



ANCHOR

Anchor Your Business



Workbook
V1.03

Introduction

Welcome to the Anchor Stage!

This stage is designed to lock in all the work you've done to be able to serve new clients.

You worked hard to get at who you would serve and how you'd meet them. Then you met them, and possibly worked through some objections before they became clients. You helped them discover and articulate What matters most to them and Why by getting clear on their Values, Vision for the future, and the Goals that would get them there before helping them act on your advice.

Now we want to make sure you keep those clients so you can help them get to their Vision. To do that, there are three things to look at:

- ✓ How you handle your clients
- ✓ How you handle their influencers
- ✓ How you handle your business

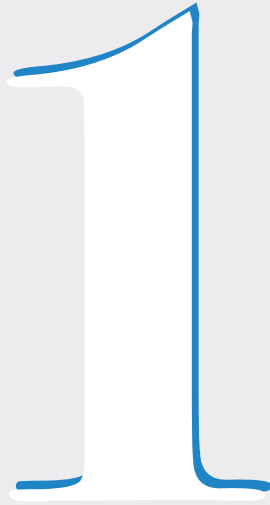
The Anchor Stage is going to equip you to deal with all three.

This stage gives you a bit more freedom on what content you'll learn. We have more Expert Content than Core Content and that's because different advisors have different kinds of businesses, clients and situations.

Now, let's jump into the Anchor Stage!

Module 1:

Rapid Recap



*Our attitude towards others
determines their attitude
towards us.*

– Earl Nightingale

Lesson 1: Milestones

Key Takeaways

There are 3 milestones you'll reach in the Anchor Stage:

1. You will have a strategy to engage the entire client unit
2. You will have a framework to enroll 3rd party professionals to your efforts
3. You will have a business structure that can deliver better results, easier and faster

You'll also have access to extensive expert content on multi-generational wealth planning, as well as collaboration and the engagement of other professionals working with your clients.

What's the end result of all this?

You will anchor your clients to you and your business. You will know how to engage the entire family unit. And your team will have a clearer understanding of how the business needs to work to deliver all of this.

Module 2:

Anchoring Fundamentals



*If people believe they share values
with a company, they will stay loyal
to the brand.*

– Howard Schultz

Lesson 1: Never Build a Fence Around Your Client

Getting clients is good, but keeping clients is the business. To do that, you'll have to shift your attention to how you'll keep clients. There are two schools of thought - the industry standard and the Legacy approach.

Let's start with the industry approach.

The industry loves to talk about "building a fence around your client." You can do that by making it difficult to leave, limiting their options, or by influencing most of their other professional advisors.

While you can make it painful and onerous to leave you, don't confuse being unable to leave with being desirous to stay. Those are very different things and what you want is for people to want to stay.

But at Legacy, we think there's a better way than having clients feel trapped.

You keep someone in a close relationship by pouring on the love. You show thoughtfulness, you keep your word, you're empathetic, understanding, and you serve at a bigger scale than others do. Your perspective has to be one of the highest and best service you can provide - and that means understanding what's actually driving your clients, and then helping them move toward that.

That's when people want to stay. You want them to anchor with you because it's safe, it's predictable, it's enjoyable, and it's meaningful.

Lesson 2: Who Should Anchor

Anchor addresses helping three types of clients anchor to you:

- 1 Family Clients
- 2 Business Clients
- 3 Institutional Clients (such as foundations or other charitable groups)

Each has slightly different needs or nuances. Some clients have great growth opportunities, some will not bring growth but you want to keep them, and some need to choose to really engage with you, or they shouldn't be part of your business anymore.

Module 3:

How to Help Clients Anchor to You



*It takes months to find a
customer... seconds to lose
one.*

– Vince Lombardi

Lesson 1: What Does it Mean to Anchor?

Here's an example: When the patriarch of a family dies, the matriarch typically moves to a new advisor. When the matriarch also dies, it's incredibly rare for the next generation to continue working with their parent's advisor - less than 10 percent will stay.

What does that mean?

It means Advisors don't have the family as a client, they have individuals as clients.

