research, in every industry, shows that goal setting is a key driver of success. That is equally, if not more, true in this industry. Your business plan directs the activities of your team, establishes priorities, focuses your attention on the end result and helps you make decisions on your business on a day-to-day basis. We believe that the most effective business plan is one that starts with your goals for your life and your business but then breaks those down into specific and well-defined activities. We are seeking to link your business plan to your day-timer in order to ensure success.

This plan takes you through a step-by-step process to ensure that the end result is the basis for an effective implementation plan. Each of the exercises leads to the next, and they follow a logical order that will help you succeed.

# Personal Goals

The focus of this plan is your business goals, however it is worth starting with a brief discussion of the foundation of those goals. It goes without saying that each of us has different goals in life and that those goals are what should drive the kind of business that we create. Our business should reflect our needs with respect to income, time off, the kind of people we enjoy dealing with, our skills and so forth. Too often this important link is forgotten in the frenzy to grow and build a business.

Here are some questions that are designed as food for thought as you begin the business planning process. You may find it helpful to have each team member complete all or some of these questions as the process can lead to deeper understanding of what drives us on a day to day basis.

1. What do you want your life to look like in 10 years?

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2. How much time will you be working? How will you spend the rest of your time?

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3. What do you really enjoy doing on a day to day basis?

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4. What do you hate doing on a day to day basis?

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5. What kind of clients excite and challenge you?

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6. What is important about running a business to you? Does it provide more flexibility, more money, more control or, perhaps, something that you can pass on to your children?

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7. When do you want to retire?

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8. What do you want to happen to your business when you retire?

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The answers to these questions should help you understand the kind of business that you need to create. For example, someone who wants to spend half his or her time sailing in ten years must create a very different business than someone who wants to take three weeks of holiday. Someone who wants to pass on a business to a child must think of different issues than if that business is to be sold for optimal value at retirement. Know what you are trying to achieve and then go about creating the means to do so.

# Set Aggregate Goals

To begin we will focus on new business, specifically revenue and/or asset growth. In this section we ask that you set aggregate goals for your business and then break those goals down progressively until they are expressed as activities. In order to do so, we will use the following process:

1. Set aggregate goals for the size of your business
2. Break your goals for new business into the sources of that new business
3. For each source, identify overall strategies
4. For each strategy, identify specific tactics
5. For each tactic, identify specific activities
6. For each activity, assign responsibility and a timeline

The ultimate goal is to end up with a list of activities that are specific, measurable and assigned to someone on your team.

***Your first goal is to set aggregate goals for your business for the next five years.***

|  | <i>One year</i> | <i>Three Years</i> | <i>Five Years</i> |
|--|-----------------|--------------------|-------------------|
| <i>Total Revenue</i>                           | \$ _____        | \$ _____           | \$ _____          |
| <i>Assets under management/<br/>Influence*</i> | \$ _____        | \$ _____           | \$ _____          |

*Based on the information above, what are the growth rates that you expect and are these reasonable given your experience in the past? It is interesting to focus on compound growth rates and strip out market appreciation to get a clear sense of how your business has grown in the past, as the direct result of business building activities.*

|   | <i>One year</i> | <i>Three Year</i> | <i>Five Year</i> |
|---|-----------------|-------------------|------------------|
| <i>Total Revenue</i>                          | _____ %         | _____ %           | _____ %          |
| <i>Assets under management/<br/>influence</i> | _____ %         | _____ %           | _____ %          |

*Many advisers will set an additional personal goal at this level:*

*Number of weeks off/year*      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_

*\* You may or may not set goals for both revenue and assets, depending on the nature of your business.*

## Break Goals Down: Source of New Business

While your aggregate goals are important and will help you focus your team on the final goal, they are not particularly helpful in establishing meaningful tactical plans. In fact, it is the source of your new revenue and assets that is more important in building an actionable marketing plan.

