

# How to Achieve Superior Growth Performance in Your Financial Services Business

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# Table of Contents

<b>Section 1: Seven Ways That Top-Performing Firms Drive Growth</b>	<b>3</b>
<b>Section 2: Managing Your Profit Zones to Drive Profitability</b>	<b>4</b>
<b>Section 3: Nine Factors That Can Affect Your Bottom Line</b>	<b>4</b>
<b>Section 4: Ten Ways to Execute Your Sales Plans</b>	<b>5</b>
<b>Section 5: Eleven Sales Capabilities Top Professionals Possess</b>	<b>6</b>
<b>Section 6: Seven Market-Based Tactics to Achieve Superior Growth</b>	<b>7</b>
<b>About the Author</b>	<b>8</b>

# Section 1

## Seven Ways That Top-Performing Firms Drive Growth

A top-performing firm is one that is able to consistently produce superior growth in revenue and profitability. The top-performing firms regularly outperform their peers and competitors in the areas of retention and new business.

Their primary source of growth is organic: a combination of new business and excellent retention of existing clients, with the latter driving referrals to produce new opportunities.

Recruiting and developing new producers is also important. Sales leaders are responsible for the next generation of sales talent. Identifying, recruiting, hiring, developing and retaining new producers is key to prolonged organic growth.

To achieve outstanding organic growth, top firms focus less on hiring more and more producers and instead focus, invest and expect more from the existing ones, using the following seven strategies:

**1. Creating a Strong Brand** - Top firms take brand development seriously, as they understand that a strong brand—one that is recognised by clients, suppliers and the community—can also have a positive impact on their ability to write new business, retain clients and attract top talent.

A strong brand is not built overnight; instead, it's based on the reality of better people, service, capabilities and help for staff, so that they can believe in and understand how to communicate the brand in their daily actions.

**2. Developing a unique sales process** - A consistent and unique sales process has been the key for many top firms. A good sales process begins with prospecting through to the delivery and ongoing management of a client, covering every step along the way.

Having a sales process is also a great way to train and develop new professionals. It becomes the firm's blueprint for acquiring and servicing clients.

**3. Cross selling** - Top firms understand that one of the most effective sources of new business is through existing clients, the people that are already doing business with you.

Cross selling is also an obvious retention strategy to protect the top 20% of clients producing 80% of the revenue.

**4. Providing training and development** - Many professionals are required to participate in continued education to maintain their qualifications. Top firms also use training as a means to giving their producers a competitive advantage.

Top firms provide training on technical issues, communication skills, technology, and internal processes and procedures.

**5. Building a culture of accountability** - Top firms ensure that someone takes ownership of sales leadership. In small firms that will usually be the owner of the business, and in a larger firms, a senior manager.

The right person with the necessary authority can create a culture of accountability to help producers succeed by removing any roadblocks and obstacles that are limiting their success.

**6. Maintaining active pipeline management** - Top firms understand that a healthy sales pipeline is a key predictor of future sales success.

They recognise that a contact management system is essential for tracking clients and prospects throughout the sales process.

**7. Having a niche focus** - Firms that specialize properly enjoy increased production of new business and improved profitability. Top performers leverage their specialisation into a competitive advantage by gaining insights into client and prospect needs.

Larger firms are often able to develop multiple areas of specialisation and by doing so insulate themselves from industry-specific challenges.

# Section 2

## Managing Your Profit Zones to Drive Profitability

Top firms actively manage every part of their business. They don't simply look at the topline results and keep trying to sell more; instead, they view the key areas that ultimately drive and impact profits.

Some firms produce good topline growth, and yet achieve lousy bottom-line results. There are three profit zones that require active management:

**1. Products and services zone** – These are the tangible and intangible purchases that someone makes when they do business with your firm: It's what they actually receive, and it is also how you achieve your objectives. Examples are policies, certificates, applications and access to services.

You want to ensure that you have competitive products for your market, that your service offerings provide you with a competitive advantage and that you service the needs of clients and prospects.

**2. Relationships zone** – These are intangible assets that do not need to be purchased, including suppliers, clients, referral sources and prospects. The goal is to develop breakthrough relationships that provide your firm with a major competitive advantage.

Top firms have a proactive program in place for managing their key relationships and are constantly seeking innovative ways to further develop these.

**3. Operations zone** – Top firms view every employee as either a Profit Center (contributing profitability) or a Loss Center (taking away from profitability), and understand the true cost of having excess or nonproducing employees.

