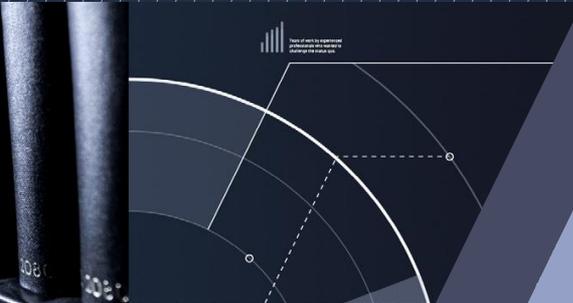
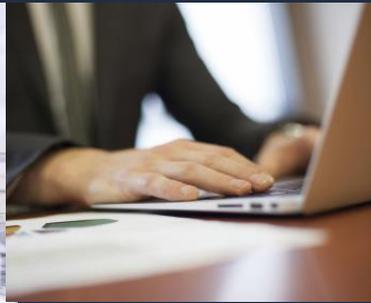


A NEW ERA OF DISCRETIONARY INVESTMENT MANAGEMENT

LESSONS IN
PRACTICE
MANAGEMENT



PORTFOLIOMETRIX

South Africa....Cape Town



South Africa... 1995



About 20 years later

Investec

THE RUGBY CHAMPIONSHIP

FULL TIME

ALL BLACKS

SPRINGBOKS

57 v 0

SATURDAY 16 SEPTEMBER
NORTH HARBOUR STADIUM

@AllBlacks #NZLvRSA #TUTIRAMAI

TUTIRA MAI
TEAM ALL BLACKS

The journey begins...

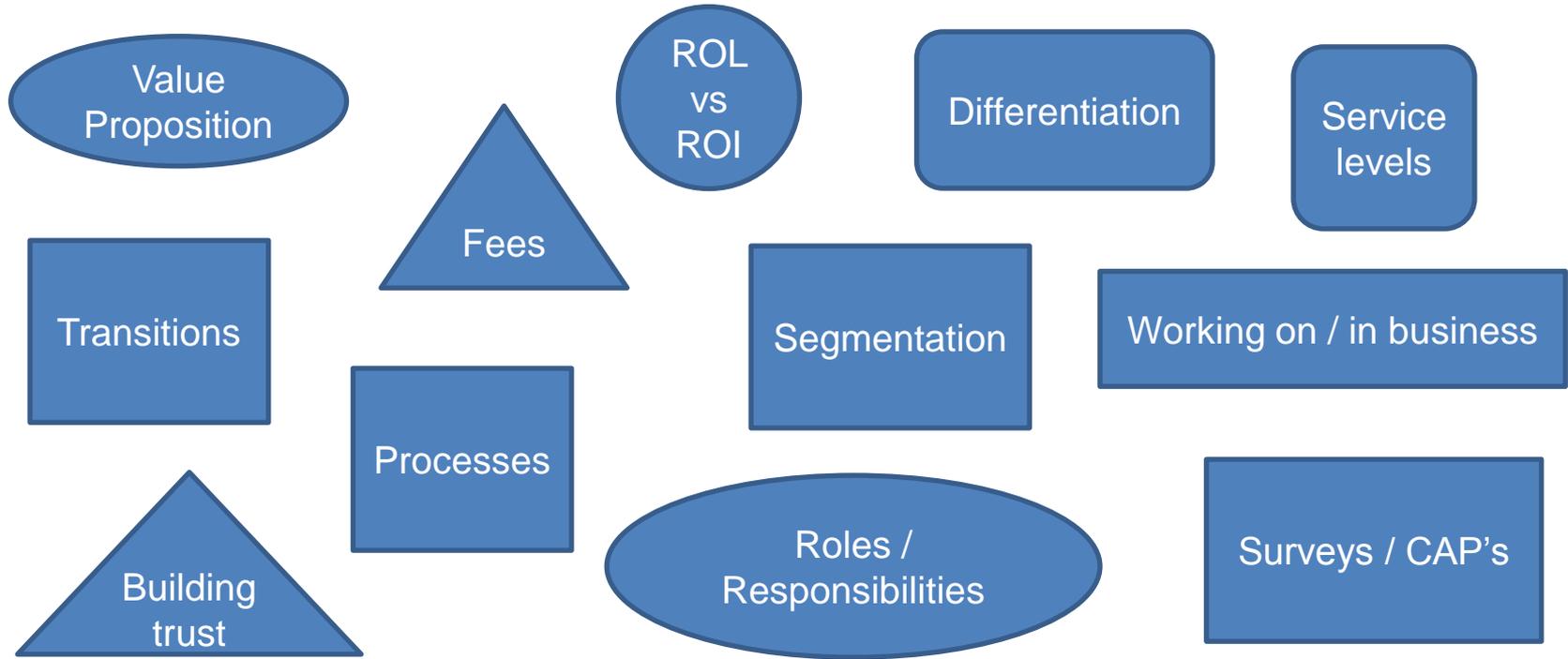


Where are we headed?

