

# LIMITLESS Coaching Call Transcript

April 1st, 2024  
Leaders Coaching Call  
Peak Practice

WEBVTT

69

00:07:03.370 --> 00:07:19.106

Stephanie Bogan: So this month's call

70

00:07:19.805 --> 00:07:40.234

Stephanie Bogan: is really specifically tailored around the focus this quarter. So remember, our first quarter each year is setting yourself up for success. It's that performance quarter setting you and your team. Right? Mindset vision time. Those are the key building blocks of success, irrespective of your vocation or profession. Right? It's about optimizing

71

00:07:40.620 --> 00:07:49.889

Stephanie Bogan: yourself as an income engine and as a leader. Q. 2, we're now shifting. Remember right vision and strategy client model.

72

00:07:49.950 --> 00:07:54.480

Stephanie Bogan: because the client model is the gas in the car. If that's out of balance

73

00:07:54.500 --> 00:08:02.999

Stephanie Bogan: doesn't matter how good we are at growing right. We're going to grow our way into some very compounded problems and a lot of dilution. As we talked about last week.

74

00:08:03.140 --> 00:08:14.010

Stephanie Bogan: So this quarter is really about clarifying your ideal client base for those of you who've come up through lifestyle right? This is the time to really revisit that and ask yourself

75

00:08:14.080 --> 00:08:30.239

Stephanie Bogan: right? Is it clear and differentiated enough? Is there an up level opportunity we were on with Christy reigns one of our lifestyle members who's in. I think her third is our fourth year. I can't remember her average client has gone from 6 or 7,000

76

00:08:30.490 --> 00:08:34.520

Stephanie Bogan: when she, I think, at the end of her first year it was 8. It's now 14,



77

00:08:34.539 --> 00:08:40.000

Stephanie Bogan: and in she joined. During the break we had a 5 min convo and raised it to 15,

78

00:08:40.110 --> 00:08:44.720

Stephanie Bogan: right? So in the course of 2 or 3 years, she's doubled her average account size.

79

00:08:45.290 --> 00:08:51.280

Stephanie Bogan: and she was. We were talking about this really cool story. I don't know if anyone's seen it from Seth Godin. He's got this great post

80

00:08:51.593 --> 00:08:55.699

Stephanie Bogan: on how to be more successful. Do you want to know what it says?

81

00:08:57.210 --> 00:08:58.539

Stephanie Bogan: Get better clients.

82

00:08:59.340 --> 00:09:08.519

Stephanie Bogan: that's the post. Get better clients. If you get better clients, they pay you more. They refer more. They're more enjoyable to work with. They're more challenging, like, in good ways.

83

00:09:08.910 --> 00:09:38.419

Stephanie Bogan: right? So we're gonna talk about really looking at the client base through the lens of is the current client base. I have ideal relative to my model practice. Again, you might have a big right big grow to a billion 10 year goal. Love those. If you if you write, if your motivations there and your 3 year goals are what we think of as those stepping stone goals right? What can we really do over the next 3 years to up level the practice in ways that align with what we want to accomplish.

84

00:09:38.450 --> 00:09:43.189

Stephanie Bogan: We wanna clearly define and deliver deeper value. That's telling the story

85

00:09:43.590 --> 00:10:09.810

Stephanie Bogan: right? It's the website. It's how do we front stage position who we work with and the value we add. And then that third piece is building a hyper, efficient delivery system. That's the backstage. I wanna add that value as efficiently as possible. So right in year one that's usually model meetings and surges. Right? Systematize the current process. Then you can move into service models which we'll be talking about in May.

86

00:10:10.140 --> 00:10:23.290

Stephanie Bogan: irrespective of whether you're doing like one. 1, 2, one or 3. One implementation. And we can talk about that in your check-ins and individual calls is right. Sizing your client. Base is the secret to success.

87

00:10:23.310 --> 00:10:31.750

Stephanie Bogan: If you have a bad strategy, it'll be harder like anything. But as we've talked so much



about, we believe that growth will solve our problems

88

00:10:31.880 --> 00:10:44.340

Stephanie Bogan: when it's solving our problems that will drive growth. Because after we hit that lifestyle threshold on average 7 to 800,000. Right? We know we can get it up to a million, a million 2. But we start adding people. And it gets really complicated.

89

00:10:44.660 --> 00:11:01.229

Stephanie Bogan: And that's where you really hit that threshold. Interestingly, that one and a right one to 2 is where many of you are, or certainly that one to 3, 4 million range where you're hitting you. You can't like you hit that 3 million range, and you're definitely hitting that next level of growth inflection.

90

00:11:01.840 --> 00:11:08.599

Stephanie Bogan: Right? So you usually hit one or 2 up to a million, as we saw on the slides right then 7 51.2 and again

91

00:11:08.640 --> 00:11:09.890

Stephanie Bogan: ballparking.

92

00:11:10.480 --> 00:11:22.629

Stephanie Bogan: But it's how we build a delivery system. Right? So step one on the delivery system is, are we using model meetings and meeting surges. We can get that going. Then we can look at service models. So if you're alumni or lifestyle and returning.

93

00:11:22.800 --> 00:11:33.990

Stephanie Bogan: we really want to look at our client profitability relative to what's next. And if your first year we want to look at client profitability relative to the current client base, because that's going to tell us what's next.

94

00:11:34.030 --> 00:11:38.659

Stephanie Bogan: because what we ultimately want to do is get clear on the gap between our current metrics

95

00:11:38.740 --> 00:11:49.300

Stephanie Bogan: and our 3 year goal metrics. Chris, if we're at randomly 7,500 revenue per client now. But our model practice is a hundred clients, 15,000.

96

00:11:49.330 --> 00:11:50.760

Stephanie Bogan: What do we have to do?

97

00:11:56.470 --> 00:11:57.680

Stephanie Bogan: We have to double.