However, if you can engage the family as your client, your opportunity to serve is much larger and when a family member passes away, you won't lose the opportunity to take care of that family.

While you may start working with a couple, transitioning to treating the family as a client anchors you to them, and them to you.

Lesson 2: How to Anchor the Family

Anchoring the family means doing great discovery with them, and then orienting the entire family around that discovery.

At first, anchoring the family requires doing discovery with the family decision makers. At this level, you need to have real fluency with the discovery process around Values, Vision and Goals, because the way you truly anchor the family is to involve the next generation in the process.

How can you do that? Here's three examples:

- 1 With a young family, you may be able to provide some education to the family and to those kids early and be seen as a resource and an ally.
- 2 With a growing family that is building some wealth and has adult children, you have an opportunity to continue the education of the next generation around financial matters, the reason for the process of Discovery, and to understand the Vision and Goals of the family.
- 3 With a family that is addressing the transfer of wealth to future generations, however, it's a time when that next generation needs to be involved in the conversation. Their voice should be heard and integrated into the Discovery process. There will also be an education role to help them understand the details of what has been created to serve the Vision of the family.



TIP:

In the Expert Content at the end of this stage, there is an entire approach and system to engage the multi-generational family. It addresses how to approach conversations about generational wealth and open new opportunities, understand your clients' preferences as it relates to generational wealth planning, uncover the next generations expectations and experience with money, expand your professional resources, and run, manage or outsource family meetings.

Lesson 3: How to Anchor the Business Client

All decision makers need to be at the table. This applies to Business Clients, Family Clients, and Institutional Clients equally.

If all the decision makers are involved in finding clarity through the Discovery process - the Values of the business, the Vision and the Goals that will help it get there - then two things happen:

- 1 They are clear and united and are more likely to take more decisive action.
- 2 They will all see you as the person who helped them find that clarity and that shifts your ability to influence and serve the Vision of the business, and likely the opportunity to serve some of the owners of that business directly.

There are two other ways to anchor the business:

- 1 To involve - where appropriate - the parties that will benefit from the decisions being made, so the Vision for the future is understood by everyone, and so everyone knows who to turn to when those provisions are needed, used or accessed. You become the stable reference point for the Vision of the business.
- 2 To have real ability when it comes to working with the current professionals who are already working with the business. You can help take the lead through effective collaboration - being good at collaboration, and strategic about it is growth altering.



TIP:

We have an entire program in the Expert Content for you on effective collaboration with other 3rd party professionals. Any time a client says, “Talk to my accountant,” or any other professional, you’ll have an exact strategy. You’ll learn how to structure a planning meeting with them, what to say when you meet the other professionals, how to take the lead, and how to deliver the results of that planning back to the client.

The collaboration content applies to Family Clients, Business Clients and Institutional Clients.

Lesson 4: How to Anchor the Institutional Client

Institutional clients are typically looking for stability and understanding. The Legacy Advice Model™ teaches that the starting point is Empathy, leading to Understanding, which allows for Planning, which allows you to deliver Advice. That Advice leads to appropriate decisions and product selection.



To do that, a few things have to happen.

- 1 Use the Planning Table tool that you learned in the Promise Stage of your Growth Journey. This time, you're going to expand its use on the client's side of the table. Instead of there just being two seats for the client, there might be a dozen - or even more. You need to know who all the decision makers are in the organization and what roles they occupy.
- 2 You'll want to look at the Expert Content around collaboration so that you have a solid framework for working with the 3rd party professionals that are invariably involved with Institutional Clients. This can also include non-traditional 3rd party influencers, such as founders of the institution, large donors, community leaders and others. You'll also want to apply the collaborative approach to other influencers that are INSIDE the institution.
- 3 Institutions need clear Discovery just like any other client. You'll want to lead them through a process that identifies or confirms their Values, the Vision for the organization and the Goals required to get them there.

Module 4:

Building the Business Harbor



*Customers who are merely
satisfied remain your
customers only as long as
everything goes their way.*
– **Chip Bell**

Lesson 1: How Does Business Structure Anchor Clients?

Understanding what's happening in the brain of your clients is relevant when you're organizing and operating your business.

