

Prestwood Planning Tips



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How to be more profitable

Key Points:

- Financial Planners should spend their time advising clients and earning money, delegating almost everything else
- Adopt terms of business that make it impossible to be unprofitable
- Keep time sheets and analyse them
- Concentrate on creating recurring revenue
- Develop a structured way of working, with standard procedures for almost everything
- Only accept clients who meet profitability as well as empathy criteria. Let unprofitable clients go
- Meet clients in your offices and reduce your own travelling to a minimum
- Invite both spouses to planning meetings
- Have only one meeting with clients each day
- Start meetings at 0900 hrs and allow up to four hours
- Use Paraplanners to enter data and to do most of the preparation for client meetings
- Use Prestwood standard agendas for meetings
- During the meeting, make comprehensive notes on the agenda
- Fix the date for the next review meeting before clients leave
- Use Prestwood templates for Plan preparation

Collect

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It's really very straightforward, but that doesn't mean it's easy.

Get your service and your terms of business right:

Offer a fee-based comprehensive financial planning service. Adopt non-negotiable terms of business and put them in writing in a Client Agreement. Both spouses should sign the Agreement.

Guarantee adequate profits by a sensible mix of Initial Fees, Retainers, Time Based Charges, Commission, and Fund Related Fees. Build recurring income.

Include on your agendas now an item giving clients notice that commission rates may fall and fees may have to rise (e.g. '**Advance Warning:** For many years, we have been able to keep fees within moderate limits by taking commission and offsetting that commission against fees otherwise chargeable. With the introduction of Stakeholder Pensions, a move has begun towards lower commissions and the benefit of commission to clients, by way of lower fees, may not continue indefinitely.') This has gone down well with Prestwood clients.

Get your client criteria right:

Recruiting and retaining the right clients is probably the most important element in achieving optimum profitability. Just because someone is breathing does not make them a commercially attractive financial planning client. Prospecting for new clients is a lot to do with eliminating unsuitable clients. Recruit clients who can be expected to generate ongoing profits, not just a good 'first year'.

Before accepting a new client, always ask yourself the question 'Do I really want this person in my life?' Don't create tomorrow's problems out of today's solutions. Once a messer, always a messer.

If you have more than a few (special case) unprofitable clients reduce the number asap. They take up time needed for recruiting and looking after new profitable clients. Time is the scarcest resource.

Get your systems and procedures right:

Avoid having to have original thought in routine situations.

Work out the best way of doing everything and do it that way first time, every time. Develop standard operating procedures that enable those who have the knowledge, skills and experience to be Financial Planners to spend the vast majority of their time advising clients and generating revenue. Virtually everything else can and should be delegated to support staff. Use Check Lists.

Get your use of technology right:

Use technology to the full. Prestwood Professional users who would like some 'refresher' training should telephone Simon Rogers on 01384 273736. Each licensee is entitled to 8 person-days without charge.

Get your time management right:

Always agree an appointment for the next review meeting at the previous meeting. Endeavour to start most meetings at 9am, thereby enabling a meeting to last 34 hours if necessary, and still leave sufficient time to get the Minutes and an updated Financial Plan mailed to your client the same day. That's the Prestwood standard.

Let Prestwood help you:

Some of the points covered in this issue may be expanded in future Prestwood Planning Tips.

If there are topics you would like included please email your request to spe@prestwood.info

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[Prestwood Software & Systems](#)—probably the best available for serious Financial Planners