98

00:11:57.910 --> 00:12:06.189



Stephanie Bogan: We have like that's gotta get better clients. So that then drives our growth strategy. So we're gonna talk about how we do that analysis at a little deeper level today.

99

00:12:06.460 --> 00:12:08.560

Stephanie Bogan: And then, as we talked about last week

100

00:12:08.710 --> 00:12:19.380

Stephanie Bogan: at workshop for the for those of you that were there right or at summit strategy and leadership, advisor capacity, legion and closing rates for the 4 growth inhibitors

101

00:12:19.870 --> 00:12:25.899

Stephanie Bogan: that are hindering growth and practices right now, according to the research, and certainly supported by our anecdotal evidence.

102

00:12:26.080 --> 00:12:34.829

Stephanie Bogan: we talk a lot about the role of strategy and leadership. We'll be talking a lot more about lead Gen. And closing rates. But if you were in the prospect process session Summit.

103

00:12:34.910 --> 00:12:49.069

Stephanie Bogan: right? You know, right where there's a lot we can do to really amp that in terms of closing rate, and as we drive and growth, we'll look at those lead Gen. The biggest bottleneck to growth from for for most firms isn't the ability to drive growth.

104

00:12:49.300 --> 00:13:03.350

Stephanie Bogan: It's the ability to manage growth while also driving it. So you can drive it or you can manage it. But managing it while driving. It usually means you have to create leverage in the client base and or your role

105

00:13:03.390 --> 00:13:12.840

Stephanie Bogan: right? And that's what you're right, all for the most part starting to experience as a part of leaders. So today's conversation is really about advisor capacity.

106

00:13:13.190 --> 00:13:18.619

Stephanie Bogan: Hello, my name is Awesome Day, a client who's covering the cost of small clients. But I don't know it

107

00:13:19.040 --> 00:13:20.930

Stephanie Bogan: right. It's the gold Star story.

108

00:13:21.660 --> 00:13:29.439

Stephanie Bogan: right? So when a really great client comes in, Chris, you can just give them that name badge. Here you go. Thanks for signing up Ed. You could be like. Here you go. Thanks for signing up

109

00:13:29.800 --> 00:13:35.389



Stephanie Bogan: right, and we've talked a lot over service model and right sizing your client base

110

00:13:35.450 --> 00:13:41.820

Stephanie Bogan: is, how do we end up here? So we're compounding complexity and dilution

111

00:13:41.890 --> 00:14:01.429

Stephanie Bogan: because we don't have clients that all meet our client profile. We don't have services that clearly align with the fees right, the value being relive, and we have not codified that each relationship is a profitable relationship. We throw everyone in the bunch. And we say, as long as we end up with X at the end of the year. And we compare mortgage. It's okay.

112

00:14:01.830 --> 00:14:20.379

Stephanie Bogan: But we don't recognize that right? We're under optimizing (203) 040-5060% of the client base in a lot of cases. So we talked about this right? We've got 4 wheels on the wagon or the Ferrari. You pick your analogy, and they're all the same size right there, if they're in balance that works great. But if they're not, we have a breakdown

113

00:14:21.000 --> 00:14:24.469

Stephanie Bogan: right? If those are the 4 wheels on my car. It's gonna be like.

114

00:14:24.520 --> 00:14:26.479

Stephanie Bogan: really herky, jerky.

115

00:14:26.580 --> 00:14:37.969

Stephanie Bogan: So the goal is to make sure that as we hit the value quarter we are clear. We have the information we need to assess client-based performance around fit?

116

00:14:38.340 --> 00:14:43.009

Stephanie Bogan: Do our clients fit our ideal client profile? Not our any client profile

117

00:14:43.350 --> 00:14:48.230

Stephanie Bogan: is the Rev. Like, what is the revenue by segment, or in this case, tier.

118

00:14:48.800 --> 00:14:57.770

Stephanie Bogan: What's capacity? What's the impact of the current client base on my time? And then what is the culmination of all of that. How does it roll into profitability?

119

00:14:58.550 --> 00:15:05.050

Stephanie Bogan: Right? And this is a really simple tool. As we've talked about. We just have to take those segments. But what it gives us

120

00:15:06.340 --> 00:15:09.970

Stephanie Bogan: is, I'm gonna back this up. So here's an example.



121

00:15:10.510 --> 00:15:17.090

Stephanie Bogan: Now, this isn't you now. But this is where that complexity and dilution, and I'm so busy comes from

122

00:15:17.420 --> 00:15:34.329

Stephanie Bogan: when you were 540 real, limitless advisor, right? 540,080 clients, right revenue per client, 72, 887. If you meet someone in a hallway, and they're like, I have an \$800,000 practice, almost a million bucks. They got a \$7,200 average client and be like, Go you? That's pretty good.

123

00:15:34.510 --> 00:15:36.070

Stephanie Bogan: It's a nice client average.

124

00:15:36.690 --> 00:15:41.520

Stephanie Bogan: What happens when we lift the hood, and we actually look at the client base.

125

00:15:41.970 --> 00:15:47.900

Stephanie Bogan: We can see that tier 3 and tier 4 are not profitable, as in negative profitability

126

00:15:48.340 --> 00:15:56.519

Stephanie Bogan: as in every tier. 3 client, Danny, should be writing a check to for \$1,210 and saying, thanks for coming in. This is what you're costing me

127

00:15:56.880 --> 00:16:07.540

Stephanie Bogan: right. Look at those tier. 4 clients, \$4,900. That's assuming that the time inputs are right. And we're not over servicing beyond this. That's assuming best case scenario.

128

00:16:07.780 --> 00:16:14.879

Stephanie Bogan: We have a 4,900 net net drag on profitability. And there's only 10 of those clients in this example.

129

00:16:14.920 --> 00:16:17.329

Stephanie Bogan: Right? They're probably exceptions.

130

00:16:17.590 --> 00:16:23.690

Stephanie Bogan: But we need to look at those right. And that goes back to that Mvp strategy. We'll talk about that in a little bit.

