

The **Business Builder**

Norm Trainor



A book from The Covenant Group



The Business Builder

A book by The Covenant Group

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The Business Builder

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TESTIMONIALS

“The Covenant Group’s process and systems generate momentum for learning and ensure that our advisors are accountable as they progress. Through our current experience and from the success we’ve seen in their previous clients, we believe The Covenant Group has a proven program that will help us build a steady stream of new client introductions and, more importantly, grow our business in a way that allows us to do what we do best. Any advisor or company looking to take the next step in its development should be involved in The Business Builder.”

DAVID SUNG

Nicola Wealth Management



“The Business Builder Program was the best thing that has happened in my career as a financial advisor. My production was up 100% after 12 months and I cannot believe that I did not do this before. The Covenant Group has dramatically improved our systems and processes. As a study group, we cannot wait to see what is coming next to do and learn.”

NICK NOVAKOVIC

WestPac Wealth Partners

“The Covenant Group has an amazing depth of knowledge and experience gained from working with the best advisors in the industry around the world. Norm and his team guide their clients through a thoughtful process designed to help you create a great business and a great team on your own terms. I encourage all advisors to embark on this journey of success with the help of The Covenant Group. As I watch elite athletes receive gold medals and champion titles, I am consistently reminded of the great coaching and execution of a disciplined plan that put them in that position. Strive for the top!”

GRANT MUTCH

Richardson GMP Limited



“I believe our engagement with The Covenant Group has been the single most significant driver to our growth. We more than doubled our revenue. I have interacted with other coaching programs previously, and find The Covenant Group to be the most value added by a significant margin.”

THANE STENNER

StennerZohny Group, Morgan Stanley

“I was at a crossroads with my business and I needed help figuring out how to manage the growth I was experiencing. My meeting with The Covenant Group couldn’t have come at a better time. I needed to learn how to move from being a one-person operation to being a business builder. The Covenant Group is helping me achieve my objectives.

Only 6 months into the program, I had already made tremendous changes in my business. I’ve learned to create the right roles and then delegate accountabilities to my team members who have taken on the challenge. I now have more time to develop my business and to focus on the thing I love the most: meeting with clients.

I feel more focused, more optimistic about my business and, mostly, more relaxed. I now have time to plan and I now see the future in a totally new light, knowing my business will attain the goals I set for myself and my team.”

ANNIE BÉLANGER
RBC DS Financial Services

“The Covenant Group has had a significant impact on my business. They have helped me make the transformation from salesperson to business builder. I no longer look at what I do from the perspective of a salesperson. I have redefined myself as an entrepreneur with a compelling vision. The program has helped me see my business opportunities with more clarity and shown me how to develop powerful strategies to achieve my vision. After two-and-a-half years of being involved in the program, I saw a 250% growth in income.”

COREY SCHNEIDER
Sentinel Financial Solutions

“The Business Builder Program demonstrated for me how important it is to clarify your focus and be able to identify why you are here, where you want to go, and the strategies and tactics that will drive results. Thank you!”

LISA GAUTHIER
ZLC Financial

”

ACKNOWLEDGEMENTS

The purpose of this book is to express the essence of The Covenant Group's Business Builder Model. To do so, we felt that the stories of successful entrepreneurs and financial advisors applying the principles and skills of the Business Builder would be the best way to describe our language, philosophy, and approach. We have been blessed with the opportunity to work with so many great clients. In particular, we would like to thank John Nicola, David Sung, Thane Stenner, Tom Perrone, Don Leitzell, Jim Sprecher, Joel Goodhart and Ron Roberts. Each of these great advisors is featured in the book. It has been said that everyone is a teacher and everyone is a student. While we have educated thousands of entrepreneurs, we have learned from so many of them. In addition, those featured in this book are truly lifelong learners.

I would also like to express my appreciation to Matthew Asser, Shauna Trainor and the staff at The Covenant Group for their support throughout the writing and production of this book. Our colleague, Jim Harrison, contributed significantly to the development of the Business Builder Model.

A number of our corporate clients provided financial and logistical support as we developed and delivered the Business Builder program to entrepreneurs and advisors. In particular, Cindy Reed and Bryce Biklen of Midland National, Steve Palmitier of North American, David Gray and Wayne Miller of Sun Life of Canada, Judy Gouveia and Jim Wingrove of The Co-operators and Andrew Marsh of Richardson GMP were early adopters.

There are so many clients who shared their best practices to enrich the learning experience for everyone. I regret there is insufficient space to acknowledge each of you individually.

As always, I would like to thank my wife, Wendy and our children, Ryan, Shauna, and Sloan for their patience and ongoing love and support.

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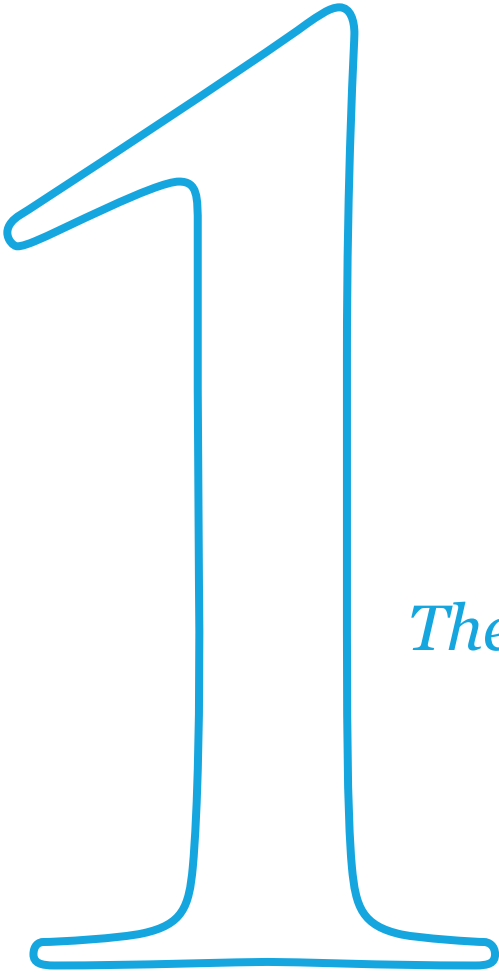
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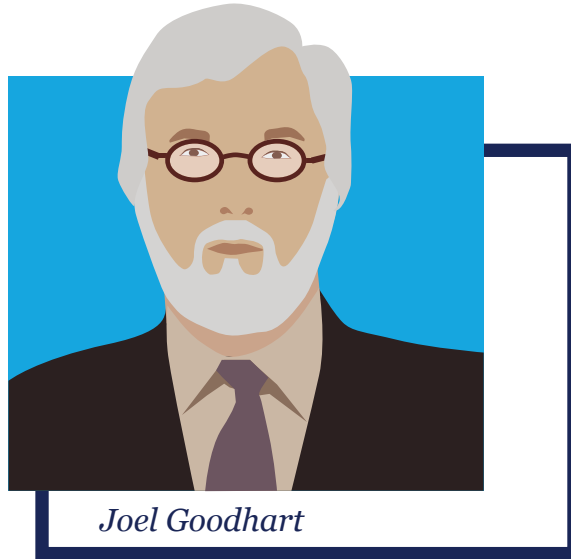
*Overview of
The Business Builder*