Fundamentally, the brain wants 2 things: **Connection and Protection.**

It wants to have safe reference points and connections to people that can help, encourage and support, and it wants protection from the unfamiliar, the uncomfortable and from change.

By structuring your business, and organizing your workflows, you can create a level of service and an experience that creates a feeling of safety.

Here are three things to organize and operate your business:

- 1 Advisory Business Org Chart
- 2 The Operational Road Map
- 3 Client Clustering

We'll cover each in the next few lessons.

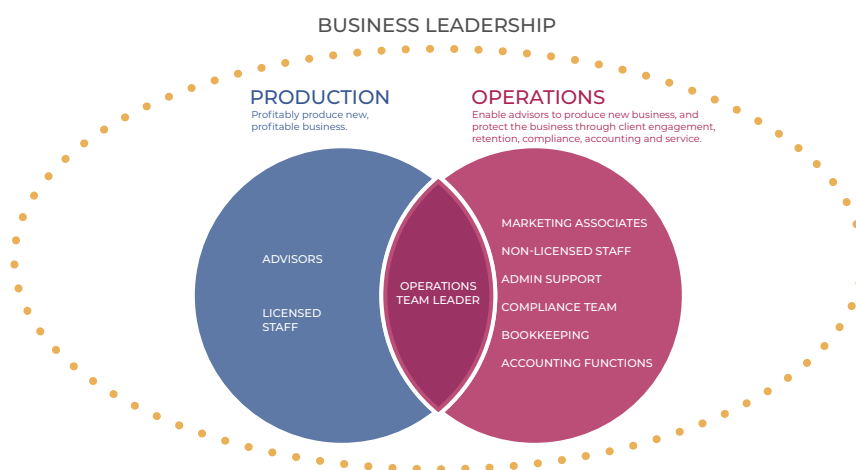
Lesson 2: The Advisory Business Org Chart

There are two primary functions of the business:

- 1 **Production** - Finding, engaging and helping clients navigate the 4 Decision System™
- 2 **Operations** - Enable production and protect the business

The Advisory Business Org Chart is a Venn Diagram that shows these two functions.

ADVISORY BUSINESS ORG CHART



The Production circle is where Advisors and licensed staff operate. Their focus is to produce profitable business.

The other circle is the operations function. In this circle, you will have marketing associates, non-licensed staff, administration support, compliance people, bookkeeping or accounting functions - anything that protects the business or helps enable production.

There can be quite a bit of overlap space, and that is the greatest area of challenge. There are two ways to approach that.

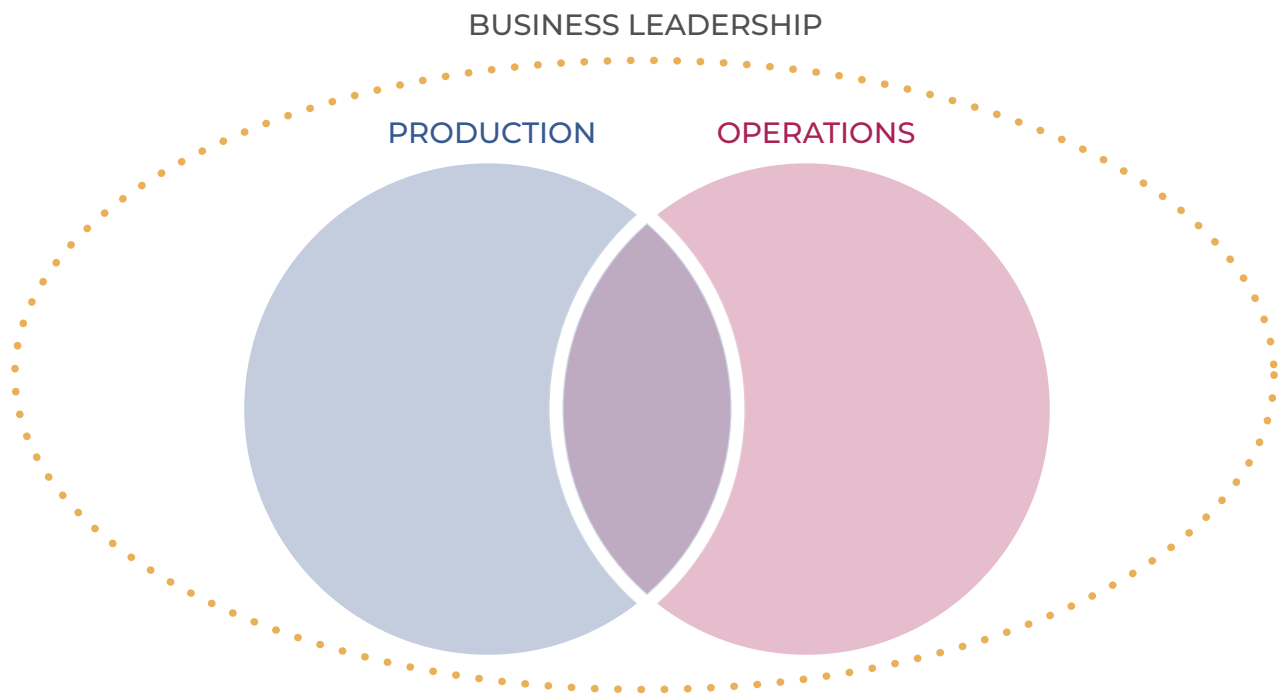
The first is to have several people with overlapping responsibilities. The challenge is that this can create a lot of confusion, is prone to errors, and makes repeatability or standardization difficult.