131

00:16:24.270 --> 00:16:28.949

Stephanie Bogan: Tier 3 and tier 4 are not profitable. Well, that's good animation

132

00:16:29.269 --> 00:16:37.099

Stephanie Bogan: tier 2 and tier 3 are no or low or no margin. Those are the bread and butter. Look at the numbers right? 59 out of 80 clients



133

00:16:38.300 --> 00:16:40.150

Stephanie Bogan: generate most of the revenue.

134

00:16:41.020 --> 00:16:57.600

Stephanie Bogan: but most of them aren't profitable, or they're very low profitability. Here's the problem. What happens, Sarah? If we fire Natalie? We fire all these clients. Sarah. Sarah's on the phone with Natalie and I, and Sarah's like, Oh, no, I gotta fire them all. Do, Natalie. And I go. Yeah. Good idea.

135

00:17:00.270 --> 00:17:01.360

Stephanie Bogan: not. Why, yeah.

136

00:17:01.360 --> 00:17:02.929

Sara Stanich: Yeah. Well, then, you lose that revenue.

137

00:17:02.930 --> 00:17:10.029

Stephanie Bogan: Yeah, cause you have to pay your rent right? Like you have to. Right? So if you have a huge margin, we're probably not having this problem conversation.

138

00:17:10.640 --> 00:17:19.309

Stephanie Bogan: right? So in this scenario, because it's not just the bottom 10, hey? It's a hundred grand. We can afford to lose. It's our bread and butter like this is a lot of the revenue.

139

00:17:19.619 --> 00:17:27.529

Stephanie Bogan: and so the issue is right. We don't want to replicate them, but we can't just package them up and transition them or sell them.

140

00:17:28.480 --> 00:17:34.029

Stephanie Bogan: So now we have some work to do, so step one, mitigate the pain

141

00:17:34.290 --> 00:17:38.659

Stephanie Bogan: straight off the top. No, right, if it's not profitable.

142

00:17:38.970 --> 00:17:41.270

Stephanie Bogan: don't do it anymore. Period.

143

00:17:42.670 --> 00:17:50.660

Stephanie Bogan: So you might have to skinny down those services. If you want to keep those clients, we'll talk about those strategies right? Like going to that Mvp.

144

00:17:50.800 --> 00:17:58.430

Stephanie Bogan: Or you have to. You have to ultimately change the fees, the services, or the advisor. Those are the only 3 options to write size.



145

00:17:58.720 --> 00:18:03.179

Stephanie Bogan: That advisor can be internal. It can be external. Again, we can talk through those strategies.

146

00:18:03.532 --> 00:18:13.629

Stephanie Bogan: And then, if you actually knew this advisor. This says that in year 5 this advisor is using 60% of their time. And right now 28. But if you talk to this advisor, guess what they would tell you.

147

00:18:15.090 --> 00:18:24.700

Stephanie Bogan: That's laughable. There's 0 chance that I am only using 30% of my time to manage clients like no way, which means. Either the inputs are wrong time study.

148

00:18:24.970 --> 00:18:26.200

Stephanie Bogan: or

149

00:18:26.410 --> 00:18:32.439

Stephanie Bogan: we're doing too much. We're doing a lot more than we think. We are. Right service study and or service and time study.

150

00:18:33.880 --> 00:18:40.830

Stephanie Bogan: So if the capacity is not reflective of your reality, Danny, if it's like you have loads of time, and you're like no, I don't.

151

00:18:40.990 --> 00:18:51.139

Stephanie Bogan: Right. Then it tells us that we're either servicing beyond the inputs or the inputs aren't reflective of the service that we're providing. And again, that usually means we're low. It rarely means we're high.

152

00:18:52.850 --> 00:18:59.699

Stephanie Bogan: So you guys start to see how the data surfaces a little bit of a story that says, Hey, Laura?

153

00:18:59.800 --> 00:19:03.450

Stephanie Bogan: Great job you did build a really good practice.

154

00:19:03.780 --> 00:19:05.740

Stephanie Bogan: And dot Dot, Dot.

155

00:19:05.940 --> 00:19:15.049

Stephanie Bogan: let's look at where we could optimize growth and optimizing growth. Remember who remembers the difference between scale and growth. Bonus question.

156



00:19:16.840 --> 00:19:21.000

Stephanie Bogan: I know there was an Easter between us and last week who remembers the difference?

157

00:19:23.170 --> 00:19:24.930

Stephanie Bogan: See? This is why it's a multi-year program.

158

00:19:25.314 --> 00:19:29.160

Sara Stanich: Well scale. There's more efficiency there's doing, you know.

159

00:19:29.160 --> 00:19:31.759

Stephanie Bogan: Growth is. Yeah, growth is, let's just double this

160

00:19:31.990 --> 00:19:52.410

Stephanie Bogan: great. We're gonna have the same numbers. Revenue per client app, like all that's gonna not improve scale is inputs. Outputs are disproportionate to input so instead of right, 2 xing and having revenue per client of 72, 87, when we're done toxing, we might 2 X and have revenue of 12,000,

161

00:19:53.150 --> 00:19:56.449

Stephanie Bogan: which means somewhere in there there were some client transitions.

162

00:19:57.280 --> 00:20:06.220

Stephanie Bogan: So that's why we want to look at where we are now and then. You don't even have to do it. In the tool on the back of a napkin. You can figure out your model practices, how much revenue

163

00:20:06.380 --> 00:20:09.869

Stephanie Bogan: and how many clients that tells you what your revenue per client has to be

164

00:20:11.300 --> 00:20:19.289

Stephanie Bogan: right. And in the ideal we talked about this. A lot in the lifestyle called this morning in the ideal. We don't have 4 and 5 tiers in the ideal. We have one or 2.

165

00:20:19.630 --> 00:20:24.839

Stephanie Bogan: 2 is really like the ideal client. And anyone who's better than that that we gotta throw some special stuff on there.

