

## **Practice Management—Don't Let Time Pass You By**

A well-executed Communication Plan assures regular and meaningful contact with your clients. You can use those contacts to keep clients abreast of tax, regulatory, and market trends that affect their wealth management plans. Those contacts also allow you to gain insights into your clients' current situations, futures, feelings, and family dynamics so you can provide ideas, suggestions, and alternatives where appropriate.

Creating your Communication Plan begins with Client Segmentation. Some of your existing clients require and deserve more and/or different communication than others. Your best clients often have significant assets under management, are engaged in activities that require ongoing and active wealth management, and are sources of introduction to other similarly situated prospective clients. At the other end of the spectrum are clients with which your relationship is largely transactional. The opportunity for expanding the relationship and gaining valuable introductions is limited.

Once you've segmented your client base, the next logical step is to determine service levels appropriate to the various segments. Those "A" clients deserve a lot of attention. You will want to have a face-to-face meeting with them at least once a year. You will want to call and/or e-mail them regularly and keep notes on the insights gained from those contacts and monitor your progress toward turning those insights into actionable solutions. You will be on the outlook for exciting and innovative client event opportunities for these clients. The "C" clients probably won't receive the same level or quality of service, not because they aren't important, but because the service they receive is appropriate to the nature of your relationship with them.

### **Proactive Communication**

Once you've worked out your client segmentation and set service levels, a next step is to determine what Cannon refers to as your Proactive Communication Rules. These rules determine:

- The frequency of face-to-face contacts for each client segment.
- The frequency and types of other contacts for each client segment.

The table below serves as an example of Proactive Communication Rules for various client segments.

	Day Rule	Face-to-Face	Phone	Written	Entertainment
A Clients	30	3	6	2	1
B Clients	90	1	2	1	0
C Clients	180	0	1	1	0

**Day-Rule** - Number of days between proactive communications for each client segment.

The table below takes the example a little further. It illustrates how many contacts per segment are required in a year.

	Number	Face-to-Face	Phone	Written	Entertainment
A Clients	37	111	222	74	37
B Clients	92	92	184	92	0
C Clients	203	0	203	203	0
Totals	332	203	609	369	37
Monthly Averages		17	51	31	3

## Stress Test

A further step is to determine, based on the hours available for work and keeping in mind the importance of balancing work, family, and recreation, how much time you must invest in order to “pull off” your Proactive Communication Plan. Meetings, calls, and client events take time. In addition to these proactive events, you probably juggle other day-to-day responsibilities including staff management, reacting to incoming client calls and information requests, and administration. Time is also required to plan for and follow-up on proactive communications.

The big question is whether or not there are enough hours in the day to get it all done and, if not, where to cut back and focus.

To answer this question, you need to conduct a stress test. For most people this is a matter of trial and error and usually requires several iterations. Make your best guesses to begin with, then adjust as necessary.

The following is an example you can use to guide your analysis.

Segment	Face-To-Face Meetings (# Per Year)	Outbound Phone Calls (# Per Year)	E-mail (# Per Year)	Letter (# Per Year)	Information/Appreciation Event (# Per Year)	Totals
<b>"A" Clients</b>	2	4	6	4	2	18
<b>Time per contact</b>	1.5	1	.5	.25	.1	.6 hours
<b>Total Time</b>	3	4	3	1	.2	11.2 hours

### Stress Test

- Assuming you have 50 clients in this segment, this means you must dedicate 560 hours (11.2 X 50) to proactive communications to this segment.
- Assuming you spend half as much time in reactive communications with these clients as in proactive communications, you must allocate another 280 hours to this segment, for a total of 840 hours (560+280).
- Assuming 240 working days per year and 8 working hours per day, you devote 1,920 hours per year to work.
- That leaves 1,080 hours (1,920-840) for your communications (proactive and reactive) with your other segments.
- Looked at another way, assuming you make 18 proactive contacts per year with each "A" client, the total number of contacts is 900 (18 contacts X 50 clients). This amounts to about 4 contacts per day (900 contacts/240 days).
- Assuming that the average time per contact is .6 hours (11.2 hours/18 contacts), that means you will be spending upwards to 2.5 hours per day (4 contacts X .6 hours) on proactive contacts for this segment. That leaves the rest of the day for reactive communications with this segment and proactive and reactive contacts with other segments.

Is that reasonable? To answer this question, you probably need to run the same test with other segments. You may need to make adjustments to your plan in order to assure you can do all that you've promised.

## Bottom Line

If you are going to be professional and successful in managing your clients' wealth, you need to manage your own time. That means making sure you are focusing your time on the proactive client contacts that lead to new business and sustain your practice. Try running a stress test on your practice. Are you doing all you can? Or, are you trying to do too much and feeling scattered?

Practice Management and similar topics are covered in great detail in many of Cannon's professional development solutions. To find out more visit: [www.cannonfinancial.com](http://www.cannonfinancial.com).

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