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# Goals To Strive For

## Take a systematic approach to 2006

GUEST COLUMN

BY JEFF THORSTEINSON

What are your goals for 2006? Becoming a top producer at your firm? Achieving a certain revenue goal? Perhaps this year you'll transition your practice to serve a new group of clients such as high-net-worth business owners, for example. Or maybe adding 30 new clients to your practice this year would do the trick. Now let me ask you the important question: How are you going to make those goals a reality?

In my experience, many advisors don't have an answer. And that's a problem. Without a system for achievement, you'll find that each day blends in to the other. By the end of the year, you will discover you have made little progress.

Don't let this happen to you. Implement the ASC model: Articulate, Systemize, and Capture. Utilizing this simple model will give you a strategic framework for accomplishing your business goals – not only in 2006, but in every year of your professional life.

### ARTICULATE

The foundation of a successful practice is a clearly articulated value message. This message serves many purposes. For example, it will only resonate with your ideal client and no one else, which helps you build a business based on your expertise with like-minded clients.

After you have decided on the components that make up your unique value proposition, you need to communicate it. Your value message must be simple, compelling and easy to relay to others. In order to demonstrate you have the expertise and the experience to solve complex financial problems, you need to be able to communicate who you are, what you do and how you do it.

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### SYSTEMIZE

Once you have your value statement in place, you'll need to deliver on those promises. That means developing systems to ensure each client enjoys a consistently high-quality branded experience when interacting with you and your team.

The three core services to automate are wealth management, client service and marketing.

**Wealth management** – While every client has different financial needs, each one should follow a similar process. Develop a clearly defined, step-by-step system for client wealth management. Ideally, this process should be simple enough to communicate to clients in a short conversation, yet substantial enough to convey your expertise. Most important, your assistant should be able to conduct much of these services independently, allowing you to focus on only what you do best.

**Client service** - No matter what market niche you serve, you need to serve it well if you want to maintain intense client loyalty. First, look back at you've promised. For example, maybe every client receives regular contact (a quarterly phone call or semi-annual meetings) and immediate response to all inquiries.

Map these services out and determine who will perform them and when. Then hold your team accountable. Set clearly defined service goals, and base your team's performance reviews on how well they're able to accomplish those goals. When your team is aligned to deliver on your value statement, everyone will be rowing in the same direction.

**Marketing** – Few advisors have been able to figure out the marketing puzzle. Often, advisors conduct marketing when business is slow and stop when times are good. But, marketing is more effective when it is a routine activity, and is based on client education.

Map out the key messages you want your clients to understand. Then think about how you intend to deliver them. Your goal should be to develop an entire year's worth of marketing projects in advance, through a variety of media (phone calls, newsletters, one-on-one meetings, client education events, etc.). Once you have this foundation, you can repeat the system each year with only minor modifications.

### CAPTURE

Once you have a clearly articulated value message, and have the sys-

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tems in place to deliver that value consistently to each client, you're ready to capture big opportunities. It's worth mentioning that many advisors skip the first two steps of the ASC model and go straight to capturing opportunities. In our experience, the only result worth mentioning is a revolving door of clients and a lot of bad will.

Once you've taken care of Articulate and Systemize, you'll have the time freed up to capture as many opportunities as desired. Here are some of them:

**Referrals** – from your existing client base, or from a list of qualified prospects.

**Centres of influence** – professional sources who represent a referral source.

**Hidden revenue** – encourage existing clients to consolidate, or to involve you in more complex financial solutions.

**Niche** – capture new business based on a common theme among your top 30 clients.

**Associations** – represent niche target markets that can provide a life-long source of business.

As each year passes this ASC model becomes a catalyst for further growth: the more you implement the model, the more your ideal clients will be attracted to you. Invest in the model this year and you will lay down a foundation for every subsequent year. As the years pass as you tweak your system your "investment" will continue to produce bigger results for your practice. AER

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# CRA Warns On RCA Abuses

**BY DOUG WATT**

An internal letter obtained from the Canada Revenue Agency suggests the tax authority intends to crackdown on what they consider abusive use of retirement compensation arrangements.

A recent newsletter from Retirement Compensation Funding Inc. highlighted the CRA's response to a question from an assessment office on the deductibility of employees' contributions to an RCA. In its newsletter the firm said the tax authority used the question as a "platform to address what they consider to be abusive in the use of RCAs for tax planning purposes and to instruct CRA employees what facts to consider when reviewing an RCA."

The CRA letter reads, "It has recently come to our attention that innovative tax plans purported to be RCAs are being marketed and promoted to allow both employers and employees to avoid tax and offer further benefits to employees over and above those offered to registered plans.

"For this reason, excessive contribution amounts and/or suspicious activities involving the use of an RCA . . . should be flagged for further review."

RCAs are designed to provide supplemental pension benefits for senior executives and owner-managers. They are also used to provide pension benefits to an employee or an employee group in situations where a company does not have a registered pension plan in place.

RCF says it has examined some employer/employee contribution arrangements being marketed, which would be considered "clearly abusive" by CRA.

The CRA's letter supports a conservative position on RCAs, RCF adds. For example, if a company had a money purchase pension plan that required employee and employer contributions, and an RCA was established to cover employees hurt by the cap on money purchase plan contributions, it would be acceptable for the RCA to require employee and employer contributions in the same proportion, provided the employee's contribution does not exceed 50%.

In its newsletter, RCF strongly recommends that clients only use RCAs for legitimate pension purposes. "In questionable areas, seeking an advance tax ruling is the most prudent decision one could make." AER