166

00:20:24.990 --> 00:20:33.219

Stephanie Bogan: And the ideal, we're not growing tiers 3 and 4. They're either in that container strategy or in a graduation or a shift strategy which we'll talk about

167

00:20:35.780 --> 00:20:46.325

Stephanie Bogan: right? So it can look good. That's the whole like hallways in a conference center where it's like, Hey, I have a 300 million dollar practice. But when I run this tool on that practice 90% of the time. Do you know what I see?



168

00:20:46.840 --> 00:21:03.430

Stephanie Bogan: We were talking like everybody when they, when they talk about their practice, should have to have like one of these pop up in a thought bubble above their head that says, and 50% of my clients aren't profitable, and I work too much, and my wife doesn't like me like that. You don't get when people are like Oh, my! A you and my revenue, or this!

169

00:21:04.120 --> 00:21:16.929

Stephanie Bogan: This is an honest inventory of how the client base is performing. So if anyone remembers Sarah Lee, the Baking company, the CEO Sara Lee had a sign on his desk that said, in God, we trust all other spring data.

170

00:21:18.360 --> 00:21:22.129

Stephanie Bogan: So this is the honest inventory of the client base.

171

00:21:22.690 --> 00:21:24.529

Stephanie Bogan: So we're going to do this as a group.

172

00:21:25.900 --> 00:21:27.430

Stephanie Bogan: I can pick one here we go

173

00:21:27.880 --> 00:21:33.920

Stephanie Bogan: alright. So this is an alumni from last year who is not currently on this call. So no worries.

174

00:21:34.910 --> 00:21:36.260

Stephanie Bogan: What do you notice?

175

00:21:40.270 --> 00:21:44.320

Stephanie Bogan: I know you have to. We might have to. I don't know if I can. Can I make it bigger? Oh, I can make it bigger.

176

00:21:47.590 --> 00:21:49.309

Stephanie Bogan: So let's look at this part here.

177

00:21:49.610 --> 00:21:56.139

Stephanie Bogan: So we have 31, 18,000 on average, remember, on average means some are going to be above, and some are going to be below

178

00:21:56.680 --> 00:22:06.340

Stephanie Bogan: A's. You can again. You can name them whatever you want, but tier one tier, 2. Look at the gap between tier one and tier 2, \$10,000. On average, it's a pretty big jump.

179

00:22:07.170 --> 00:22:16.539



Stephanie Bogan: right? And then tier 3 4,400 c. And D, right? So when you have more than 4, you're gonna lump them together in this sheet because more than 4 is usually not a good sign.

180

00:22:17.460 --> 00:22:27.080

Stephanie Bogan: and that average is 1,600. So one \$111 per client. This example is based on advisor hours. If we made it even, they'd be negative without question.

181

00:22:27.590 --> 00:22:30.350

Stephanie Bogan: right, because they'd get an even share of the tools.

182

00:22:30.870 --> 00:22:35.900

Stephanie Bogan: Right? That that second tier in this example interestingly, not profitable.

183

00:22:37.240 --> 00:22:41.330

Stephanie Bogan: But that third tier is why B clients are like a clients.

184

00:22:41.410 --> 00:22:50.469

Stephanie Bogan: but they ask for stuff. Hey? Clients are like, Hey, Chris, thanks. I'll see you. B. Clients are like I need. I need. I need. I need oftentimes right? They're just doing more stuff

185

00:22:50.490 --> 00:22:52.210

Stephanie Bogan: depending on your client base.

186

00:22:52.420 --> 00:23:04.649

Stephanie Bogan: So C. Clients in this example, right or tier 3 tend to have some assets, but not require a lot. And so you see in this example that profitability jump way out because it takes on average an hour of this person's time of year.

187

00:23:06.620 --> 00:23:15.189

Stephanie Bogan: But at 8,800 we're at 6 h. So the 3 data points that I always look at. So I want you guys to look at. These are one.

188

00:23:15.940 --> 00:23:20.709

Stephanie Bogan: What's my average revenue per client? So we have to do a little math on this one.

189

00:23:21.180 --> 00:23:22.040

Stephanie Bogan: Figure it out.

190

00:23:22.420 --> 00:23:36.969

Stephanie Bogan: Then I look at, where is tier? 2 tier 2 is usually not always, Danny, a good indicator of where you can hypothetically draw that line. It almost always tier 3 is where it drops down. Matt, would you say? That's true in your experience?

191



00:23:37.670 --> 00:23:50.239

Natalie Bergsma: I would. I think it depends on the firm. Tier 4 is a definitive yes, tier 3 is about 75% of the time. I really like running the advisor model hours. Because

192

00:23:50.870 --> 00:23:55.600

Natalie Bergsma: that's where you start to see these unique differences in that.

193

00:23:55.890 --> 00:24:12.820

Natalie Bergsma: You know, you think in terms of like where you're spending your time as an advisor. Okay, maybe I might be profitable in my lower tiers there, because I'm not spending that much time there, but when I think of it, my terms of my, you know, tier one or 2, or a or B clients. What we often see is like

194

00:24:12.820 --> 00:24:39.339

Natalie Bergsma: your tier. One. Clients are often clients who've been with you for a long time. Some of them might already be in retirement, and they're like, Look, I don't. I don't need to see you more than once a year. I don't have a lot of additional needs for you at this point, and that's not always the case. But those tier 2 clients almost always tend to fall into that accumulation phase of their life. So they have just enough revenue, but they often have a lot more in terms of needs. So you end up spending

195

00:24:39.684 --> 00:24:43.909

Natalie Bergsma: quite a bit more time with them proportionally than you would with sort of, like the

196

00:24:44.080 --> 00:24:52.189

Natalie Bergsma: the tier 3 and tier 4, so that tier 2 can often, as you see in this example, in terms of your spending time there.

