



(photo and baked by Ellen Bessner too!)

Serving fewer clients can lead to a big payoff

Focus on a target market and meet your regulatory obligations

By Ellen Bessner BABIN BESSNER SPRY LLP

(Published by Investment Executive | April 5, 2022)

Serving clients can be like baking: to bake a small cake or a big one takes the same number of ingredients and similar effort; likewise, smaller accounts need the same amount of care and attention as larger ones. With the enhanced requirements in the client-focused reforms and the expectation of audits to ensure compliance, many advisors complain to me that there aren't enough hours in the day to service all their clients. I tell them that, to protect their licence, they need to reduce the number of clients in their book of business and instead focus on their target market to grow the assets of those clients.

In other words, do a better job with fewer, larger clients.

I also assure them that this will lead to more remuneration and a less frantic workday, and less likelihood of getting into trouble with regulators. Why more remuneration? You will spend less time trying to grow your business from new clients and instead grow your business from existing clients. The more attention you give each client, the more connected clients will feel to you. As a result, the more they come to trust you and seek your guidance when they receive their bonuses or inheritances or otherwise grow their investible assets.

Moreover, with that trust, the more likely you will get an introduction to their family — the successors of their wealth — and you will be well positioned to service the next generation. If you are nearing retirement, this different model should lead to a more attractive business to sell, as the clients will not be an older generation but a mix of older and younger. For some of you, retirement seems far away, but planning for your future livelihood and ultimate retirement is accepting a bit of your own advice.

To trim your business or build one that doesn't spread you too thin, you want to choose a target market and stick with it like glue.

In case you wonder what a litigation lawyer who defends advisors would know about target markets and how to choose one, know that I was a generalist for the first few years I practised law. I did every type of litigation at my large Bay Street firm. But, after two years, I searched for a specialty. I looked for an area of expertise that was rare, both at my firm and in the Toronto community of lawyers. I looked at funeral law (too depressing and focused on real estate law, which I didn't have an interest in) and estates litigation (too much like family law, with family members squabbling). However, I found that securities dealer and advisor defence suited me because I found the area interesting and it put my BComm to work.

I then followed a process to build a focused business. First, I read a lot about the regulatory regime and how financial services businesses grew and worked. Then I read many business books and did a ton of cold calling to develop industry contacts. From there I started to write articles and teach at the Canadian Securities Institute for free.

So, while I am not a business consultant, I have faced the challenge of how to change my business to build one that I love to work at every day and that supports my family. I urge you to do the same.

To choose a target market, ask yourself who you have enjoyed servicing the most and why. If you're new to the industry, think about the people you relate to in your life. Either way, ask yourself why you gravitate to this type of person or feel a

connection with them. Is it their age, occupation, education, country or city of origin, language?

Be careful not to choose too big a group, like “women” or “men,” as neither is a target but rather 50% of the population. Better would be divorced men or divorced women between the ages of 30 and 50. Or married couples between the ages of 30 and 50 who live within 20 km of your office. Or Bay Street lawyers (side note: you might want to reconsider!) or medical doctors or chiropractors. Or it could be people with a certain type of personality, which may be hard to target as you need to first get to know them before you take them as a client. But you may be able to focus on a characteristic represented by certain vocations, like entrepreneurs or other roles.

After you make a long list of potential qualities to target, put them into two or three groups and ask yourself if your book contains many of these types of people or if your clients or contacts might introduce you to these types of people. If you hit a dead end with this analysis, you might need to ditch a few of the possible targets you were considering.

However, if you end up with one or two targets, then begin to rework your business. (For more information about this exercise, see *Communication Risk: How to Bridge the Client-Advisor Gap to Protect and Grow Your Business*). Be nimble so that you can adjust the target if you find you need to do so.

Instead of being overwhelmed by the new regulations and worrying that you cannot be compliant in servicing all your clients, consider transitioning a chunk of your business (selling it) and focusing your efforts on the target market you most enjoy. Hopefully, you will be more satisfied with fewer, larger cakes, remembering that if you become the target of enforcement, that could lead to no cake at all.

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