Introduction

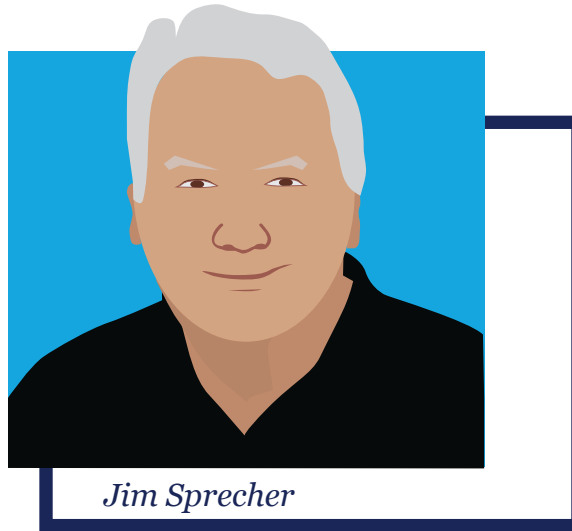
It is not easy to be an entrepreneur. There is a lot of complexity involved in creating a successful and sustainable business. Since 1995, The Covenant Group's Mission has been to educate and coach entrepreneurs.¹ We work with entrepreneurs to assist them in developing strategies and tactics to grow their business. A significant number of our clients are financial advisors. They are entrepreneurs who have chosen to be in financial services. One of the characteristics of entrepreneurs is that they are optimists by nature. Yet, it is difficult to be an optimist in these challenging times, particularly if you follow the media. The implosion of financial institutions in the U.S. in 2008, the continued debt crisis, the climate change debate, political unrest and conflict all contribute to uncertainty and anxiety about the future. We can easily get caught up in the "doom and gloom" scenarios and have it affect our performance. Working with the top advisors across North America, we see a common thread in their outlook on the world: they do not let external events impact their results. Whatever the circumstance, they adapt and find ways to continually succeed.

Perhaps, the best way to illustrate the Business Builder Model is to describe whom we work with and how they apply what we teach. I would like to share the stories of advisors who are part of the above mentioned group. The first three started their careers over 30 years ago. They each chose different models and methods to build successful advisory practices.

¹ For more information please see www.covenantgroup.com - our blogs and articles in our library speak to several themes and references in this book.

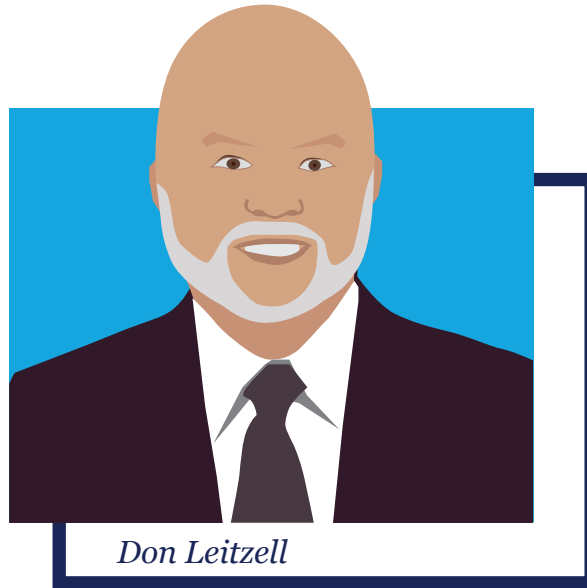


Joel Goodhart is a partner in a multi-advisory firm. The three senior partners collectively have 90+ years of experience. There are also two junior associates and five support staff. In order to grow their business, Joel and his partners consciously set out to build relationships of trust with collateral professionals, specifically s accountants and lawyers. Today, a significant number of accounting and legal firms refer clients to them. Over a twelve month period, those relationships are responsible for approximately 40% of the firm's non-recurring revenue. Joel and his partners work hard at creating a positive experience for collateral professionals and their clients. Twice a year, they host a Professional Development day for lawyers and accountants followed by a round of golf. They have four season tickets in the Hall of Fame section for Phillies games. This allows them to host clients and collateral professionals, and create the opportunity to be introduced to people they know by allowing them to invite their own guests. It is a great way to be introduced to prospective clients. Joel and his partners have made the growth of their firm sustainable through innovative marketing, sales and client service initiatives.



Jim Sprecher

Jim Sprecher is a financial advisor based in Central Pennsylvania. He is building a multi-advisory practice with a number of associate advisors. Jim started his career as a teacher and coach before switching to financial services. He is now committed to mentoring other advisors. One of his associate advisors generated over \$200,000 in revenue in the first four months of the year. In addition, Jim's daughter, Laurie, has joined the business. As a former teacher and competitive athlete, Laurie is well positioned to take the firm forward into the next generation. Jim continues to serve his clients and build his own practice while facilitating the growth of other advisors. After working with The Covenant Group for three years, Jim bought a home in Palm Springs, California and now enjoys eight to twelve weeks of beautiful weather and many rounds of golf. Jim has a +2 handicap. While in Palm Springs, he is also able to combine work and pleasure. Jim is a good example of an entrepreneur who is making more money and enjoying more free time.



Don Leitzell started his financial services career in 1984. He became an independent financial advisor in 1987. Today, his financial advisory firm, Diversified Asset Planners (DAP) has four partners and eight associates in two offices 30 miles apart. There are three full-time and three part-time staff. The firm generates a seven figure revenue stream year after year. Don is a Pennsylvania native and a graduate of Penn State with a BA and MA in Economics. The firm's primary office is in State College, just down the road from Penn State University.

For much of Don's career, what made him a good advisor and his firm successful was his ability to provide leadership, in addition to being an income producer in the firm. Don was also responsible for delegating work to other advisors and staff and evaluating everyone's performance. Marketing was done almost entirely by referrals. When Don was 57, he became involved in our Business Builder program and committed to transitioning his practice when he turned 60 to his son, Chris. This was accomplished successfully. Interestingly, Don is just as engaged in building the business as he was before. Don and Chris continue to grow their practice and provide leadership to DAP and their associates. Don has transitioned from income producer to business builder.

Joel, Jim and Don share a number of characteristics in common and similarities in the way in which they have grown their respective financial advisory firms. All three are bright and work with capable teams. For a period of time, they were all successful without a clear vision and strategy to grow their business. Strategy was developed as needed. There were a number of factors that allowed them to be successful without a vision and clearly articulated strategy; each has great skills. They were able to apply their knowledge and skills to attract and retain clients. They recognized the importance of partnering with talented and motivated associates and attracting qualified and committed staff. Their assistants are devoted and loyal. They invest in people to provide quality service to their clients and, as a result, they have loyal clients who do not hesitate to introduce them to people they know. Relationship management is a real strength in each firm.

In spite of their initial success, Joel, Jim, and Don recognized that their firms faced a number of issues and challenges. They had no written strategy and had each reached a plateau in their business. Each firm needed a well thought out business plan to take their business to the next level. There was also a need to implement a number of robust marketing activities to maintain growth and lessen their singular dependence on referrals. All three were in their fifties and wanted to ensure the continuity of the firms beyond their involvement. From a personal perspective, Joel, Jim and Don wanted more quality time working with the right clients and more leisure time. They recognized that their partners must take a leadership role. For Don, his son Chris, now a partner in the firm, had to consider DAP as his business. In Joel's case, his partner Stu has become the Managing Director of the firm. This allowed Joel to be the rainmaker and focus on business development. In addition, they have attracted a new generation of younger associates to the firm.

Through our work together, these advisors have focused on strategy, structure, systems and processes, and financial management to redefine their performance. They have redefined the structure of their firms to include new accountabilities and levels of authority. They have implemented recommended processes to help them streamline their work and attract and retain the right clients

Joel, Jim, and Don implemented several marketing strategies. All of them have systems and processes to obtain introductions, recommendations and referrals. Don's firm uses a baseball suite, Penn State football games, and tailgate parties for introductions. Joel's firm uses the four seats at the Phillies games and Jim uses golf as a way to meet prospective clients and deepen his relationship with existing clients. All three firms utilize The Covenant Group's periodic review process with clients to expand the relationship, make additional sales and obtain introductions, recommendations, and referrals. They are all adept at employing a pipeline management strategy to stay "Top of Mind" with their clients. They regularly send emails, articles of interest, and a quarterly newsletter to clients, etc. They utilize social media for advanced prospecting. In Don's case, his partners have dramatically grown their business.