197

00:24:52.508 --> 00:24:57.159

Natalie Bergsma: Really be leveraged down. So you to think about, how can I best serve these clients at scale?

198

00:24:58.120 --> 00:24:58.779

Laura Hinton: I was.

199

00:24:59.070 --> 00:25:00.690

Laura Hinton: May I ask a question?

200

00:25:01.425 --> 00:25:01.710

Natalie Bergsma: Laura.

201

00:25:01.930 --> 00:25:04.065

Laura Hinton: Okay, are you saying?

202

00:25:04.820 --> 00:25:05.720



Laura Hinton: that

203

00:25:05.860 --> 00:25:09.970

Laura Hinton: tier one? This client current number of clients is

204

00:25:09.990 --> 00:25:11.096

Laura Hinton: 31.

205

00:25:12.230 --> 00:25:13.090

Laura Hinton: Yes.

206

00:25:13.640 --> 00:25:17.989

Laura Hinton: and they they're spending 8 HA year on 31 clients

207

00:25:18.140 --> 00:25:18.790

Laura Hinton: per client.

208

00:25:18.790 --> 00:25:19.800

Stephanie Bogan: Per client.

209

00:25:19.830 --> 00:25:22.090

Stephanie Bogan: so a tier, one client.

210

00:25:22.090 --> 00:25:23.550

Laura Hinton: Okay, never mind.

211

00:25:23.550 --> 00:25:24.949

Stephanie Bogan: 8 h per year.

212

00:25:24.950 --> 00:25:26.610

Laura Hinton: Okay, that makes more sense. Thank you.

213

00:25:26.610 --> 00:25:40.039

Stephanie Bogan: So I just did. Again, if you run this by even so to now this point, Advisor, we added these waiting, none of the studies do these waiting? I like them because, as you create leverage with other advisors, your advisor hours go down

214

00:25:40.460 --> 00:25:52.739

Stephanie Bogan: right like. So, Mark Mark, if you've got a service advisor, and there's second chair on a clients and you show up for 2 meetings and a phone call. And that's it. Cause they're handling everything else. That might be 3 HA year.

215



00:25:52.970 --> 00:26:04.639

Stephanie Bogan: but it might be a 15 or \$20,000 client, and your rot is \$5,000 an hour. And you're like, how did I do that? Remember? Our Ot is rate revenue time. It's it's gotta cover everything else.

216

00:26:04.920 --> 00:26:23.370

Stephanie Bogan: So mark for you. When I think about this, mark, and I can I share if I can share that conversation, Mark, we're talking about the ideal practice right? Mark's built some very successful practices. He's building a third one. We had a conversation around where that target is. And Mark was originally setting it really high. And I was like, why.

217

00:26:23.640 --> 00:26:47.400

Stephanie Bogan: like. Why, the 10,000 \$20,000 retiree is like the sweet spot. Everybody's looking for the bigger ones that right like we can with the the time to service in that example. Mark is lower, but so is the revenue. But there's a lot more scale, because it's a lot less complicated. And everybody's looking for the super High end ones, and you gotta find them like, where do you find a retiree with 20 million dollars? Who hasn't talked to their Cpa yet.

218

00:26:48.010 --> 00:27:08.920

Stephanie Bogan: Right? So it just means we have to have a very targeted growth strategy. But looking at right like, I've just done enough of these to know, there's gonna be a lot of time and team built into all that special stuff. You just don't really need it. Like, build a super easy system, crush it. And right, just have 3 times as many clients. And it's really profitable and sellable

219

00:27:08.920 --> 00:27:18.389

Stephanie Bogan: right? And so that's where these analysis can really start to help you figure out what's the ratio? Right? If all of Mark's clients are profitable when it goes to sell

220

00:27:18.390 --> 00:27:29.259

Stephanie Bogan: that business, it's gonna be more valuable. And if half of those clients are like the firms love revenue. But if they're all profitable, right? You're you're not deluding. You're not deluded when they bring you in.

221

00:27:29.820 --> 00:27:32.739

Stephanie Bogan: So what are some of the other observations on here?

222

00:27:33.140 --> 00:27:35.659

Stephanie Bogan: What do you guys think about those tier? 4 clients?

223

00:27:39.140 --> 00:27:43.430

Stephanie Bogan: How is it that we spend an hour on a tier, 3 client and an hour on a tier. 4 client.

224

00:27:47.210 --> 00:27:50.139

Dany Martin: They don't know which tier they're in. So to them it's important.

225

00:27:50.140 --> 00:28:00.589



Stephanie Bogan: What? Well, that tells me to Natalie's point. Generally speaking, what I'm gonna look for there is. There really isn't a tier 3 and tier 4. There's a tier one, a tier 2. And there's everybody else.

226

00:28:01.300 --> 00:28:09.670

Stephanie Bogan: If it's the same amount of time outside of revenue, right? So we're basically just saying revenues the dividing category there, nothing else

227

00:28:09.950 --> 00:28:17.789

Stephanie Bogan: that may be good, that may be bad. But when I start to look at profitability at 111 is just not generally good, because when we throw this into even

228

00:28:17.990 --> 00:28:21.300

Stephanie Bogan: is going to be negative, probably by a thousand or 2,000.

229

00:28:21.300 --> 00:28:46.079

Natalie Bergsma: Yeah. And that would be one of the reasons that you you might actually want to segment the client base. Let's say you only have 3 tiers, but you know, tier 3 is maybe 5,000, and below you might create an artificial tier, 4 sort of like A, you know, a B minus. So you can actually see the profitability of that bottom half compared to the top half, because what you'll

230

00:28:46.120 --> 00:28:53.630

Natalie Bergsma: because we are making averages, they sort of average into them. So we find, you know, 4 tiers tend to be a good

231

00:28:54.630 --> 00:28:57.529

Natalie Bergsma: adjustment from an analysis perspective.