Having unprofitable producers and excess, nonproducing employees can decrease the value of your business.

For example, financial services firms, such as insurance brokerages, are valued between two to five times EBITA: so a nonproductive or excess employee earning \$50,000 per year can actually deplete a firm's value by \$100,000 to \$250,000.

# Section 3

## Nine Factors That Can Affect Your Bottom Line

1. Low productivity – Not handling enough revenue per employee and/or employees not completing their work efficiently and quickly.
2. Low use of automation – Firms that have invested money in the latest system, and yet employees still take notes on paper and only utilize the system when they "get a chance."
3. Lack of ongoing training – Not providing training to employees on a regular basis and not holding them accountable.
4. Too many systems – No uniform approach to completing various business tasks. Everyone is doing things their way because there is no "firm's way."
5. Mismatched employees and jobs – Having the right person in the wrong job or the wrong person in the right job.
6. Unprofitable producers – Allowing profitable producers to subsidize unprofitable producers.
7. Ownership subsidies – Owners and directors subsidize unprofitable producers and overpay in compensation.
8. Producer stagnation – Producers plateau and stop growing, resulting in any new income being low net revenue.
9. Low revenue per producer – The producers' books of business are simply too low to carry the additional weight of ongoing expenses.

# Section 4

## Ten Ways to Execute Your Sales Plans

Top firms understand the importance of effective goal setting: this is one of the hallmarks of highly successful firms. Studies have shown that firms that are effective at goal setting grow faster than those that are not.

Effective goal setting is the foundation to creating and executing sales plans and involves much more than just setting new business numbers. Here are 10 ways top firms accomplish effective goal setting:

Ten Ways Top Firms Execute Sales Plans:

1. Working with each individual to determine where their business development focus needs to be and developing the capabilities to achieve it.
2. Using a combination of activity goals and results goals to hold producers accountable and provide them with the right level of support.
3. Providing the right tools—including support, value-added resources and other tools and resources—to enable producers to write new business and retain existing clients.
4. Creating a culture of accountability by clearly establishing what producers are going to be accountable for and helping them to determine their business development strategies, specific goals, and focus (what business they are going after).
5. Measuring results with a level of detail that allows the firm to understand what is happening. In addition to tracking new business written, they also track what accounts they have failed to write and why they failed.
6. Measuring and monitoring the activity that will be required to achieve the results, with increased attention to pipeline management.
7. Having producers and staff disciplined enough to comply with the procedures put in place to gather that data. Some firms have found it easier to develop their own means of tracking activity than to get producers and staff to populate the contact management system with the needed data.
8. Holding everyone accountable for results. If results are not being achieved, top firms increase accountability, monitoring and focusing on the activity that drives results. To accomplish this, they use a combination of sales meetings and written feedback to review results and performance, a review process that is tailored to the means and needs of each individual.
9. Providing help when someone is falling short. The first step is to find out why they are having trouble and provide them the help needed. The top firms find ways to help their producers succeed, which may involve removing organizational obstacles the producer is facing or eliminating personal habits or actions that are limiting their success.
10. Getting everyone going in the same direction. Top firms not only support the creation of a sales culture, but they must also personally engage in and contribute to this culture. Leading sales organizations.

# Section 5

## Eleven Sales Capabilities Top Professionals Possess

Top professionals understand that they may be the most knowledgeable, but unless they have the opportunity to demonstrate this quality in a sales presentation, it will do them no good.

The sale begins before you even contact a prospect: through good marketing to enhance and build your reputation in order to gain your prospect's attention. Top firms then create prestige for themselves and their firm by using businesslike approaches, such as referrals or introductions and testimonials.

When top firms have a chance to meet with a prospect, they continue to create prestige for themselves with their knowledge, understanding and abilities.

However, they understand that there is a middle step between when their name first comes to their prospect's attention and the time that they actually meet the prospect face-to-face. That middle step is the period of time when top professionals prepare themselves to the best of their ability.