Joel, Jim and Don share the great strength that they are open-minded. They are always looking to learn and grow. Each realized that his firm was successful because they were hard-working artists with good skills. The difference now is that they have the business science to assure their firm's sustainability and successful transition to the next generation. Our work together has helped them transition from craftspeople to engineers, whereby they understand the art and science of building a business.

Embody the Mindset of an Entrepreneur

Over the years, we have developed a five-stage model to enable entrepreneurs to realize their dream of building a successful and sustainable business. We have named our model, the Business Builder. In this book, we will describe in a simple and compelling manner how entrepreneurs such as Joel Goodhart, Jim Sprecher, Don Leitzell and others apply the Business Builder Model. Through utilizing actual case histories of successful entrepreneurs, we will illustrate how you can apply this model to your business.

Before we go too far, let's look at each of the five stages of the Business Builder.



Mindset

In choosing our work, we all need to answer three questions:

- 1. What role do I want to play?***
- 2. How big do I want to become?***
- 3. What is the Required Organization?***

Typically, entrepreneurs start a business in order to express their unique ability. In fact, whether you are an entrepreneur or an employee, the desire to express your uniqueness is a common thread. The difference is that entrepreneurs choose to get paid for the results they generate, while employees get paid for their effectiveness in a role. Employees rent their capability to work effectively in a role. Entrepreneurs sell a product or service. The other important distinction between entrepreneurs and employees is the willingness to deal with risk. Entrepreneurs are willing to take the risk that they will be paid for their products or services. With employees, they are paid to work effectively in their role, while their employer assumes the risk of selling the output. As the business grows, entrepreneurs are required to build an organization. The requisite organization is that which is required to enable the business to function effectively and efficiently.



Target

Once you have addressed the role you want to play, how big you want to become and the required organization to achieve your intended results, the next step is to identify whom you will sell, what you will sell, and how much you will charge. The Covenant Group believes every business has to answer three key questions (aka, the 3 Rs):

- 1. *Who is the Right Client?***
- 2. *What is the Right Value Proposition?***
- 3. *What is the Right Price, i.e. fair exchange of value?***

The target phase addresses your marketing plan and marketing system. Great businesses clearly communicate whom they serve, how they serve, and the associated cost of their products or services. At an international business conference, I heard a senior executive of one of the world's largest retailers address an audience of business executives. When he came on stage, he said: "All of you are welcome in our stores, but you are not our customers. Our customers are the families that live paycheck to paycheck. Our value proposition is to have the lowest price. We have designed our business to reduce costs at every level." This particular organization knows who is the Right Customer (Client), what their Right Value Proposition is, and what determines the Right Price, i.e. fair exchange of value.



Engage

There is an art and science to attracting the right clients. Great businesses have a simple and compelling message that pervades their marketing, sales and service initiatives. It is not an “elevator pitch.” Nobody wants to be pitched. This message is expressed through your Client Attraction Conversation. By engaging in a dialogue, the advisor conveys why people want to buy their products or services.

In utilizing The Covenant Group’s Client Attraction Conversation, you uncover through questions what the prospective client needs, wants and values. With stories, you describe how your product works and, most important, makes a difference for the prospective client. When Isadore Sharp, the legendary founder of Four Seasons Hotels, was asked how his hotel could charge twice the per square foot that Hilton collects, he answered, “Because we do common things, uncommonly well.” For BMW, their point of differentiation is encapsulated in their tagline, The Ultimate Driving Machine. The tagline says it all. As an entrepreneur, it is important to prepare, practice, and perfect your Client Attraction Conversation.

The Covenant Group’s tagline is Redefining Performance™. The tagline captures the essence of our business. As entrepreneurs grow their business, they are continually challenged to redefine their own performance and that of the people who work with and for them. To engage entrepreneurs, we demonstrate our knowledge of their challenges through the questions we ask, the stories we tell, and what we create together.



Once a prospective client expresses a willingness to engage, you are now in the buying cycle or sales process. The purpose of this phase is to obtain commitment from the client to buy your products or services. There are a series of steps you will follow to obtain commitment:

- 1. *Discovery***
- 2. *Prepare recommendations***
- 3. *Present solutions***
- 4. *Obtain commitment***
- 5. *Implement***

During the Commit phase, you are engaged in a dialogue with your prospective client. The purpose of dialogue is to foster shared understanding. The guiding principles in this phase are: 1. Focus on the client, and 2. Earn the right to move to the next stage by always working to engender trust. The purpose of discovery is to listen and learn to determine what is important to the other person, their goals, and what is getting in the way of realizing their aspirations. As Stephen Covey has taught us, “Seek first to understand, before seeking to be understood.” You assist the prospective client(s) to identify, clarify, and intensify what is important to them i.e. what they are motivated to do or to have. Once you have demonstrated that you truly understand the difference between where people are and where they want to be, you can now prepare and present your solutions.

It is also important to build agreement throughout the process. In this way, obtaining commitment becomes a logical next step. The way in which you implement solutions sets the context for building a relationship where the equity expands for all parties.

Expand

The natural result of relationships, whether in business or personal, is towards erosion of sensitivity and inattentiveness. To maintain relationships, we have to work at them. The client experience we create after they buy our products and services determines the amount of repeat business we get and the extent to which our clients become our evangelists. Successful entrepreneurs understand that they are not just competing with competitors in their industry or sector. Today, we are competing against all product and service and experience providers. Every business that finds new ways to add value ratchets other businesses up the value continuum and challenges other organizations to innovate and add value.

One example of a business that sets itself apart is Starbucks. I live in a beautiful neighbourhood in Toronto called the Beach(es). The main street in our community is Queen Street. In the area defined as the Beach(es), Queen Street is about two-thirds of a mile. There are 16 cafes or coffee shops along that stretch, including two Starbucks. Each Starbucks location generates significantly more revenue than the owner operated cafes. Later in this book, we will examine why Starbucks outlets are so much more productive.

Keep in mind we live in an experience economy. What is the experience you are creating for your clients and is it unique?

Summary



2



Mindset

“Before you change the way you act, you first have to change the way you think.”

- Norm Trainor

Introduction

To adopt the mindset of a Business Builder requires you to think strategically. A strategy is a clear plan of action to achieve your desired results. Successful entrepreneurs have a vision and shape the environment to achieve their objectives. They are opportunity providers. The starting point is having a clear Business Definition. Your Business Definition includes your Vision, Mission, Values, and the Business Opportunity. Vision answers the question, Where are you going? The future drives the present. It is important to get clear about where you want to take your business. Mission answers the question, Why are you here? Your Mission speaks to the value you bring to your client relationships. Your values express, by word and deed, what is most important to you. A value is a thing or condition we consistently act upon to get and to keep. The business opportunity addresses four questions: 1. How do you make your money? 2. How do you spend your time? 3. Who do you sell? 4. What do you sell them? Your Business Definition is the articulation of your mindset with regard to building your business.

As an entrepreneur, you need to answer three questions:

- 1. *What role do I want to play?***
- 2. *How big do I want to become?***
- 3. *What is the Required Organization?***

However, not all entrepreneurs share the same mindset with regard to the three questions set out above. In our experience, there are two types of entrepreneurs:

- 1. *Income Producers***
- 2. *Business Builders***

Income Producers are motivated to create a business that facilitates the expression of their unique ability. In effect, they are the business. The Income Producer structures the business, consciously or unconsciously, in such a way that the income generated by the business is almost entirely dependent upon the efforts of the entrepreneur. The measure of success for Income Producers is the amount of income they generate.