232

00:28:57.540 --> 00:29:00.829

Natalie Bergsma: But in terms of your service model you might only have

233

00:29:01.110 --> 00:29:02.720

Natalie Bergsma: 2 or 3 tiers.

234

00:29:02.720 --> 00:29:25.670

Stephanie Bogan: Most people genuinely only have one or 2 tiers, and then they may have that core tier, and then, like some lunches or something. But and again that counts. But it's really like the you're gonna find when you do this, that if you leverage the strategies that we teach you, it's gonna be really hard to get to 8, 1012 HA client. Unless you have truly complex clients.

235

00:29:25.760 --> 00:29:40.009

Stephanie Bogan: you've got retirees or right people that are growing through the accumulation life cycle. And you have 2 meetings a year. You think about the strategies right? Say, it's a 45 or 60 min meeting, and your team is prepping everything you show up. You do the genius think, work, and you leave.



236

00:29:40.110 --> 00:29:44.199

Stephanie Bogan: That's a call it an hour each with prep. Let's say you doubled that

237

00:29:44.330 --> 00:29:49.469

Stephanie Bogan: just for phone calls and think work like genuine think work. You'd be at 4 h

238

00:29:52.320 --> 00:29:58.439

Stephanie Bogan: like at 6 or 8, you'd be actually doing some real like you're digging into stuff right?

239

00:29:58.720 --> 00:30:20.759

Stephanie Bogan: And so what you're gonna ultimately see as you create these shifts is, you'll see your return on time. Go from 1,000 to 2,000 to 3,000 like, you can really start to create that shift. And then it just gets to a point where you have to remove yourself from the equation because you're so Leverage you just don't count. If you're if you're on right like your chase, you might be 20 of right. Your capacity might be in here, because 80% of the time is spent growing the firm.

240

00:30:21.680 --> 00:30:31.930

Stephanie Bogan: So what you wanna do is ultimately look at where you are now with your client base performance, and then right for Mark, it's the ideal right in 3 years

241

00:30:32.000 --> 00:30:52.049

Stephanie Bogan: and or 10 years. But 3 years becomes your stepping stone goal if you have, like, a bigger 5 or 10 year goal. So where do we need to be in 3 years if the goal is to get from 5,000 to 15,000 in 3 years. We want to be it right, probably at least at 10 or something, right? So that tells us what what changes might we need to enact.

242

00:30:52.720 --> 00:30:57.890

Stephanie Bogan: So if you look at return on time, that should always be a minimum of a thousand an hour.

243

00:30:58.230 --> 00:31:06.890

Stephanie Bogan: So in the case of the smaller clients, they're meeting that threshold and they're not on well, they're going to be a little bit unprofitable. So that's what's going to be the death of those?

244

00:31:07.630 --> 00:31:17.599

Stephanie Bogan: If we look at the client base, if you draw the line under your tier 2 most of the time generalizing to my conversation with Natalie. That's gonna be your minimum

245

00:31:18.190 --> 00:31:32.960

Stephanie Bogan: if you look at that and your revenue per client, it tends to kind of average out. So while Natalie was chatting, I did the average revenue per client for this client base, and it's a million 71 in revenue and and average 89, and change 8,900, and change per client.

246

00:31:33.560 --> 00:31:40.130



Stephanie Bogan: Notice that tier 2 averages right there at 8,700. So where's the easy breakpoint for the new minimum for this firm.

247

00:31:45.120 --> 00:31:46.650

Stephanie Bogan: This is the interactive part.

248

00:31:49.340 --> 00:31:51.130

Chase Crump: Should be the 8,700 mark.

249

00:31:51.130 --> 00:32:01.499

Stephanie Bogan: That's gotta be the minimum, right? Because anything below that is gonna drop the average down. So rule one is, you don't want to drop your average. So whatever your current revenue per client is.

250

00:32:01.650 --> 00:32:12.069

Stephanie Bogan: that's an easy baseline for a theoretical minimum. It should not be below that, because if it's below that you're gonna right. You're going backwards, not forwards. Does everyone follow that math.

251

00:32:12.580 --> 00:32:17.030

Chase Crump: Yeah. Can I ask you a question on that, Stephanie? So we did. We did

252

00:32:17.440 --> 00:32:24.599

Chase Crump: total on the clients, and it came out to about 4,000 a client, but that wasn't just the top 2.

253

00:32:24.940 --> 00:32:25.530

Stephanie Bogan: England.

254

00:32:25.760 --> 00:32:29.280

Chase Crump: We ran the whole. We ran the whole firm, and it's 4,000.

255

00:32:29.290 --> 00:32:32.850

Chase Crump: Are you saying that we need to base it off the top 2 tiers.

256

00:32:32.850 --> 00:32:47.909

Stephanie Bogan: I'm saying, if you run that on the firm, and 4,000 is the average. That is your absolute minimum. And for you guys, it's gonna be higher, right? So this is what. So this is. Where, then you start to peel back the layers. We look at the clients in that tier.

257

00:32:48.340 --> 00:33:06.319

Stephanie Bogan: If the average is close to right. If there's 2 clients at the top of that tier that skew it up, we might make it a little right. If if everybody is mostly in that right 8 to 10 range, and there's some people right in the 5 to 6 range that are skewing it down, we might bump it up a little bit.



258

00:33:06.490 --> 00:33:22.659

Stephanie Bogan: So again, this is gonna give you the directional Zip code of how the client base is performing so that we can dig into. Sometimes it'll be glaringly obvious. You'll be like Tier 4 is losing me money. It's \$500 an hour, and it's 50% of my client base. And it cost me \$97,000.

259

00:33:22.720 --> 00:33:35.439

Stephanie Bogan: That's a no brainer. Right? I'm gonna package that \$97,000 up. I'm gonna sell it to someone or do write a Rev. Share over a period of time. So I'm getting rid of low margin clients.