When we look at new business, there are five key sources of growth, excluding market appreciation (which we will ignore for the time being):

1. New revenue/assets from existing clients
2. New revenue/assets from client referrals
3. New revenue/assets from center of influence referrals
4. New revenue/assets from prospecting activity
5. Withdrawals (assets only)

***Our first goal is to break down aggregate new business into sources of revenue and assets, then we will link those goals to the number of new clients in each category. Our focus is the next 12 months. You can use assets or revenue depending on the nature of your business. This example focuses on assets.***

*See the example below and then complete the next table for your business.*

|   |                               |
|---|-------------------------------|
| <i>12 Month Growth Goals:</i>                 | <i>Assets<br/>\$6 million</i> |
| <i>Assets - Breakdown by Source:</i>          |                               |
| <i>New business from existing clients</i>     | <i>\$2 million</i>            |
| <i>New business from client referrals</i>     | <i>\$3 million</i>            |
| <i>New business from COI referrals</i>        | <i>\$2 million</i>            |
| <i>New business from prospecting activity</i> | <i>\$0</i>                    |
| <br>  |                               |
| <i>Total new assets</i>                       | <i>\$7 million</i>            |
| <i>Expected withdrawals **</i>                | <i>\$1 million</i>            |
| <i>Total Growth</i>                           | <i>\$6 million</i>            |

***\*\* This number can reflect your average withdrawals in a given year or may reflect a campaign to purposefully reduce your number of clients by transferring non-profitable clients out of your practice.***

Now break your business goals down.

*Your Breakdown:*

|                                   | <i>Revenue</i> | <i>Assets</i> |
|-----------------------------------|----------------|---------------|
| A. Growth Goal for next 12 months | \$ _____       | \$ _____      |
| B. Anticipated withdrawals        | \$ _____       | \$ _____      |
| C. A - B = Total Goal             | \$ _____       | \$ _____      |

*Breakdown*

|                                      |          |          |
|--------------------------------------|----------|----------|
| New assets from existing clients*    | \$ _____ | \$ _____ |
| New assets from client referrals     | \$ _____ | \$ _____ |
| New assets from COI* referrals       | \$ _____ | \$ _____ |
| New assets from prospecting activity | \$ _____ | \$ _____ |
| Other _____                          | \$ _____ | \$ _____ |

*(The sum of this breakdown should be equal to C. above)*

|                  |          |
|------------------|----------|
| Sub-Total Growth | \$ _____ |
| Withdrawals      | \$ _____ |
| Total Growth     | \$ _____ |

\* COI = center of influence

When we are creating tactical plans we more often think of the number of new clients rather than assets, so your next step should be to express these goals in terms of number of new clients.

***Re-state your asset and revenue goals in terms of the number of new clients.***

*First, determine the average size of a new client for you today. (If average client size differs based on source (e.g. professional referral versus prospecting activity) then that should be reflected.) Then divide your growth goal by the average size of a new client.*

|  |                        |
|--|------------------------|
| A. Average size of a new client        | \$ _____               |
| B. Revenue from client referrals/A     | _____ referred clients |
| C. Revenue from COI referrals/A        | _____ referred clients |
| D. Revenue from prospecting activity/A | _____ new clients      |
| E. Revenue from other/A                | _____ new clients      |
| Total number of new clients            | _____ new clients      |

Now we will create tactical plans. On the following pages, you will be asked to identify strategies, tactics and activities for each source of new business. Complete only those that are relevant for your business. You will find examples in each category to help direct you in this process.

# Source of New Business: Existing Clients

In this section we will be focusing on your goals to attract new assets/revenue from your existing client base. Typically this will involve focused client marketing efforts.

What general strategies will you implement to reach your goals?

E.g. Run focused marketing campaigns on key products/services.

E.g. Ensure assets are retained from one generation to the next.

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
In order to implement those strategies, what specific tactics will you need to employ?

E.g. Run a targeted client marketing campaign on disability insurance.

E.g. Launch a promotional campaign focusing on the benefits of multi-generational planning.

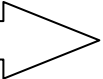
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Budget for these tactics      \$ \_\_\_\_\_

Transfer to P. 26 Budget 

Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. **Your activities should be tracked on P. 27** in order to consolidate that information in a single place. Examples of specific activities are:

- ⊕ identify third party article on disability insurance to send to clients
- ⊕ create a brochure that helps families discuss structuring a will

Transfer to P. 27 

# Source Of New Business: Client Referrals

In this section we will focus on increasing the number of clients that are referred by your existing clients.

What general strategies will you implement to reach your goals?

E.g. Increase average number of referrals from top 20 clients.

E.g. Raise awareness of interest in attracting new business from among client base.

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In order to implement those strategies, what specific tactics will you need to employ?

E.g. Send quality gift to all top clients who have provided referrals.

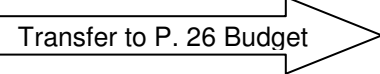
E.g. Run a 'thank-you' campaign for all clients who have helped build the business.