For Business Builders, the motivation is to create a business that has value greater than the sum of their own efforts and abilities. Business Builders want to grow bigger than their own capabilities. To do so, they require an organization. As a business grows, the organization required to support the growth becomes more complex and involves more roles.

As an entrepreneur, you must first decide what role you want to play and, then, how big you want to become. Are you an Income Producer or a Business Builder? Your answer to these first two questions will dictate the required organization to realize your vision.

Mindset equates to strategy. The basic definition of strategy is a clear plan of action to achieve your desired results. For our purposes, The Covenant Group defines strategy as the alignment of outputs or results, the capabilities and resources required to achieve the results, and the opportunities and challenges the environment provides.

To adopt the mindset of an entrepreneur, you have to think strategically.

The Drive to Excel

What motivates someone who has built an eight figure financial advisory firm to continue growing? For John Nicola, the founder and CEO of Nicola Wealth Management, it is the desire to build a sustainable business and leave a legacy. All of us want to push as big a rock as we are capable of moving. The more capable the individual and the greater the motivation to excel, the bigger the rock they will attempt to push forward. John's Vision is to build a business that ranks as one of the biggest independent financial advisory firms in Canada. To achieve his objectives, John applies the mantra: "You have to do it yourself, and you can't do it alone." John has achieved the pinnacle of individual success as a financial advisor. He is a Top of the Table advisor, ranking in the top 1% of all advisors worldwide. When we first started working with Nicola Wealth Management, the firm managed \$860 millions In assets. It has grown to manage over \$5 billion in assets on behalf of clients. John is reaching beyond personal accomplishment to build a world class financial advisory firm.

To build a great business requires a high level of individual and organizational effectiveness. There are four dimensions of individual effectiveness:

- 1. Cognitive Capability**
- 2. Knowledge and Expertise**
- 3. Personal and Relationship Skills**
- 4. Motivation**

Dr. Elliott Jaques, a behavioural scientist, demonstrated that cognitive capability is an important determinant of individual effectiveness in a role. Cognitive capability is the ability to exercise judgment, to solve difficult problems. In his research, Jaques identified natural “strata” of cognitive capacity in individuals. Cognitive capability consists of our ability to deal with complexity. Generally speaking, as a business grows and we assume more responsibility in building and managing the organization, we are required to perform more complex tasks. In terms of cognitive capability, John Nicola is a transformative thinker. He is thinking and working on tasks related to growing the business over the next ten years and beyond (see chart below).

Stratum Level

Stratum	Level of Response	Level of Innovation	Level of Performance & Risk Measurement
V	Transformational	New business model	Business viability, Return on capital, & Shareholder wealth (up to 10 yrs)
IV	Breakthrough	New products, New services, New markets	Balance integration & Return on capital (up to 5 yrs)
III	Predictive & Systematic	Process	Effectiveness of current operations (up to 2 yrs)
II	Diagnostic & Situational	Quality & Continuous Improvement	Efficiency (up to 1 yr)
I	Procedural	Service excellence	Feedback (up to 90 days)

Reference: ©2005 MVC Associates International

Knowledge and expertise become more involved and complex as we assume more responsibility. John is building an organization that presently has over one hundred people and close to a nine figure revenue stream. In his role as CEO, he is required to develop knowledge and expertise in business strategy, putting in place the right structure and systems and in attracting and retaining the best people. In short, he is required to work in parallel on tasks that include business and financial management, marketing, sales, client service, acquisitions, talent pool development, and career pathing. As an entrepreneur, he has learned on the job and through continuous study. John is a great advisor who has learned how to be a leader and manager. He is also a transformational leader. He is concerned about business viability, return on capital, and shareholder wealth. He employs innovative thinking with regard to the business model for Nicola Wealth Management.

Personal skills include self-management in such areas as time management, financial management, personal health and well-being. Entrepreneurs, more than most people, must have discipline, patience, and faith. Like other very successful entrepreneurs, John has a strong sense of personal accountability and an optimistic view of the future. Relationship skills are essential to building a high-performing team. To build a great business, you have to be attuned to the needs of all the stakeholders in the enterprise from clients to employees, suppliers, and the community. John is at the integrative stage of his career development. He is able to integrate work, family, community, and self-interests in leading a balanced and complete life. Integrators are able to keep “five balls in the air.” They are effective in their work, involvement with their family and in their community, while maintaining personal health and well-being and continuous learning. In other words, they have mastered personal and interpersonal effectiveness.

Generally speaking, we are motivated to do work that we value. My experience in working with great entrepreneurs and bright people like John, is that the motivation to grow is tied to the desire to do more intellectually challenging work. There is a lot of complexity involved in realizing the Nicola vision. There are very few people who can do it. The drive to excel comes from a willingness to extend oneself in order to achieve great things, combined with the ability to meet the intellectual challenge, learn the necessary knowledge and skills, and gain personal and interpersonal mastery.

However, as John Nicola will readily attest, the realization of his vision is dependent upon building organizational capability. Build the organization and the organization will build the business. Nicola Wealth Management has a very strong management team with John as the CEO, David Sung as the President and the leader of the Planning team, Jamie Duncan as the Chief Operating Officer responsible for the overall operations of the company, Karen Ikeda, responsible for the Wealth Management Division, Rob Edel as the Chief Investment Officer, Michael Taylor as CFO and Wayman Crosby. Each of the senior managers brings a depth and breadth of knowledge and expertise in their disciplines. John and the rest of the management team recognize that each of the firm's leaders provides unique abilities that are complementary to each other. Diversity does breed strength.

The senior leadership has a strong commitment to attracting and retaining the best people and providing them with the professional development necessary to realize their potential. The firm is investing heavily in the training and development of the people in the organization. In addition, there is a significant commitment to have state-of-the-art technology in place that supports the delivery of exceptional service to the High Net Worth (HNW) market. All great leaders recognize that they can only realize the fullness of their potential by surrounding themselves with very capable people and bringing out the best in them.

While the above example might seem a stretch for many of you, it brings home the point of understanding the required organization for you.

Summary

The John Nicola story illustrates the levels of complexity involved in building your business. It also highlights the depth of knowledge and expertise, personal and relationship skills and motivation required to excel. At each level, you will encounter a test of your ability to implement your strategy for growing your business. Each of these levels of complexity present a test of your implementation capabilities.

Five tests to the implementation of your business strategy:

- 1. What is your business model?***
- 2. What new products and services do you bring onboard?***
- 3. How do you identify and implement your systems and processes?***
- 4. How do you assure quality and continuous improvement?***
- 5. What does service excellence mean?***

The starting point is the articulation of your business model. The answers to questions 2 through 5 reflect the methods you will use to implement your model.

3



Target

“The aim of marketing is to know and understand the customer (client) so well the product or service fits them and sells itself.”

– Peter F. Drucker

Introduction

Target equates to marketing. The purpose of marketing is to position your products or services favourably in the minds of your intended buyers. It sets the stage for the experience you will create for your clients. It is important to really think about whom you want to serve, how you provide value that differentiates you from your competition, and the fair price for what you offer.

To build a sustainable business, you must create a strong and distinct brand. A brand is a set of perceptions and images that represent a business or company, product or service. In many instances, people think of a brand in terms of a logo, a jingle or a tagline. However, a brand is much greater than these individual aspects. It is the essence of the experience that is delivered and the degree to which it exceeds the promise or expectation. When you stay at a Four Seasons hotel, you experience common things being done uncommonly well. Tiffany's is not simply in the business of selling jewelry and expensive watches. Tiffany's helps people celebrate what is important in their lives. In building your brand, you want to consider the experience you are creating for your clients and how you are distinguishing yourself in the marketplace to attract your ideal client.