260

00:33:35.840 --> 00:33:46.989

Stephanie Bogan: I'm getting capital redeployed at a premium. Right? I'm selling low value clients at the highest possible value. That's a good time to do it in business

261

00:33:47.730 --> 00:33:56.650

Stephanie Bogan: right? And I'm getting capital, right? So some of that will cover the income loss. Some of it will be left over, and then you reinvest that money in marketing

262

00:33:57.140 --> 00:34:04.519

Stephanie Bogan: for the ideal. So then we start marketing for right clients above that line. So every client now in that example, chase

263

00:34:04.560 --> 00:34:15.249

Stephanie Bogan: right? If we say 8,700 is the new bar just on average. If it's 6 h, that's roughly 1,250 return on time, I'll take that number as a starting point. Sure.

264

00:34:15.739 --> 00:34:18.550

Stephanie Bogan: if that's my bar. 800,000.

265

00:34:18.679 --> 00:34:37.820

Stephanie Bogan: I can set it at 7, 50, or a million. Then what does Stephanie look at? I look at the tier above it. If there's one guy in the A plus tier. I set it at 7 50, cause I haven't. I haven't owned that lane yet. Right? I'm not it right. But if I've got 31 of those clients. What does that tell me? Am I comfortable in that space?

266

00:34:39.159 --> 00:34:46.419

Stephanie Bogan: Absolutely. This is why are you spending any time growing anyone but those tier one clients you've got 31 of them

267

00:34:46.570 --> 00:34:49.409

Stephanie Bogan: you are legit able to play in that space.

268

00:34:49.739 --> 00:34:55.840

Stephanie Bogan: So now we're talking. Opportunity cost. You could set that minimum at 8,000. But we know



269

00:34:56.040 --> 00:35:04.459

Stephanie Bogan: 25% of your client base is already in the ideal, like the super ideal stratosphere. So now we have a really con, a big conversation.

270

00:35:04.490 --> 00:35:07.150

Stephanie Bogan: one of those consulting conversations. Around.

271

00:35:07.280 --> 00:35:09.370

Stephanie Bogan: Which way do we want to go here?

272

00:35:09.530 --> 00:35:14.529

Stephanie Bogan: Because if we just raise that bar to 10 or 15 because we're fine.

273

00:35:14.630 --> 00:35:16.059

Stephanie Bogan: We're doing good.

274

00:35:16.130 --> 00:35:25.699

Stephanie Bogan: Whether we package the clients in Vpm or keep them. It's just gonna get better from there and then. What we do with those changes is just a big optimization lever we can pull.

275

00:35:25.890 --> 00:35:27.279

Stephanie Bogan: Does that make sense.

276

00:35:28.050 --> 00:35:34.879

Chase Crump: Is Stephanie. So we share with you. We're trying to hire somebody. Our like, our tiers are skewed because at the bottom

277

00:35:34.900 --> 00:35:44.220

Chase Crump: there's like 150 households that make up 3 and 4 and about a hundred households that make up one and 2 for Danny and I.

278

00:35:44.340 --> 00:35:46.809

Chase Crump: We're trying to hire somebody pay them

279

00:35:46.850 --> 00:35:58.969

Chase Crump: \$100,000 a year, plus, you know, plus computers, plus all this other stuff to service that client base. Do you think it's a better idea to sell those. Now you got my mind running. All okay. How do you do that?

280

00:35:58.970 --> 00:36:14.509

Stephanie Bogan: Well, here's the thing. So here we're always looking at. How do we lever up capacity? Right? So Adam raised his fees, did all that got as busy as he could, hired a service advisor. That person



is getting busy. So first thing Adam did was not go hire next person. First thing Adam did was raise the bees

281

00:36:14.680 --> 00:36:28.720

Stephanie Bogan: brace fees on the bottom trunks of the clients again, if they leave no downside cause right? That's less capacity. We have to go hire that person, for if they stay we have more revenue, and that help underwrites helps underwrite the next higher. So Chase, I think for you guys, we should just look

282

00:36:28.940 --> 00:36:49.739

Stephanie Bogan: at your client. We should just make sure, when we do the check in, to schedule one of your calls to really dive into that. And let's peel back the data. Because if we have the client list, we can start to see cause again. If we have people at the high end or the low end. In that segment we can start to see like, are we comfortable here? If this person had one person in tier one I would start with 7, 50 as the new minimum.

283

00:36:50.430 --> 00:37:02.659

Stephanie Bogan: But because they're really proficient in that space. If you've closed 31 clients and the average is 18, that means some of them are bigger than that. That means we're totally able to play in that game. We're just. We don't have the discipline to say no to anyone smaller.

284

00:37:02.740 --> 00:37:15.469

Stephanie Bogan: Now we look at our team strategy. Remember vision, then client model, then staffing operations growth. If I keep all those smaller clients and I keep growing them, I'm gonna need more service advisors, and I go to build my team out that way. If I just focus on

285

00:37:15.570 --> 00:37:26.019

Stephanie Bogan: the transition strategies and staying in that a group, I could have a super lean 5 million dollar practice. And you know, 5 people on my team like, I don't need 25 people running around.

286

00:37:26.330 --> 00:37:40.650

Stephanie Bogan: So that's how this data informs how we look at the client base and where we directionally. And then for you like for Mark, it's gonna look different because he's got those 30 clients that are seeding that seed revenue. We're not getting rid of seed revenue

287

00:37:40.730 --> 00:37:46.599

Stephanie Bogan: right? We want to get really clear. And then the cool thing is, if you look at your model practice goals.

288

00:37:47.300 --> 00:37:54.239

Stephanie Bogan: you know what you're moving toward. If my goal is a 3 million dollars, practice with me and 2 service advisors.

289

00:37:54.780 --> 00:38:04.179

Stephanie Bogan: and, you know, to 250 clients. I know my revenue per client is in general right like. Now I know what I need to change over the next 3 to 5 years.