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Budget for these tactics

\$ \_\_\_\_\_


Transfer to P. 26 Budget



Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. Examples of activities would be to:

- ⊕ identify target group of clients to approach for referrals
- ⊕ select appropriate gift to send as thank-you and purchase in bulk

Transfer to P. 27 Activities



# Source Of New Business: Centre of Influence Referrals

In this section we will focus on attracting referrals from centres of influence, such as accountants or solicitors.

What general strategies will you implement to reach your goals?

E.g. Expand relationships with local professionals.

E.g. Create opportunities to meet the clients of select centres of influence.

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In order to implement those strategies, what specific tactics will you need to employ?

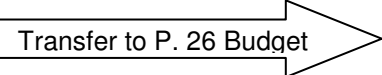
E.g. Create a professional network that meets quarterly.

E.g. Run joint marketing campaign on tax planning with accountant.

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Budget for these tactics      \$ \_\_\_\_\_

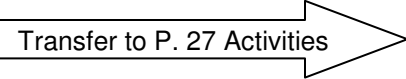
Transfer to P. 26 Budget



Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. Examples of activities would be:

- ⊕ Create list of local professionals from trade directories
- ⊕ Summarise results of client satisfaction survey to send to centres of influence

Transfer to P. 27 Activities



# Source Of New Business: Prospecting Activity

In this section we will focus on attracting new clients from a variety of prospecting activities, such as workshops, telemarketing or direct mail.

What general strategies will you implement to reach your goals?

E.g. Target marketing efforts on business owners.

E.g. Position adviser as expert in comprehensive planning.

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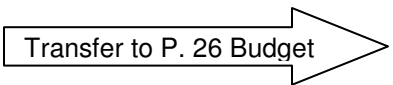
In order to implement those strategies, what specific tactics will you need to employ?

E.g. Develop web-site with value-added information for business owners.

E.g. Send press release on trend toward fee-based planning.

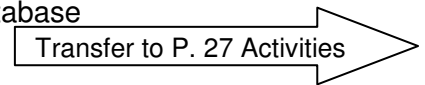
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Budget for these tactics      \$ \_\_\_\_\_



Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. Example of activities are to:

- ⊕ Purchase business owner directory and enter names in database
- ⊕ Download sample press release



# Source Of New Business: Other

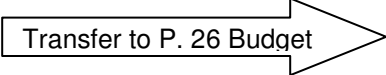
In this section we will focus on any other sources of new clients.

What general strategies will you implement to reach your goals?

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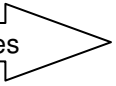
In order to implement those strategies, what specific tactics will you need to employ?

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Budget for these tactics \$ \_\_\_\_\_

Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. .

Transfer to P. 27 Activities 



# Changes to Revenue Structure

In this section we are focusing on the strategies and tactics that you will employ in order to reach your goal of changing the composition of your book.

What general strategies will you implement to reach your goals?

E.g. Increase percentage of fee-based business.

E.g. Increase percentage of insurance revenue


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In order to implement those strategies, what specific tactics will you need to employ?

E.g. Run targeted marketing campaign on fee-based planning.

E.g. Run series of workshops on protection for clients and their families.

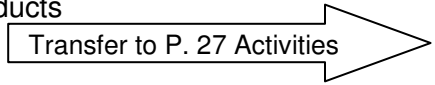
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Transfer to P. 26 Budget 

Budget for these tactics      \$ \_\_\_\_\_

Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. Examples of activities are to:

- ⊕ Identify marketing material from fund companies on key products
- ⊕ Create an assurance needs checklist for clients



# Infrastructure

It goes without saying that your marketing plan is only one component of your overall business plan. In order to support the growth you have outlined, you will need to ensure that you have a strong plan to build an infrastructure and ensure that you and your team have the necessary skills to meet your goals.

In this section we will look at the following key areas of the business plan:

- ⊕ Client Service
- ⊕ Technology
- ⊕ Team
- ⊕ Time

# Client Service

We believe that a core component of your business plan is to clearly articulate the service that your clients can expect. That process provides you with something clear and measurable - a standard by which you can gauge your success at the end of the year. For each segment identify the following:

The Strategy:

| <b>Segment Name</b> | <b>Number of Plan Reviews per Year</b> | <b>Client Education and Appreciation Activities</b> |
|---------------------|--|---|
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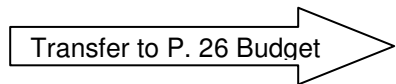
Given the goals you have set, what tactics do you need to create in order to ensure that you are able to meet these goals?