Building the Brand of your Company

A number of years ago, I worked with a successful financial advisor in Manhattan who wanted to build his brand through the media. His strategy was to develop strong relationships with reporters for The Wall Street Journal and USA Today. As a result, they would call him for quotes and he appeared regularly in prestigious publications. Each time he was quoted in an article, he would send a copy to his mailing list. In addition, he also mounted the articles in his office and boardroom where his clients and guests could see his comments. Appearing in the media proved to be a very effective way in which to build his brand. However, becoming the media is an even better way to establish your thought leadership and create separation from other advisors.

Thane Stenner is one of the most effective marketers we have had the privilege of working with. He has been an investment advisor since 1987. For the first 16 years, Thane worked in a smaller community. A few years into his career, he hired a professional writer to co-author articles for a local publication. His intent was to build his brand within his local service market area. As he grew his business, he extended his reach regionally. Thane also had a half-hour radio program. It was a Q & A format. Initially, his approach was to appeal to a broad market. After sixteen years and having built a business with \$600,000,000 of assets under management, he refined his business to focus on ultra-high net worth clients. He also set out to build a national reputation.

The National Post approached him to write articles, however, his preference was The Globe & Mail, Canada's national newspaper. Thane knew that The Globe editors have a very exacting process for choosing their editorial contributors. In order to more effectively address the interests of The Globe readership, Thane hired a Vancouver-based communications and marketing group to analyze the demographics and psychographics of The Globe's readership base, and help prepare a proposal with a thematic approach. Editors are often concerned that writers start with great enthusiasm and then run out of ideas. Thane and his team wanted to demonstrate the depth and breadth of their approach. Now, he was ready to approach the Senior Editor of The Globe. In order to assess suitability, the Senior Editor asked for four articles. When these were approved,

Thane began to write an article twice a month in the Report on Business section of The Globe. A lot of thought, effort and time goes into each article. The objective is to make the articles as interactive and relevant as possible. There is a fine line between self-promotion and reader interest. The key to a successful article is to captivate the reader. At times, an article will provoke strong responses. The Globe editors have received hundreds of comments on Thane's articles. They have been overwhelmingly positive.

Thane takes this initiative very seriously. He invests over \$60,000 a year in professional assistance to ensure quality and interest. He treats the editor at The Globe as a valued client. Thane's priority is to make each article meaningful for The Globe patrons.

In addition, Thane publishes an email newsletter that goes out every two weeks. The content includes articles from other publications that are carefully selected to ensure relevance for clients. The newsletter is generated internally. The email provides insight into the reader's interests.

Building your brand in your chosen service market area requires strategic thinking, hard work, and the willingness to invest time and money to appeal to the interests of your desired audience. One of the many benefits is a well-earned reputation as a thought leader. Thought leadership is the recognition of expertise and of being an authority in a chosen field. To be a thought leader means you are committed to your own learning to stay abreast of the challenges and opportunities in your field, big and small. As a thought leader myself in the field of financial services and entrepreneurship, I have had the great privilege of speaking to audiences around the world and interviewing on a variety of topics from industry trends to the strategies and tactics of great entrepreneurs.

Thane (as well as the other top advisors we have discussed) clearly knows the answers to:

- 1. Who is the Right Client?**
- 2. What is the Right Value Proposition?**
- 3. What is the Right Price?**

Thane knows where his firm fits within the competitive landscape. The following is an article he wrote that describes the positioning of advisory firms along the wealth curve.

The wealth curve:

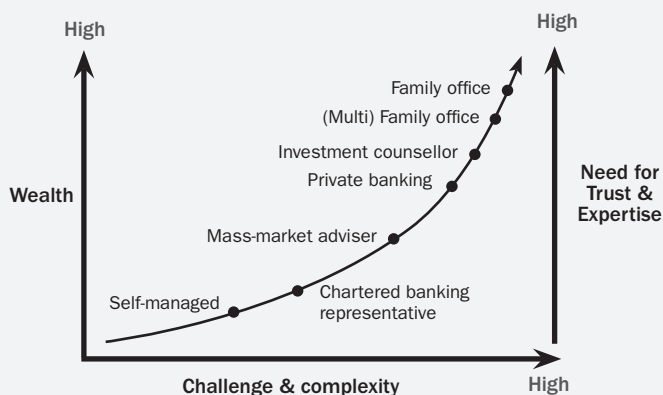
Is your adviser adequate?

By **Thane Stenner** *From The Globe and Mail*

Thane Stenner is co-founder of The StennerZohny Group of Graystone Consulting at Morgan Stanley. He is also bestselling author of *True Wealth*: an expert guide for high-net-worth individuals (and their advisors). He can be reached at thane.stenner@morganstanley.com. The opinions expressed in this article are the opinions of the author alone and readers should not assume they reflect the opinions or recommendations of Morgan Stanley or its affiliates.

THE WEALTH CURVE

As a person's wealth increases, so too does his or her need for more sophisticated financial advice



The call I took last week from Tim was fairly typical. Tim sold his manufacturing business at the start of the summer for a little more than \$15-million. He has a fair-sized investment account (about \$1.5-million) that has been managed by a broker at a big bank for almost 20 years. Now that his liquid wealth has grown by 10 times, he wonders whether his broker has sufficient experience to deal with the challenges his new liquid wealth is sure to bring.

Throughout the market downturn and subsequent rally, our office has fielded a lot of calls from high-net-worth individuals like Tim. Generally, they fall into one of two camps: those dissatisfied with the amount of contact or attention they're receiving from their current wealth adviser; or those looking for something more, whether that's a greater range of wealth management options, more sophisticated strategies or greater access to sophisticated investment opportunities.

The adjacent graphic shows what I call the wealth curve, a visual representation of how the financial services industry segments its clients. I showed this to Tim, and explained that his concerns were the result of a gap between where he was on the wealth curve and where he should be, considering his increase in liquid wealth.

As I explained to Tim, the wealth curve provides some context for understanding the various levels of service and expertise on offer within the financial services industry. The vertical axes measure an individual's net worth and need for financial expertise. The horizontal axis measures the complexity of the financial challenges facing the individual.

As you can see, as net worth rises, so does financial complexity - along with the need for expert advice. The curved line in the middle plots the continuum of service and expertise along the path of rising wealth. At one end, there's the self-managed account, which provides a do-it-yourself solution and minimal advice, if any, for those with modest portfolios. On the other end, the family office is a complete in-house wealth management team working for a single family with a net worth of \$250-million or more.

When Tim sold his business, he jumped several steps up on the wealth curve. His liquid wealth grew exponentially; so too did the complexity of the financial issues and challenges he was now facing. But he was still working with a professional who was several steps down the wealth curve, whose average client is considerably less wealthy than Tim is.

That's not necessarily a bad thing; it really depends on what Tim is looking for. As I explained to him, the best position to be in on the wealth curve is at the very high end of the current segment you're in (a bigger fish in a smaller channel, if you will), or at the low end of the next segment above you (a smaller fish in a bigger channel).

If Tim prefers to be more of a financial delegator, he'll probably be very happy being a bigger fish. By being his advisor's top client, he'll be highly valued, and he'll receive top-level service and attention. But he might not always have access to as many investment opportunities or as much investment expertise as the segment above him.

On the other hand, if Tim doesn't mind being pro-active when managing his relationship, being a smaller fish can be a very good approach. He'll have better access to opportunities and strategies. But he might have to be more assertive to garner more attention from his adviser. Which approach is best? There's no right or wrong answer; it really depends on the level of attention Tim is looking for, and his need for more sophisticated opportunities and strategies. Most of the high-net-worth individuals I meet are dissatisfied in some way with their current adviser. Like Tim, many have sold a business, received a large inheritance, cashed in a large options position, and intuitively understand they have outgrown the relationship with their current wealth adviser.