The other is to have an Operations Team Leader. This person is responsible for everything in the operations function, as well as ensuring there is a smooth flow of information back and forth between the advisors and the operations team and vice versa, getting the advisors what they need when they need it, and are responsible to the advisor for protecting the business by making sure the work is done correctly, accurately and in a timely manner.

When your team understands this org chart it creates clarity and allows everyone to begin focusing on the work to be done.



Action task: Use the Advisory Business Org Chart on the next page to map out your team. Then look for where you may need to add to, upskill, or change how things are organized so that you can provide a business that clients anchor to.

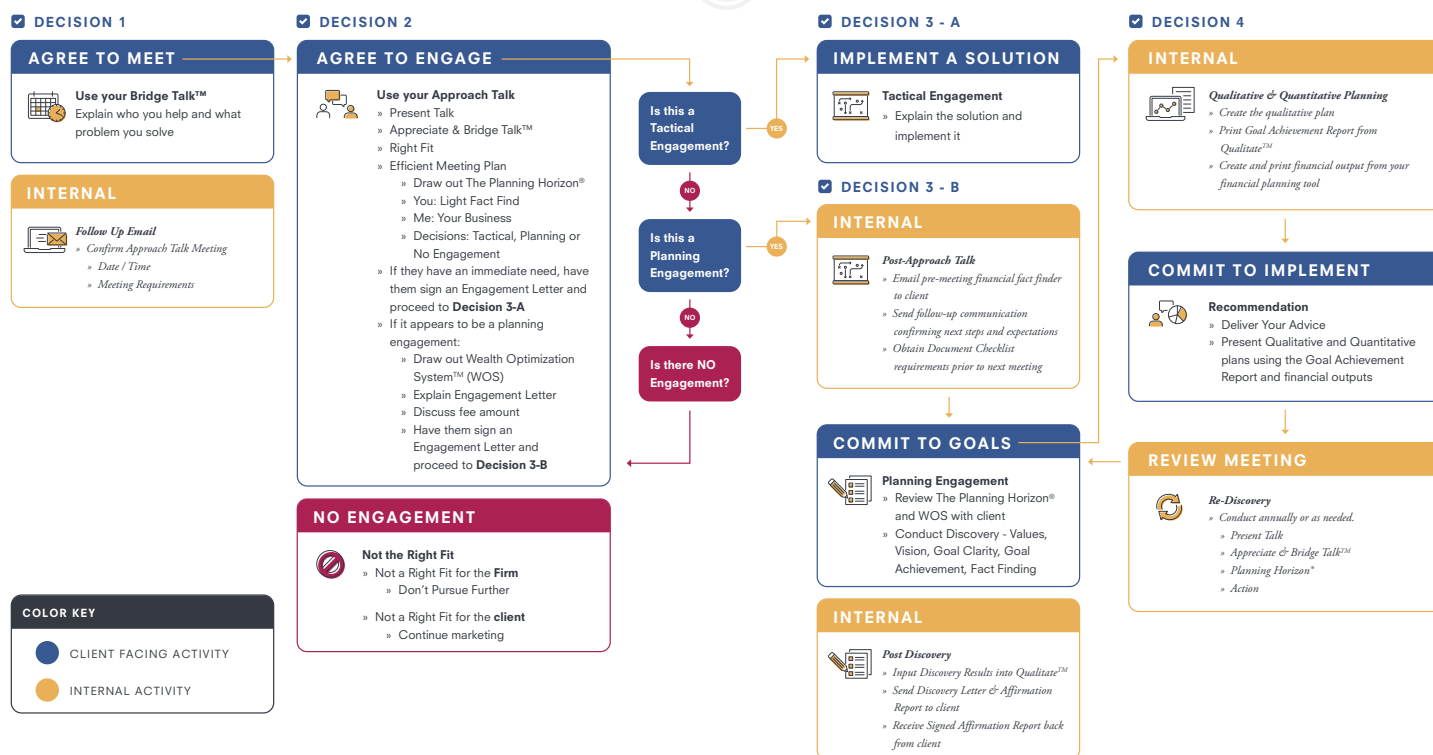


Lesson 3: Operational Roadmap

Clients will anchor to a business that you've designed for them.

The Operational Roadmap will help you design every stage of the 4 Decision System™.

4 DECISION SYSTEM™ WORKFLOW



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In **Decision 1 – Agree to Meet**, there is a workflow element once the prospect agrees to meet, internal activities might be to send a follow up email to arrange the meeting or confirm it, or to let them know if there's anything you want them to bring to the meeting.

In **Decision 2 - Agree to Engage**, there may be internal steps to make sure the meeting space is the way you want it, or a video conference link is sent. After the meeting, there may be a follow up that confirms the next steps and what information you need, Legacy Values Cards that need to be sent and getting them set up in Qualitate™.

In **Decision 3 - Commit to Goals**, there may be follow ups or confirmations required, you would produce an Affirmation Report to confirm their Goals, update any new information, and prepare the qualitative and quantitative financial plans.