Here are eleven sales capabilities of top producers:

1. Having a sales system – A formal process for acquiring new business and developing existing accounts that is consistently used by everyone across the business.
2. Having a sales pipeline – Understands what a great client looks like and has a solid pipeline of businesses across various stages of the buying process.
3. Staying focused – The ability to spend at least 60% of their day or more on sales-related activities, including prospecting, retention, referrals and developing centres of influences.
4. Preparing and fine tuning client presentations and marketing materials.
5. Practicing, drilling and rehearsing.
6. Focusing on relationship management – Developing relationship programs for top clients, prospects, suppliers, and referral sources.
7. Obtaining referrals and introductions – Developing a variety of referrals sources from both clients and nonclients to generate 75% of new business from referrals and introductions.
8. Cross selling – Converting part-time clients to 100% full-time clients.
9. Protecting "A" clients – A formal system to retain, protect and grow the top 20% clients.
10. Having value-added services – Have access to additional services to enable to them to compete with value and less on price.
11. Maintaining a focus on a niche market – Specialization is one of the clearest drivers of sustained organic growth.

# Section 6

## Seven Market-Based Tactics to Achieve Superior Growth

Top professionals select a handful of marketing tactics and learn how to do these well. This allows them to maximise their marketing time to achieve the greatest return on their time invested. Top firms and professionals are constantly expanding their comfort zone to generate multiple sources and ways of getting business.

Here are seven market-based tactics to drive new business growth:

**1. Comfort-zone marketing** – Top professionals understand that their existing clients and personal contacts are their private captive network. Using these contacts is an ideal marketing tactic for both new and experienced professionals.

Having a selling system to ensure that you maintain regular contact with existing clients, keeping your personal contacts up-to-date and asking for their advice and referrals is a smart way to market. This allows you to maximise your marketing time by working with people that already know and trust you.

**2. Attraction marketing** – It's much easier to sell to someone when they come to you, as compared to cold calling. Top professionals use attraction marketing by packaging their specialised knowledge into free information, such as reports, e-books, newsletters and podcasts.

These can be offered on your website. When a prospective client requests your free information, they become prospects, and you have the opportunity to build a relationship. Free information is sometimes referred to as "bait pieces," and this marketing tactic is frequently used by large and small firms to generate new leads and opportunities.

**3. Seminar marketing** – Many organisations and individuals are looking for an expert to explain and interpret trends and opportunities in today's market. Top professionals position themselves as experts by proactively contacting organisations and groups.

When done properly this technique differentiates the professional as being a teacher and authority rather than a salesperson, allowing the professional to generate leads and follow-up appointments more easily.

**4. Client advisory board marketing** – Many top firms use this technique, making their top clients and centres of influence a part of their new business acquisition process. To introduce this idea, you can invite 8 to 10 clients to a dinner in a nice restaurant or private room.

Have an open discussion about your business and let the clients do most of the talking. At the conclusion of the dinner, provide each person with a questionnaire or survey and let them know that you'll follow up. Call and meet with each person a few days later to review the survey, solicit referrals and discuss any next steps.

**5. Networking** – One of the strongest business development techniques, top professionals approach networking with the right mind-set, which is that "you have to give before you can receive." Networking is about helping other professionals get business.

There are many different ways to network, including joining a networking club or association, creating your own network and joining charitable organisations, chambers of commerce and professional associations.

**6. Social media marketing** – For years, top producers have used the concept of six degrees of separation (the theory that everyone and everything is six or fewer steps away) to identify and meet prospective clients. Social media sites such as LinkedIn, Facebook and Twitter have made this process easier.

The mind-set of top producers is that their best clients are happy to refer others to them, as it is in clients' best interests for their producers to have a thriving business. Using LinkedIn, for example, enables you to search your client's connections, identify potential prospects and ask your client for a referral.

**7. Event marketing** – Some top firms hold quarterly events, such as group discussions with an author, wine tasting, and cooking class with a chef. They invite some of their top clients and prospects, encouraging them to bring along a friend who might also enjoy the event.

This is an easy way to build relationships and obtain referrals, allowing you to work from within your comfort zone and quickly fill your sales pipeline.

# About the Author

Clifton Warren is an independent consultant with more than 20 years' experience in distributing, marketing and selling financial services.

He advises financial services leaders, advisors and business owners on how to develop new business, attract and retain top clients, increase revenue from existing clients and improve personal selling effectiveness.

He is also a speaker and workshop presenter, regularly presenting at conferences, sales meetings and in-house seminars.

Prior to starting his own firm, Clifton was a top sales professional, senior executive and leader in the financial services industry, where he spent several years selling, leading and developing professionals.

He publishes a monthly newsletter called Financial Services Marketing News, which provides cutting-edge thinking, strategies, techniques and resources for professionals.

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