Others feel loyalty to an advisor who has served them for years. They know they don't have access to many of the investment opportunities and expertise they'd like to access, but the thought of moving on proves difficult to contemplate.

Either way, it's pretty clear to me that the cause of their dissatisfaction is their "misplacement" on the wealth curve. The solution is to understand the gap between where they are on the wealth curve and where their current adviser is, and determine whether they're satisfied with that.

Summary

In the Target phase, you are focused on the three questions The Covenant Group believes every entrepreneur has to get right:

- 1. Who is the Right Client?**
- 2. What is the Right Value Proposition?**
- 3. What is the Right Price?**

Now, you are in a position to develop and implement your marketing plan and marketing system. The marketing plan includes the following elements:

- ***A description of your ideal client profile***
- ***An analysis of your network***
- ***An identification of your target markets***
- ***Your top 20 relationships list***
- ***An outline of your 6-8 promotional strategies***

In defining your Target(s) and your marketing strategy, it is important to consider where you fit on the wealth curve. In addition, you have to identify, clarify, and intensify how you are different from other advisors.

4



Engage

*“Seek first to understand, before
seeking to be understood.”*

– Stephen Covey

Introduction

One of the things we know is that people are judgmental by nature. We form impressions of other people within a few seconds of meeting them and these impressions are long lasting and resistant to change. We also make judgments about products or services in a short time span. These judgments are often shaped by preconceptions and biases. That is why it is important to do whatever you can to persuade people of the value of what you do and your trustworthiness before you meet for the first time. In other words, the more you pre-suade, the easier it is to persuade people of the value you provide.

To build profitable relationships with the right clients, you have to really think about how you engage. The purpose of the engage phase is to establish trust. You earn the right to proceed and build commitment to a mutually beneficial relationship.

The Client Attraction Conversation

There is an art to attracting clients. You can utilize a simple framework for structuring client attraction conversations. My friend, Bill Whitley says: “If you know how to open, you don’t have to close.” Your client attraction conversation takes place in the first few minutes of a meeting with a prospective client. The structure of the opening of an interview follows The Covenant Group’s framework of You/Me/Us/We.

You — The first principle of engagement is to focus on the other person. You engage your prospective client by asking questions and listening. The more you know about them before you meet, the easier it is to ask questions that are very relevant and cause them to think about and expand upon subjects of real interest. A few years ago, I was introduced to the President of a large financial institution. He had three children like myself. I learned that his oldest son was living and working in Dublin, Ireland as a bartender. He dropped out of university after his second year to travel the world. I was born in Ireland. When we met, I said: “I understand that your son is living and working in Dublin.” He looked at me and smiled ruefully. “You know how to bring up painful subjects.” I also smiled and said: “That would not be your choice at this stage in his life.” We then entered into a dialogue about the choices children make and, sometimes, how difficult that is for parents. In those few minutes, we forged a bond as two fathers. I knew he would become a client.

In the first few minutes of an opening interview, the intent is to establish rapport. The definition of rapport includes, “acting in harmony, to act in accord.” It is important to create rapport as a way of earning the right to proceed to your business agenda.

Me — The Me is your transition statement. You describe your purpose in meeting with the prospective client. “My purpose in being here is to earn the right to be your advisor. Most of our work is with people in your situation.”

Us — Then, you move into the Us phase by saying something like, “Let me give you an example.” At this point, you describe in a story a problem that you

uncovered and solved for a client. Obviously, the more the person to whom you are speaking projects himself into the story, the more credibility you will establish. In the story, you illustrate how you work with people in situations similar to your prospective client.

As human beings, our primary motivation is to avoid loss. One of the best ways to create interest in what you do is to expose a loss in the other person's current situation. My friend and mentor, David Cowper, was a master at telling stories that engaged prospective clients. David worked with business owners. He knew that business owners are concerned about the efficiency of their money. They want to reduce taxes and maximize the gains in their business. He presented the following concept through a simple story. "Ms./Mr. ____ we work with successful business owners like you to find ways to reduce taxes and increase the value of your business. Let me give you an example. One of our clients has built a very successful manufacturing company. Working with his/her accounting firm and their other trusted advisors we were able to apply four Ds to significantly reduce their tax exposure, while growing the value of the business. The four Ds are Discount, Divide, Defer, and Deduct."

We — The last sentence is the We in You/Me/Us/We. "If we could show you a way to significantly reduce your taxes using this approach, would that be of interest to you?"

The intent in the Me/Us/We parts of a client attraction conversation is to establish your competence and your positive intent to work with them to realize their goals.

You differentiate yourself through your understanding of your client, the questions you ask, the stories you tell, and what you are able to create together. In a few short minutes, The Covenant Group's You/Me/Us/We framework enables you to establish credibility and earn the right to proceed to the next stage of the buying cycle.

Engendering Trust

How do you feel when you meet someone who just naturally makes you feel at ease? There are people who seem to have the gift of engendering trust. Tom Perrone is one of those people. One of the things we have learned in working with Tom is that his ability to make people feel comfortable is based upon two things: 1. Effort, and 2. Skills. Tom really makes an effort to ensure that the people he meets feel at ease and safe. Over the years, he has honed skills that he applies in a seemingly effortless way in his interactions with others.

Tom focuses on the seniors market. One of his core values is to ensure that the seniors with whom he works feel safe. It is important to him that he helps his clients feel safe financially and emotionally. The core of his value proposition is that his clients make the right decisions long term. Tom has been known to say, “I would like a nickel for every dollar of commission I gave up to do the right thing.” Tom takes the long view, starting even before he meets a prospective client for the first time. Tom understands the importance of pre-suasion. He invests time and money into building his brand and making himself referable. After every meeting and interaction with a client, Tom asks them to complete a simple five question client survey. The purpose of the survey is to assess how satisfied the client is with the service Tom’s firm provides and if they are willing to introduce, recommend and refer people who are important to them. Over 50% of Tom’s clients complete the survey and 80% declare that they are willing to refer people in their network. In fact, Tom shared during a coaching session that he received 74 names of people his clients were willing to introduce him to in one month. Most advisors don’t get that many in a year. For Tom, his clients are his friends. He knows that friends like to help friends. If he has earned the right to be a Trusted Advisor to his clients and to be considered a “friend”, his clients willingly introduce, recommend, and refer him to people in their network. Tom “hitchhikes” on the credibility his clients have within their network. The Covenant Group is a strong proponent of obtaining introductions. There is likely significant opportunity in your existing client base or social circle to identify people who fit your ideal client profile and that you can be introduced to.

Through introductions, recommendations, and referrals, Tom learns a great deal about prospective clients before he meets them. He is able to ask questions and share stories that create a bond with the prospective client. Early in the initial interview, Tom establishes a rapport and level of trust that facilitates the development of a Trusted Advisor relationship. Because his approach is low key and deferential, he is able to successfully convert the vast majority of prospects he meets to clients. Once they become clients, Tom fosters the relationship over time and they, in turn, become evangelists who introduce their friends. He has created a repeatable process that brings prospects into his pipeline and converts them to clients.

Tom utilizes the You/Me/Us/We framework to establish rapport and create trust. He follows up each of these meetings with a handwritten thank you card. In most instances, the Engage phase leads naturally into the Commit phase.

Summary

The purpose of the Engage phase is to create meaningful dialogue and interest on the part of the prospective client. As Bill Whitley states: “If you know how to open, you don’t have to close.” Tom Perrone is a good example of someone who takes a thoughtful and disciplined approach to establishing trust and earning the right to be a Trusted Advisor.