In **Decision 4 - Commit to Implement**, this may be where contracts are put in place, money is moved, meetings with other 3rd party professionals are set up, and next steps are scheduled. The Planning Map in Qualitate™ is updated and the client gets on to a cadence of progress toward their Vision for the future.



TIP:

These are just a few things you might do in the background to get your wheels turning. Going through this in more detail - first on your own, and then involving your team - will help you put together an Operational Roadmap that creates repeatability in your business.



Action task: Map out your Operational Roadmap and review it with your team. Fine tune it and put in place. Ask us about it in the Advisor Growth Network Facebook Group if you want some useful feedback.

Operational Roadmap

	INTERNAL ACTIVITIES	CLIENT FACING ACTIVITIES
DECISION 1 AGREE TO MEET		
DECISION 2 AGREE TO ENGAGE		
DECISION 3 COMMIT TO GOALS		
DECISION 4 COMMIT TO IMPLEMENT		

Lesson 4: Client Clustering Overview

Your business has a constant pressure to deliver excellent service to existing clients, while maintaining your attention on creating new business opportunities, and converting those opportunities into new business. Those two, competing interests put real demands on your time, and the time of your team.

One of the key, historical tools to deal with this has been Client Segmentation. Segmentation encourages an advisor to break their book of business into segments – typically A, B and C.

While the concept of segmentation makes sense, its approach has flaws. Segmenting is exclusionary, judgmental, hierarchical and shows that one group of clients is “less than” other groups, in order to prioritize service activities. Another reason segmentation has struggled is it requires an advisor (who’s key skill is building connections with people) to take a list of people they know and care about, and give them grades.