- **Industry:** *economic activity concerned with the processing of raw materials and manufacture of goods in factories (and their distribution)*
- **Profession:** a paid occupation, especially one that involves prolonged training and a formal qualification (such as accountants, doctors, lawyers)

PRODUCT	ADVICE
Giving clients what they want	Involves holistic financial planning
Knowledge of products	About client needs
Relationships with product suppliers	Client relationships are key
Commission type remuneration	Fee based remuneration
Ability to sell a key factor for success	Ability to build trust a key factor for success

Practice Management – The Theory



Key questions every adviser should ask

What do I do?

- Value proposition

To whom do I do it?

- Ideal clients

How do I do it?

- End-2-End process

What does it cost me to do it?

- Fee structure

The role of an adviser

What hat do you wear, when?

Is it fair to your clients?

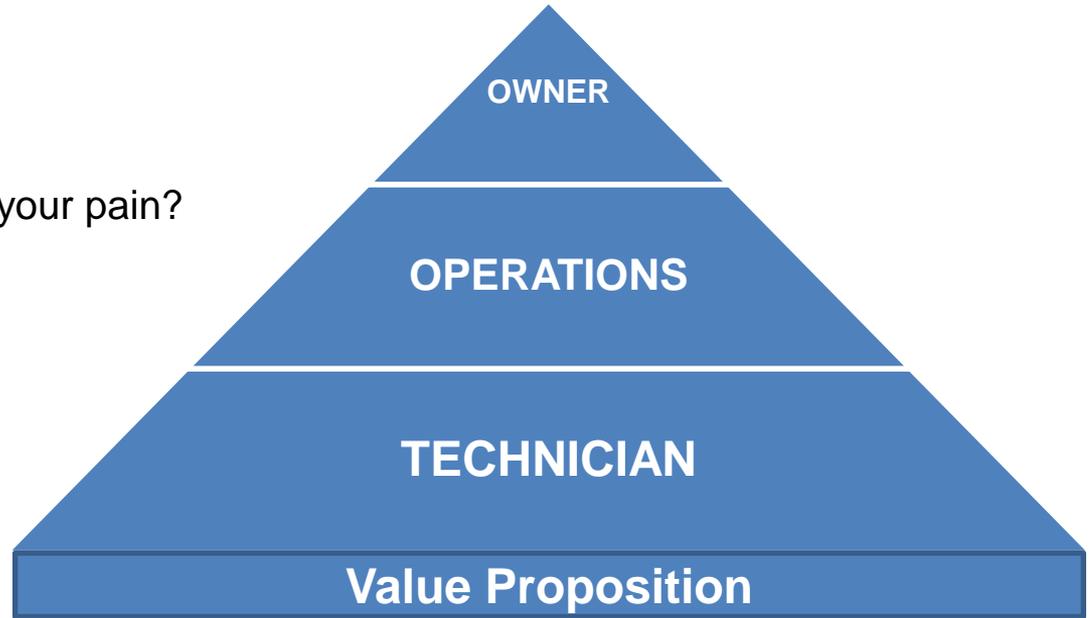
Where do you experience most of your pain?

What do you (should you) outsource?

When do you work **on** / **in** your business?