5



Commit

“A problem can only exist when someone has a goal and the existing methods for achieving those goals do not work or are not effective.”

– Norm Trainor

Introduction

For Tom Perrone, the initial meeting (the Engage phase), usually evolves naturally into a discovery, i.e. an in-depth exploration of what is important to the prospective client(s). In the discovery, the intent is to assist the client(s) to identify, clarify, and intensify what is important to them. The starting point in the discovery is the identification of what clients want for their future. A problem can only exist when someone has a goal and the existing methods for achieving those goals do not work or are not effective. Through identifying, clarifying, and intensifying goals and the methods for achieving the goals, advisors such as Tom are able to uncover problems and develop solutions that enable clients to realize their dreams.

In the discovery segment, you earn the right to move to the next stage by fully exploring the client's needs, wants, and values as they relate to your products and services. You expose the gap between where they are and where they want to be. In the process, you highlight for them a loss to which they are exposed or a gain that they desire. An effective discovery enables your client to identify, clarify, and intensify what is really important to them and sets the stage for offering your solution.

In the discovery, you focus on getting to know your client through asking feeling questions. Top advisors understand that people treat facts as factors, but make decisions based upon feelings. All decisions are emotionally based. An effective discovery is akin to peeling the layers of an onion. You probe to uncover what is really important to your prospective client. Through questioning and listening, you assist your client in articulating what is most important to them.

Once you are armed with an intimate knowledge of what is important to your client, you can prepare and present solutions. Your presentation always begins with the consequences to which the client is exposed. You highlight for them the losses in their current situation. People are first motivated to avoid loss. Then, you describe your solution – what it is and how it works. Finally, you describe through stories, analogies, and metaphors the benefit they will derive.

If you have built agreement throughout the process, obtaining commitment is a natural and logical next step. However, you must also be prepared to assist your client in dealing with any fears or anxieties. Knowing that people treat facts as factors and make decisions primarily based upon feelings, you address the emotional and logical aspects of buying.

The next step is to implement your solution. Throughout the implementation phase, you are building a relationship with your client that sets the tone for the ongoing client relationship. The manner in which you handle this phase will determine whether you will have a client for life and a source of referrals to people they know.

An Integrated Approach to Marketing, Sales & Service

Through our coaching process, we emphasize the importance of integrating marketing, sales, and client service. The transition from Target (marketing) to Engage (opening the interview) to Commit (the buying cycle, i.e. the sales cycle) is seamless. As your clients move through each of these stages, the approach is tailored to the client. Everything is personalized to make the client feel special. Many clients appreciate a personal touch and state that such interactions affirmed their decision to become a client. Small acts of kindness are important, such as including personal notes at each stage of the client interaction, e.g. when sending the service level agreement or if a client or family member gets sick. As a result, clients feel very well treated.

It is important to note that buying is a series of micro-decisions. The way in which you manage each of these decision points impacts success or failure. It is essential to engage your prospects and clients through meaningful interactions that help to demonstrate the value you bring to the relationship.

An underutilized tool is a brief client engagement survey. In the survey, you not only want to identify the degree to which your clients are engaged in your success, but also help your existing clients to understand that your business is referral based. A sheet is included where clients can add the names of people who would benefit from meeting an advisor. In some instances, clients will include eight to ten names. In Tom's case he assures his clients that the people whom they refer will always be in control of whether or not they talk to him. Then, a letter with an article of interest goes out to each referral. His secretary includes a flyer that says if they do not want to receive this information, they will not be sent anything further. Everything that goes out includes an introduction from the person who recommended them. Each referral receives 8-10 high quality letters or emails a year. Four of them are unique newsletters that include recipes, stories about clients and articles of interest to seniors. The intent is to differentiate Tom's newsletter from the typical financial piece that advisors send out.

If you provide people with good information and stay in touch over a three to four year period, people will experience a trigger event – a birth, death, marriage, etc. – that will lead them to call and book an appointment. One prospect whom Tom had in his system for over three years, sold his business and called Tom for help in managing his new wealth. Through random acts of kindness and thoughtful gestures, prospective clients get a feel for Tom as a warm and caring human being. On another occasion, Tom sent a get well card to a prospect recovering from back surgery. The couple called and, soon after, became clients.

Each quarter, Tom will identify 50 clients and send them a survey. The incentive to complete the survey is participation in a draw. The prize could be a \$100 gift certificate for dinner at a restaurant of their choice, tickets to the theatre or a sporting event, etc. Typically, he gets a 50% response rate. As a result, Tom spends more time focused on clients. He handpicks two or three clients a week to take for lunch or dinner. Each client is given a survey to complete. Tom has learned that it is less stressful for everybody if his prospects do not feel as if they are being solicited.

Tom's goal is to add 150-200 introductions per year to his pipeline management system. At any point in time, he will have 250-300 prospects receiving content from him. The important thing to note is that Tom has a system that consistently generates 15-20 new clients per year. He calls this concept "Friends helping Friends."

Summary

The objective of the Commit phase is a decision on the part of your prospective client or existing client(s) to buy your products and services. Each action you take as you build the relationship with your prospective client(s) will either foster trust or detract from your relationship. At each stage, you earn the right to proceed to the next stage and demonstrate the value of your client experience.



Expand

“The quality of mercy is not strained.”

– William Shakespeare, *The Merchant of Venice*

Introduction

The sale to a client is both an ending and a beginning. When the buying cycle is complete, you have a client. Each client relationship brings with it tremendous opportunity – if you do the work to create value in the relationship over the long term.

Relationships are rarely static. They are either growing or dying. The natural tendency of relationships is towards erosion of sensitivity and attentiveness. If you want a relationship to grow, you have to work at it. High performing entrepreneurs recognize the economic value of a client relationship over a lifetime. They develop and implement a service model that expands the equity in the relationship, first for the client and, then, for their business. You bring value to your client relationships through the experiences you create – emails you send, letters you write, events you host, etc. – and how you leverage your ecosystem to bring value to the relationship. Your investment in the client relationship leads to a deepening of the relationship that will create client capital that converts to financial capital. It can result in cross selling, up selling, and consolidation opportunities as well as introductions.

The return on investment in serving clients and providing an exceptional experience has a direct and indirect impact on your bottom line.

Exceptional Client Service

We live in an experience economy — yet, we rarely experience exceptional service. When someone or some organization delivers service that exceeds our expectations, they separate themselves from their competition. At a conference, Ron Roberts shared with the audience his approach to serving clients. We have had the privilege of observing firsthand how Ron has executed on our teaching and differentiated himself from the competition by providing exceptional client service.

It starts with your Business Definition.

The Covenant Group business definition involves four elements: 1. Vision, 2. Mission, 3. Values, and 4. Business opportunity. Vision answers the question: Where are we going? Ron's vision is to be known as the Financial Ambassador in his community. Ron and his staff are committed to educating and coaching their clients and potential clients to assist them in realizing their dreams. Mission answers the question: Why are we here? What purpose do we serve? Ron's commitment to exceptional client service is rooted in a strong sense of mission and purpose. He strives to set himself and his team apart through what they do before, during, after the sale. Ron has segmented his clients and defined the service level agreements for each client segment. Everyone on Ron's team understands the service standards for each client.

One example of the way in which they meet or exceed client expectations is the handling of a client calling in to speak to Ron when he is out of the office. In the past, a staff member would take a message and tell the client that Ron would call them when he returned to the office. Given that many of Ron's clients are seniors, he realized that they were sitting by the phone waiting for him to call. If it took him a couple of hours or more to return the call, they would feel frustrated or upset. Now, someone in Ron's office explains that he is out of the office at an appointment and books a time for Ron to call them back. If the matter is urgent, they can often solve the problem for the client. They have taken dissatisfaction and converted it to a satisfying experience for the client.