That’s why we developed Client Clustering. Clustering finds similarities, uses judgement, has a shared purpose, and uses “same as” to group clients. It allows you to put your energy into creating profitable growth and retaining the clients that you choose to, deliberately and with purpose. Its goal is to create profitable growth and purposeful retention of clients.

Here are three reasons for an advisory firm to use clustering:

1. It lets you create the highest profit in the fastest, easiest way.

Clustering is designed to proactively move toward increased profit as easily and quickly as possible. It helps focus the attention and energy in the firm on client profitability, which is the cornerstone of practice profitability.

2. It lets you plan where you and your team should spend time, put focus, spend money and allocate resources.

Clustering helps simplify the decisions that must be made and orient the entire team around what activities are the most important, most profitable and in the best service of all clients. Resources of every kind become well-used.

3. It's one of the few areas where you and your team can work smarter.

Clustering is one of the few areas where you can work smarter and make the most of your hard work by grouping clients into three logical groups and then knowing how to directly work with those groups in a way that serves the clients and the practice.

In the next lesson, we'll get into how clustering works.

Lesson 5: How Does Clustering Work?

Clustering works by grouping clients into three logical, action oriented groups, or clusters:

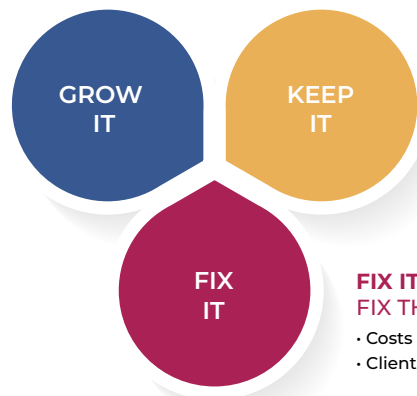
- ✓ Grow It
- ✓ Keep It
- ✓ Fix It

Clients are grouped by their capacity to contribute to profitable growth (Grow It), or the appropriateness of deliberately retaining them (Keep It). Any clients that don't fit into either of those groups need support (Fix It).

GROW IT - GROW THE RELATIONSHIP

Growth Clients - still more ways for you to serve them, and as a result, create further growth in the business.

Niche Prospects - working to bring them into the business as a client.



KEEP IT - KEEP THE RELATIONSHIP

- Niche clients
- Profitable recurring revenue
- Social significance
- Pro-bono clients
- Active promoter

FIX IT - FIX THE RELATIONSHIP

- Costs exceed revenue
- Client is unknown

Grow It

The Grow It Cluster is the top priority because an advisory firm is ultimately a sales organization. The Grow It Cluster consists of two large groups: **Growth Clients and Niche Prospects**:

- ✓ A Growth Client is a client where there are still more ways for you to serve them, and as a result, create further growth in the business.
- ✓ A Niche Prospect is someone on your Niche List that you are working with to bring into the business as a client.

Keep It

The Keep It cluster has specific reasons for purposefully retaining a client. Here are reasons that someone would be in the Keep It Cluster:

- ✓ They're a niche client and you've done good business with them, but there isn't more you'll be able to do.
- ✓ They bring the firm profitable recurring revenue.
- ✓ They have social significance – for example, someone with a lot of clout in the community and having them as a client is good for the business.
- ✓ You have a special relationship with them and you aren't doing the work for the income.
- ✓ They're an active promoter – they're making introductions and creating opportunities.

These are all clients that we want to keep in the firm for different, but important reasons.

Fix It

The Fix It Cluster is about fixing the relationship. Clients are in this cluster for one of two reasons:

- 1 The costs (time, money, energy, space, relationship, risk) exceed the revenue.
- 2 You don't know much about them. If they are unknown to you, they start in the Fix It Cluster.

Lesson 6: How do I do Clustering?

To cluster your clients, start with a list of all your clients. Read through the list and ask yourself this question: Is there further growth for us with this client?

If the answer is yes, mark them with a **G** for **Grow It**.

If the answer is no, ask yourself, do we want to keep this client? If the answer is Yes, for what reason? Are they a Niche Client? Do they bring profitable recurring revenue? Do they have social significance? Are they a pro-bono client? Are they an active promoter?

If it's not one of those, think about whether or not the business should be keeping that client.