Allocate the time



Putting it into practice

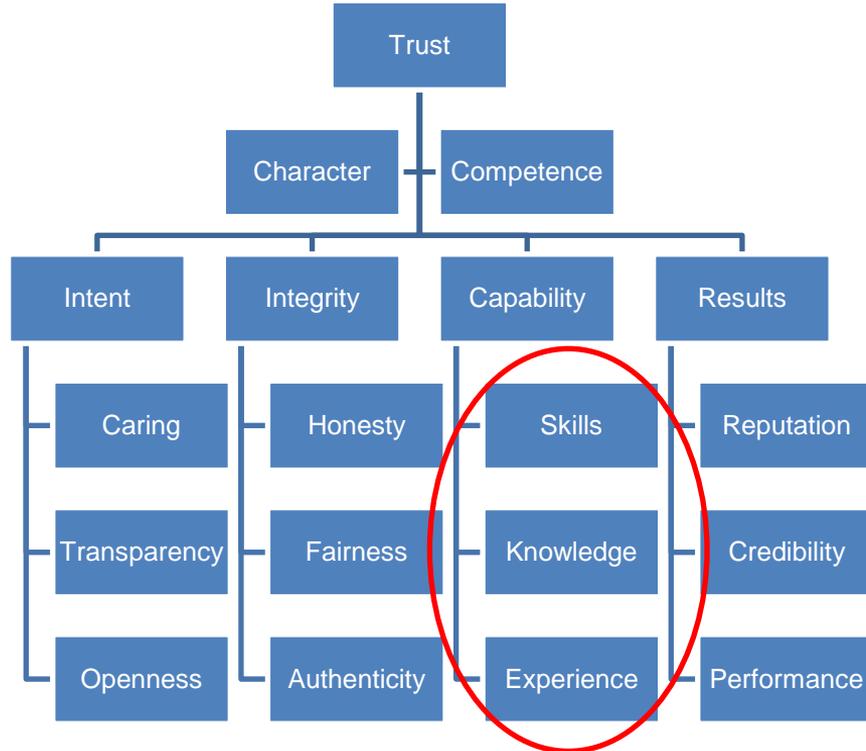
“PortfolioMetrix gives us the freedom to spend time working on the business as opposed to working in the business (constructing portfolios) and ultimately makes our time in front of clients more productive and profitable.” *Wealthup, Cape Town*

Value Proposition

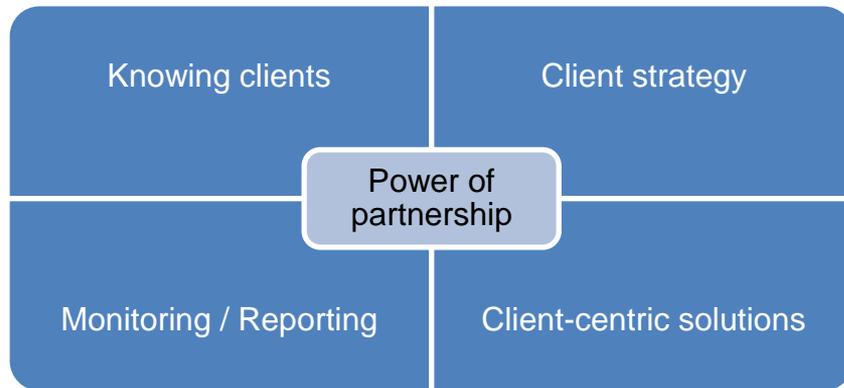
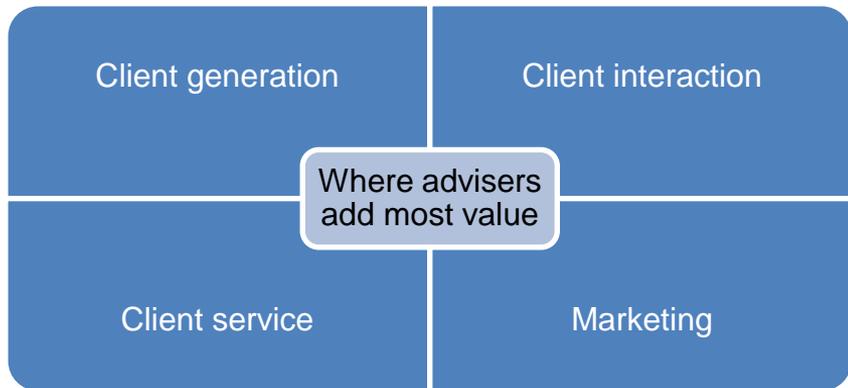
- Get clients.....keep clients
- Advisers need to identify that one thing that defines and demonstrates their value to their clients
- A value proposition is the DNA of a business that differentiates it from other financial planning businesses
- Identify what hinders your business from delivering its value proposition...then solve it
- An ongoing fee shouldn't be justified; the adding of value needs to be demonstrated

- My adviser gives me peace of mind, total clarity and the confidence that my affairs are in good hands.....that's why I pay for the service
- It's about the experience provided by the **entire** business