E.g. Send all clients a service agreement outlining what they can expect.

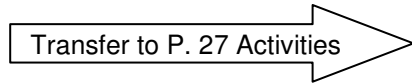
E.g. Launch family-oriented client appreciation event.

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Budget for these tactics      \$ \_\_\_\_\_



Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team.



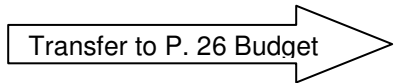
# Technology

Most advisors find that as they begin to streamline their businesses, the reliance on technology increases, resulting in a proportionately higher investment of time and money in technology and infrastructure. Given your goals, what changes will you need to make with respect to technology?

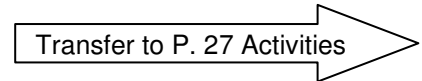
In the next 12 months, we will implement the following:

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5. \_\_\_\_\_

Budget for technology      \$ \_\_\_\_\_



Those tactics should now be expressed as activities that are time-specific and assigned to an individual on your team. Your activities should be tracked on P. 21 in order to consolidate that information in a single place.



# Team

Given the goals you have set, do you have the resources that you need in order to implement your plans? A quick review of your consolidated activity plan should give you a clear sense of the effort that will be required over and above your day-to-day activities.

Resource Strategy:

|           | <b>Current # of Team Members</b> | <b>Required # of Team Members</b> |
|-----------|----------------------------------|-----------------------------------|
| Full time |                                  |                                   |
| Part time |                                  |                                   |

If you need to hire more staff, what skills do you require, given your overall goals?

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2. \_\_\_\_\_
3. \_\_\_\_\_
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If you plan to hire more staff, then break that goal into specific activities and add to your list on P. 21.

Transfer to P. 27 Activities 

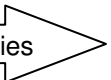
## Education

In addition to ensuring that you meet any continuing education requirements you may find that you need to upgrade team training to support the plan you have developed. Based on the activities of your team members, do you feel that they (or you) need to develop new skills? Those skill development activities might be as simple as reading the paper on a daily basis, or focus more on financial planning or technology.

Below, identify your education goals for the team

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Now express those goals as activities, as appropriate.

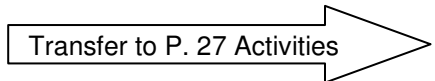
Transfer to P. 27 Activities 

# Budget

You have already completed some of the budget exercise by allocating resources to your business development plans, client communications and technology. You should now complete that budgeting process. If possible, break your goals down by quarter for tracking purposes.

|                                   | Last Year | Q1 | Q2 | Q3 | Q4 | Total Year |
|-----------------------------------|-----------|----|----|----|----|------------|
| Total Revenue                     |           |    |    |    |    |            |
| Expenses                          |           |    |    |    |    |            |
| Business Development              |           |    |    |    |    |            |
| Existing Clients                  |           |    |    |    |    |            |
| Client Referrals                  |           |    |    |    |    |            |
| Centre of Influence Referrals     |           |    |    |    |    |            |
| Prospecting                       |           |    |    |    |    |            |
| Other Business Development        |           |    |    |    |    |            |
| Client Communication/Appreciation |           |    |    |    |    |            |
| Salaries and Benefits             |           |    |    |    |    |            |
| Premises (Rent/tax/insurance)     |           |    |    |    |    |            |
| Entertainment and Meals           |           |    |    |    |    |            |
| Office Equipment                  |           |    |    |    |    |            |
| Office Supplies                   |           |    |    |    |    |            |
| Phone, fax, courier               |           |    |    |    |    |            |
| Professional fees                 |           |    |    |    |    |            |
| Training and development          |           |    |    |    |    |            |
| Travel                            |           |    |    |    |    |            |
| New software/licenses             |           |    |    |    |    |            |
| Other                             |           |    |    |    |    |            |
| Total Expenses                    |           |    |    |    |    |            |
| Pre-tax Profit                    |           |    |    |    |    |            |

If there are specific activities associated with tracking or analyzing your budget, enter those in your activities list on P. 27



# Activity List

Throughout this plan you have set goals and we know that goals are more likely to be reached when we can express them as specific activities. This is your consolidated list of activities and can serve as the basis of weekly team meetings and help you keep each person focused on their role in the growth of the business.

|     | Activity | Responsibility | Deadline |
|-----|----------|----------------|----------|
| 1.  | _____    | _____          | _____    |
| 2.  | _____    | _____          | _____    |
| 3.  | _____    | _____          | _____    |
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