A value is a thing or condition we consistently act upon to get and to keep. A value is a vector, a direction with a force. It is not what you say that demonstrates what you value; it is what you do. Ron and his team demonstrate their values of integrity, commitment to client service, and community involvement every day. As an American history buff, Ron applies his knowledge four hours a week teaching American history at a local high school. He uses seminars to inform and educate seniors and others of the risks to which they are exposed. He utilizes The Covenant Group's periodic review process with his top 150 clients to ensure that their needs are addressed and that they are working towards their goals. His team provides ongoing service to the rest of their clients to ensure they are satisfied and to keep informed of changes in their situation.

People buy financial products based on trigger events, e.g. marriage, new job, retirement, death of a loved one, etc. Recently, Ron called one of his clients for a review and learned that the client just received a \$2,400,000 inheritance. The system of staying in front of clients generates lots of business opportunities (the fourth element when clarifying your Business Definition). For Ron and his team, the business opportunities arise from a willingness to continually examine how they can get better. Like many advisors, Ron has focused on the seniors market. While seniors constitute the bulk of his clientele, Ron saw the opportunity in multi-generational marketing. He is now getting introductions to the children of his clients and acquiring them as clients. He is also setting up life insurance and investment plans for the grandchildren of his clients. Ron is building a legacy business. These are just some examples of the way in which Ron differentiates himself through exceptional client service. Ron exemplifies The Covenant Group's ideal client as he has done an incredible job of implementing our strategies and tactics to create a meaningful experience for his prospective and existing clients.

Give and You Shall Receive

In my experience, top advisors are givers. They are generous by nature. Let me give you a few examples.

Recently, one of our clients, Don Leitzell, was visiting with an elderly widow client of his who was eligible for additional Social Security benefits. She was anxious about going to the local office to press her claim. Don offered to go

with her and assist in whatever way he could. When he arrived to take her to the appointment, the client's daughter was there to accompany her mother. When they returned from the appointment, the daughter took Don aside and thanked him. She went on to say that she was in the final stages of selling her business and was in need of a financial advisor. She is now one of Don's biggest clients.

In William Shakespeare's *The Merchant of Venice*, Portia utters one of the most famous lines in English literature: "The quality of mercy is not strained." What Shakespeare meant is that generosity of spirit cannot be faked. The daughter of Don's client was touched by his generosity. She knew that this simple act of kindness was over and above what could be expected of a financial advisor.

I too, have experienced Don's kindness. Over the last few years, I have been a guest of Don's and his associates at Penn State football games. My youngest son and I have stayed at Don's beautiful farm a number of times. Don and his wife, Heidi, are gracious hosts. Before each game, we went to a party at Chris Leitzell's home. Chris is Don's son and partner. Chris then drives a group of us to the game in a bus specially outfitted for these events. The tailgate parties have over 100 guests. These events are truly memorable. Don, his family and his partners in the firm, go out of their way to make each of our visits a wonderful experience.

Ron Roberts also exemplifies that the "quality of mercy is not strained." I have had the privilege of visiting Ron's office and working with Ron and his team of quality people. While we were involved in a planning session with the whole team in Ron's office, an elderly couple came into the office. The woman was in a wheelchair. Ron and his staff were very attentive to their needs. Someone once told me that people will not remember what you say or what you do, only how you make them feel. Ron and his team made this elderly couple feel special.

The next day, I played golf with Ron and two other top advisors whom Ron mentors. The three of them are involved in a Study Group of top advisors that we lead. During our round of golf, the two advisors shared with me how much of a mentor Ron has been to them. Ron has generously taken the time to work with other advisors and foster their development.

Stratum Level

Stratum	Level of Response	Level of Innovation	Level of Performance & Risk Measurement
V	Transformational	New business model	Business viability, Return on capital, & Shareholder wealth (up to 10 yrs)
IV	Breakthrough	New products, New services, New markets	Balance integration & Return on capital (up to 5 yrs)
III	Predictive & Systematic	Process	Effectiveness of current operations (up to 2 yrs)
II	Diagnostic & Situational	Quality & Continuous Improvement	Efficiency (up to 1 yr)
I	Procedural	Service excellence	Feedback (up to 90 days)

Reference: ©2005 MVC Associates International

These advisors run successful financial advisory firms. They have surrounded themselves with quality people. Their attraction power is based upon their “goodness.” Shakespeare is right: “The quality of mercy is not strained.”

Summary

Earlier in this book, I shared my admiration for Starbucks. I travel all over the world. One of the things that impresses me about Starbucks is the consistency of the experience, no matter where I am. As I mentioned earlier, there are two Starbucks locations and 13 other coffee shops in the Toronto neighbourhood in which I live. The Starbucks outlets generate ten times the revenue of the typical owner operated business. The reason for Starbucks success is quite simple. They apply each of the five levels or strata to building their business.

At Level or Stratum V, their executives are focused on the business model to ensure business viability, return on shareholder capital, and the creation of growing shareholder wealth. The typical owner operator of a coffee shop or any entrepreneurial business is too busy working *IN* the business to work *ON* the business. As a result, they do not invest enough time thinking about the most important aspects of their business. The highest paid work in our society is that which is focused on strategy. Yet, most financial advisors and entrepreneurs spend very little time addressing the strategic aspects of building their business.

At Level or Stratum IV, they have people who are looking for new innovations in client experience, products or services, or finding new markets.

When a new product or service is developed, people at Level or Stratum III develop the systems and processes to support effective implementation. I am constantly amazed at the new products Starbucks introduces and the systems and processes to deliver them seamlessly to the consumer.

Each Starbucks location has a manager who is responsible for quality assurance and continuous improvement. These managers work at Level or Stratum II.

At Level or Stratum I, every employee is responsible for delivering high quality service. The staff set themselves apart through their friendly, courteous, and efficient service.

The challenge for entrepreneurs is to emulate the Starbucks approach at all five Levels or Stratum. That is where The Business Builder becomes an effective means of implementing each of these five Levels or Strata in your business.

You now have been exposed to our five-phase Business Builder Model. In each chapter, we used real life examples of entrepreneurs who have applied the Business Builder Model to grow their business. We have had the privilege of working with each of these quality individuals and thousands of others across North and South America, Europe, India, and the Caribbean. Their stories of how they have built their business to reflect their aspirations and utilize their unique ability and the talents of others are inspirational. I believe that each chapter and related stories provide lessons that you can apply to realize your vision for your business. The strategies and tactics outlined in this book will help you become a more effective Business Builder.

Good luck and keep on *redefining performance*.

Notes





NORM TRAINOR

President & CEO

tcg@covenantgroup.com
416.204.0332
www.covenantgroup.com

Norm Trainor is the President and CEO of The Covenant Group, referred by many as “The Business Builder.” He formed The Covenant Group (TCG) in 1995, where his team has amassed and diagnosed research on top performing professionals, distilling that research into The 8 Best Practices & Business Builder concepts. TCG educates and coaches entrepreneurs, providing them with the necessary business tools to enhance their performance and achieve new levels of profit and productivity.

TCG works with some of the world’s largest institutions and has client networks across North America, Europe, and the Caribbean. TCG specializes in helping financial services organizations grow market share and increase productivity by improving the practice development capability of their owners, managers, advisors and agents.

Norm is a renowned international speaker. His breadth of knowledge and experience has put him in front of entrepreneurial audiences that range from 100 to 15,000. Norm is also the author of the best-selling books, *The 8 Best Practices of High-Performing Salespeople* and *The Entrepreneurial Journey*. He is excited to share his latest book, *The Business Builder*, with you now. He has written articles for various leading publications in North America and internationally.