



THE ELITE WEALTH MANAGER

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

**WORK WITH THE RIGHT
AFFLUENT CLIENTS**
SEGMENT YOUR EXISTING CLIENTS

VIDEO TRANSCRIPTION

John Bowen: Segmenting your existing clients.

We've been talking about really getting clear on your avatar, painting that picture, ideal client profile, really getting demographic and psychographics and then where they show up in your niche. That primary focus. Okay, we've got clarity. We go back to our Elite Wealth Manager framework and what we see is we've been working on clarity of intent. We're clear on where we want to go, the wealth management model that we're going to use and now we're getting very clear on the clients we want to work with. Okay. But if you're like most advisors, what's happened? The clients that we got to this point aren't all the right ones, and maybe, but they aren't. So what's so important as far as to go out and really segment, to examine our practice because if we're going to build a business that's going to allow us to race up the hierarchy of advisor success, we've got to be really clear on the ideal client and only taking them going forward. But we also might have to free up some time as well. So, let's take a look at how we go about doing this.

So, moving to substantial higher levels of success with fewer clients really requires you, particularly if we're going to be at the higher level of success, we've got to have highly profitable clients. And here's the thing, only profitable clients. This is one where many of us struggle with. It's a challenge because the people who have brought us to the dance, if you will, we want to take care of, and we're going to do that. Really as financial advisors, we want to deliver a great experience for everyone. We want people to be able to make smart decisions about their money and particularly ones that we worked with. So, don't worry, we're going to take care of everyone. But we're going to do it in a way that's going to allow you to race up this hierarchy of advisor success, to work with the level of clients that you want to so you can build that extremely profitable practice and really make a difference.

Okay. Let's continue. So, where we are way. The key is in segmenting your existing client base is oftentimes a critical block. You're fully engaged. So many advisors that come into our coaching program are already running really hard. And when we talk about the hierarchy of advisor success, what we see so often is that we're having people who are currently technicians, where they're struggling, kind of making that break to the experimental. They've hit that ceiling of fear and no clear path, which we're bringing to them, and then also what happens is they're experimenters. They're publicly successful but privately stressed. We've all gotten this experience no matter what level you're at, where it's very easy to just... This is an industry; we look successful to almost everyone, but it just could be running on the treadmill. So, we want to get focused on all this and to have the success that we want to have for all stakeholders.

So, what do we need to do? We've identified the type of clients you want to work with. We now have to go and systematically segment your client base to determine if that's what your current

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clients are, and we'll also identify those clients who don't match the profile and should be released to another advisor. Now I know everybody's going, "Oh I don't want to do that." I got to tell you some of the stories of me personally because I went through this as well when I was an advisor. But what you're going to find is that there are other good advisors, and particularly if you're moving up market and they're not right, what we end up doing is not serving them well. So, we want to find the right one, but let's segment everybody first.

There are five steps that we recommend in segmentation. First is assess your current situation. So, you're going to go through the client list, and this was part of the pre-work for the Elite Wealth Manager. So, you would have gotten this. You want to go through, put the client's name, address, all this information, and then you're going to compare. Step two is compare this against your ideal client profile. Now, we've gone ahead, and I showed you an example that was like mine. What we want to do is we want to compare each of the ideal characteristics in the profile against your own client, and what you're going to find is that they either match or not.

We calculate what we call total client value, and you'll see there's a scale on this exercise from one to six. We want to really assess in each of these segments whether, how closely the existing client matches your model client, is what we're looking to do. Okay? We're going to go through each and come up with a total client value. So, you're going to go through each client, take the pre-work, this is in the tools sections, and rate on a factor from one to a three for many. Some will go up as high as four, five or six. You're going to come up with a total value.

Then you're going to do an analysis of this total client value. The key is whether this is right client for you or not, and generally speaking, 35 to 40 on our score is an ideal. That's close enough. You're going to continue working with those clients. But if you have clients who score 30 or higher, we see that usually most advisors are keeping them. The 20 to 29 range, it becomes very subjective. It depends on your practice. I'm going to recommend you talk with your coach, or in the group settings, the sessions, we can go over. And the clients rating from 19 or less should be released.

Now, one of the things we're going to do, and I'm going to talk about how to release in a little bit here, but what I want... in the next video. But what I want you to do is this. We're just going through the exercise and we're seeing the segmentation because it's really powerful. Because if you think about it, what we're doing is we're going to get ready for the next section. So, we're getting clarity of intent. We're clear on where we're going, the business model, wealth management, and we're getting very clear of the clients we should have. But some of the clients we have already are not the right ones.

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So, we're going to then go to the world-class client experience and what I... In the next section, these would be strategy four, five and six. What I want you to do is to envision that if they're not the right ones, they're going to be holding you back going forward. However, kind of the extreme, I had one advisor, I can still remember, in a coaching program. First session, he got all of us, got all excited, sold his practice because he decided that they weren't the right ones. Well, two things he did wrong.

One, I want you to prove out the world-class client experience. So, you've nailed the experience and it's really working well, and we've got the business development. And I'll show you how we can release clients rather than the whole practice. Second thing that he did is he sold them to the wrong person. So, it ended up where the guy bought it and then he had to eventually take the practice back over. It just created and delayed things so much. So, let's go in a step process and we'll help you all along the way accomplish this.

Let's continue. What we have to do then is, step five is make a decision. Should this be a client that you convert to the wealth management process or maybe you've already got that going. Should I release them? Is this person, if they have a low score but they're really a big influencer that may make a difference, do they have other assets that you could capture to serve them well and does this kind of have the potential to introduce you? Those are the whole thing.

The big part, we created the total client model, this is Russ and I. The scoring, it's a subjective. We wanted to create a framework for you to make smart decisions. But what we do want to do is use your judgment here on each and every client, and then you may to adjust your ideal client profile to match your revenue goals. Because if you want a hundred clients, and again simple math, and you're going to do 10,000 of recurring on average, well, that's \$1 million 1% fee. Well, what we know is that what we find per advisor... And if you have a larger practice with a bunch of advisors, obviously it'll be different. But a hundred clients per advisor is a good measure. So, depending on what your goals are, that's going to help you along the way.

Okay. Now that we've segmented the clients, let's go back and what we're going to do in the next video, next module... We're all the way, we're almost done with a strategy three. We're going to release inappropriate clients. Now you're going to want to see this, and it's going to make you a little nervous. Remember we're going to make you a little uncomfortable, but we have the benefit that you don't have of knowing what the end result will be, and it's going to be amazing, both for those clients you release and for yourself, your team, and all the stakeholders. So, meet me in the next video and I'll see you there.