



The 80/20 rule

It's been said that you're only as healthy as the company you keep. That applies to your business as well. You're only as successful as the clients you choose to work with.

There are several key fundamentals to growing a thriving practice and if we stick to them, success is almost guaranteed. And one of those principles is the 80/20 rule. That rule states that 80% of your business comes from 20 % of your clients.

I guarantee if you look at the volume of business you've written over the year and identify the clients who have generated it, you will find this rule to be true in your business as well.

I want to encourage each of you to go out and get the book "Effortless Marketing for Financial Advisors" by Steve Moeller. It is a tremendous book for anyone who wants to segway out of lead generation from the masses, target a particular niche and subsequently increase your income dramatically. I have to assume that describes you or you wouldn't be reading this.

Steve tells a story about his father who was a dentist. The older his father got, or rather the wiser his father got, the less he worked and the more money he made. In fact he was making 5 times the money he had a few years prior. While discussing this with Steve, he told him that the number of patients he had hadn't increased, technology hadn't changed that much, nor had he raised his prices. All he did was become very selective about the new patients he would take on.

He divided his patient base into *a*, *b*, *c*, and *d* clients based on agreeability and payment history. He would then interview prospective patients and only take new patients who fit the same profile as his *a* and *b* clients. He refused to work with those who looked like the *c* and *d* clients. As his practice grew, he only took *a* profile clients. And the phenomenon is that the fewer clients he took on the larger his income grew. He called them high payoff and low payoff patients.

So here's the lesson – to dramatically increase your business, your income, and the quality of your life, be more selective about the people you do business with. Selectivity maximizes your effectiveness and generates results.

This goes against conventional wisdom but you must turn away low payoff prospects. When you become very clear about how much you value your time, what kind of business you want to create, and where you want to take your business, you'll be very clear about the kind of prospects you will be willing to invest your time into.

Steve Brotz, one of Safe Money's founders, tells the story about when he started out building his practice, he was instructed in some very old school ways. He was taught to pound the phone and overcome objection after objection just to get an appointment. He then had an epiphany; if he only looked for business owners who *wanted* to meet with him and *wanted* what he offered, his job would be much easier. So he did and it did. He calls it "polishing the cherries, not the pits".

We do that here at Safe Money. We look back at the advisors that we have brought on. We see who is the easiest to work with, who wants to grow their practice and who has done the greatest volume. We've profiled them and determined where 80% of our revenue has come from. We then seek out only those agents who fit the profile of our most successful advisors. It makes our marketing effort more successful and our work easier. There are times when we make exceptions and invariably we wish we hadn't.

Truth is, if you seriously evaluate your business, you're going to find that 80% of your business comes from 20% of your clients, but you'll also find that 100% of your aggravation comes from the other 80%. That's how working with only those who profile like your best clients can increase the quality of your life as well – less stress.

Once you start interviewing your prospects, and get good at it, you will quickly know if you want to invest any time in them at all. If they are an *a* client you will know immediately and be ready to invest what you need to in terms of developing that relationship.

merrilee@safemoneymarketing.com

813-876-0507