Building trust – a **TOTAL** business experience



Partnering to create an integrated solution



The lifeblood of your business

- Names vs clients
- What is the ideal number?
- Client suitability test
- Ideal clients
- Retaining clients vs finding new ones
- Educate & communicate

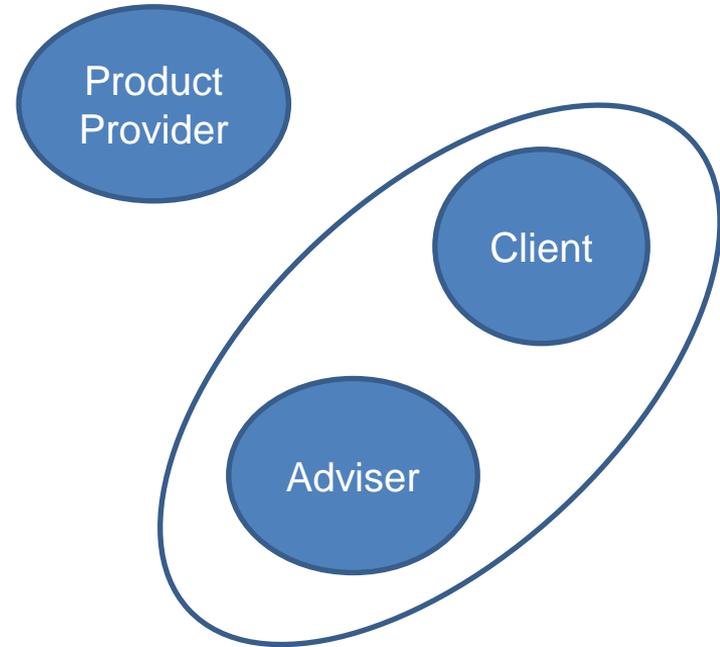
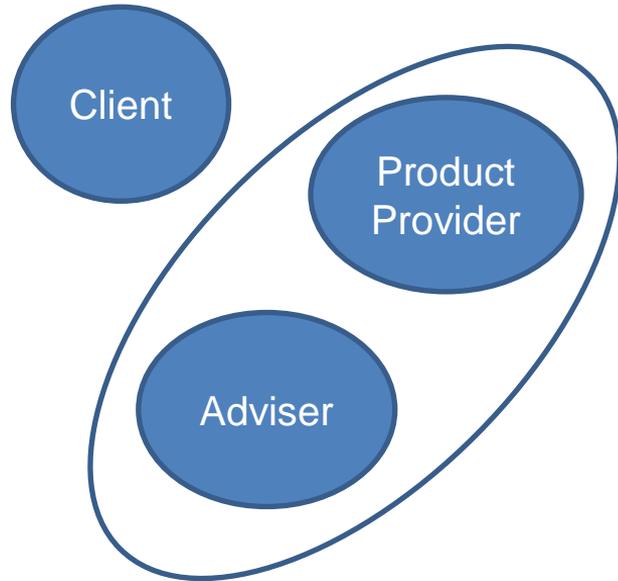
The process

- End to end....documented
- The stick-it approach
- Advisers vs support staff
- Robust, repeatable processes
- Crisis management
- The client experience...and that thing called trust

Harnessing your client base

- How are clients experiencing your service?
- Life transitions
- Surveys...it's in the question
- The Client Advisory Board

Who should pay the adviser?



Transition to fees

- What do clients cost?
- Billable hours
- Doing the numbers
- Capacity
- It's a transition

So what's the point?

- Striving for perfection (and enjoyment)...mediocre won't cut it
- Adding value where it's most needed
- Outsource...the 70% rule
- Avoid operating in crisis mode.....it may be too late
- Set aside the time to work on your business

In a nutshell

- Have a **clear vision** of where you are headed....as a business
- Be clear about your **one thing**
- Build a business of (mostly) **ideal clients**
- **Listen** to your clients....remember to **ask** them
- Truly **understand** your clients
- Be a **guide**.....not an instructor
- **Document, document, document**...concisely

Closing thoughts

- **“Do it now. The business obituary pages are filled with planners who waited.”** *Harry Beckwith, Selling the Invisible*
- **“Do less than customers expect and service is seen as bad. Do exactly what customers expect and service is seen as good. But do more than customers anticipate and service is seen as superior.”**
Paul Dorrian, Intensive Customer Care
- **“Ideas are a dime a dozen. People who put them into action are priceless.”** *Unknown*

PORTFOLIOMETRIX