If it is one of those, put a **K** beside them for **Keep It**.

Any client where you can't answer **Grow It**, or **Keep It**, you'll put an **F** beside it for **Fix It**.

Once you've placed your clients in the correct groups, the task is to work with those groups in a way that creates profitable growth, and that purposefully preserves the relationships that are important to the future of the firm.

There are five actions to take after clustering:

- 1 Design your service strategies for the Grow It clients.
- 2 Design your marketing strategies for the Grow It clients.
- 3 Build your service and relationship management strategies for the Keep It Cluster.
- 4 Start speed dating the Fix It clients to place them in the appropriate clusters.
- 5 Decide how you'll handle the not-profitable clients in the Fix It Cluster and act on it.

What do I do with not-profitable clients in the Fix It Cluster?

Many advisors are reluctant or concerned with how to address clients that are not-profitable. Here are four options to consider:

- 1 **Assign them to an Associate Advisor** –It may be that you’ve personally outgrown that client but an Associate Advisor can serve them in a way that’s financially appropriate.
- 2 **Establish mentorship arrangement** – Mentor an up-and-coming advisor and let them work with these clients as an opportunity to learn and practice.
- 3 **Partner with another Advisor** – Connect with another Advisor where these clients may be more appropriate. Have them deliver the service and negotiate a split with them.
- 4 **Sell the block of clients to another Advisor** - It might be the best thing you do for those clients so they get more attention with another firm that is able to do that.

How Does Speed Dating Work?

The purpose of speed dating is to have the smallest possible interaction, but still be able to clearly understand what Cluster the client should belong in.

While the process will vary between advisory firms, here’s a starting point:

Reach out to a **Fix It** Client to review their account with them. There are three indicators to identify in the conversation:

- 1 What’s their interest level - you’ll know this through:
 - a. Their willingness to meet
 - b. Rapid call back
 - c. Interest in higher frequency of contact
 - d. Interest in their own financial success
 - e. They have good questions

- 2 What's their story/situation?
 - a. Are they a Niche Client or emerging Niche Client? Is there a reason they haven't been doing much with your firm?
- 3 What's their capacity for profitable growth?
 - a. Do they have business elsewhere?
 - b. Is the client passionately loyal to some other Advisor?
 - c. Do they have unmet needs?
 - d. Do they have growing personal revenue?
 - e. Could they be a profitable promoter?

The purpose of the speed date is to know whether or not the client is a **Grow It**, or **Keep It** Client. And if they are neither, it's to fix the relationship.

On the next page is a quick reference tool for Client Clustering that addresses the Purpose, Marketing Return, Cost and Risk and Service considerations for each Cluster. It will give you a quick overview of Clustering so that you can cluster your clients.



Action task: Group your clients into Grow It, Keep It and Fix It Clusters. When you're done, take some time with your team to decide who you will market, and how you will service each of those three groups.

Client Clustering Quick Reference Table

	GROWTH CLIENT OR NICHE PROSPECT		PURPOSEFUL RETENTION	SPEED DATERS	NOT PROFITABLE
PURPOSE	This is where you focus your marketing plan and spend your marketing costs to <i>Move</i> them and their connections closer to you.		This is where you show appreciation to clients you want to <i>Keep</i> close to you.	This is where you find out <i>Who</i> you want to get closer to.	This is who you don't want to be close to.
MARKETING RETURN	This is where you get the highest return on marketing costs, especially with introductions from Niche Clients and Active Promoters.	This is where you get the fastest return on your marketing costs.	This is where you get slow or no return on your marketing costs.	This is where you don't market until you know which cluster they're in.	This is where you lose money on marketing.
COST & RISK		This is where you maximize the return on your service costs by making it part of your marketing.	This is where you service them so you manage the costs and the risks.	This is where you "date" them quickly in order to minimize costs and risks.	This is where the costs and risks are greater than the revenue.
SERVICE		This is where you service them so they actively <i>brag</i> about you (promote you).	This is where you service them so they <i>stay</i> with you.	This is where you give reactive service until you know which cluster they're in.	This is where you service to manage risks.



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