290

00:38:04.190 --> 00:38:32.160

Stephanie Bogan: and now I can start to break it down for me and them right. I service all the tier. One clients with the second chair, the junior advisor, right services right? And we can start to break down the client, base that way and make sure that as we're assigning clients again, the income engine is optimized and profitable, and then we put those metrics in place to make sure chase. We know when to hire the next one and the next one, and the next one, because the biggest mistake that firms make when they're growing when they've got a pipeline.

291

00:38:32.180 --> 00:38:43.709

Stephanie Bogan: If we get busy, we hire an advisor, we get busy. We hire team members, we get busy. We hire an advisor, we get. It's the most expensive hire there is. And in general we're we're using like 60% of their capacity.

292

00:38:43.920 --> 00:39:12.440

Stephanie Bogan: So if you think about they are not marketing, they're not managing a firm. You've got this lifestyle. You've got this limitless practice you've got brought like, if you like, they should be more efficient than you, regardless of being in limitless because they don't have your responsibilities, and in lots of cases they're getting handed clients and have to market. Now you add a limitless layer in there with surges and meetings and Csms and automation, your capacity goes to a million to a million a quarter in advisor, which is not the norm.

293

00:39:13.410 --> 00:39:23.969

Stephanie Bogan: So instead of needing 6 advisors at 3 million, you need 3, or maybe 4, right? Because Chase, you're always seating that next team because you're growing. Yeah.

294

00:39:23.970 --> 00:39:32.869

Natalie Bergsma: I think there's a couple of things there, Chase that I would point to. As well. Consider if you hand off 150 clients to a service advisor. They're tapped out

295

00:39:32.930 --> 00:39:44.899

Natalie Bergsma: on their capacity. So you you can't grow and scale that revenue anymore unless that client base is growing or is related to someone else in your client base. Right? They're going to inherit

296

00:39:44.910 --> 00:40:13.229

Natalie Bergsma: something. So when you're looking at that kind of decision making you do actually wanna go in and look at like, who are the clients? What did they look like? Right? Cause if they if they are just accumulators and they're growing, and they're gonna be in your a clients in the next. You know, 3 to 5 years that could be worth hiring a service advisor. If you raise the minimum above that right? Because if you keep that minimum below, you're just filling up the bottom, the bucket

297

00:40:13.410 --> 00:40:28.918

Natalie Bergsma: again, right? And if they're related to your top clients right? Obviously, you might want to keep them depending on that source. Your focus should still bringing in a clients. Because if you think about it, when you have an a client who has 3 kids. When they pass on the money, you lose one.

298



00:40:29.200 --> 00:40:30.579  
Mark Wade: Money if I'm giving you.

299

00:40:30.780 --> 00:40:33.100  
Natalie Bergsma: You gain 3 C clients

300

00:40:33.210 --> 00:40:40.959  
Natalie Bergsma: right? So those are like the nitty gritty you have to start looking into when you're looking at the opportunity cost of

301

00:40:41.030 --> 00:40:51.590  
Natalie Bergsma: bringing in a service advisor in the long run versus hey? Can I package and sell these clients to someone who might be better aligned to service them. And I've had advisors

302

00:40:51.590 --> 00:41:16.699  
Natalie Bergsma: absolutely do that and do it successfully. But there's more work, right? You gotta go to one of the succession firms, and you know, package the client base and get it. So it takes time and and energy. So I think to Stephanie's point, it also has to align with your your business model and your service model. I have an advisor. He's like my passion is growing and training other people. I'm like, well, we might wanna keep someone at below, you know, 25 million dollars

303

00:41:16.700 --> 00:41:33.190  
Natalie Bergsma: in revenue for them to to learn and grow with. Right? So you have to kind of align your goals to your vision to what that client base looks like, but short answer is, selling them will get you probably where you want to go faster than hiring a service advisor.

304

00:41:33.500 --> 00:41:39.510  
Stephanie Bogan: Yeah, we talked about this this morning. So I want you to. This is not gonna be elegant. So plug your ears if

305

00:41:39.570 --> 00:41:41.000  
Stephanie Bogan: you get offended easily.

306

00:41:41.230 --> 00:41:45.140  
Stephanie Bogan: You're gonna you're picking one of 2 strategies. You're seeding

307

00:41:45.430 --> 00:42:11.019  
Stephanie Bogan: right? The seed strategy is, I'm using the revenue from these non ideal clients to see the hire of the next serve first or next service advisor right? Cause. It basically helps to underwrite the cost of their compensation, and generally will not take up a hundred percent of their time right? So Adam had 37 legacy clients that he kept for John. He transitioned a lot of them out, but he kept 37 good planning clients.

308

00:42:11.090 --> 00:42:20.040  
Stephanie Bogan: right? Which basically covered us the majority of John's salary, if not all, of John salary



and took 25, maybe 25% of his time.

309

00:42:20.200 --> 00:42:25.190

Stephanie Bogan: That's a great seating strategy. Now, as John starts to hit capacity.

310

00:42:25.340 --> 00:42:36.759

Stephanie Bogan: we can either take those 25 clients again and move them on to the next person, right? Seating that client base, right? That basically underwriting the cost. If we lose cause right clients.

311

00:42:36.920 --> 00:42:55.661

Stephanie Bogan: Adam, this is where we talked about. Remember, last week what your runway is? Adam's runway is about 18 months, right? So those clients, if he, if he bounces them every 18 months. What's gonna happen? He's gonna lose a few every year. That's totally okay, cause it's for him easier than saying goodbye. And then over time, right it it, or at some point.

312

00:42:55.950 --> 00:43:13.400

Stephanie Bogan: Then we make the decision. Hey, what's the value of those 37 clients? If we just package them up and transition them, or just give them to someone we have room for 30. How many times we have room for? Maybe we have room for 20 more clients before we have to hire the next advisor. So it's either a seating strategy.

313

00:43:13.510 --> 00:43:37.249

Stephanie Bogan: or this is the not elegant part. It's a chicken shit strategy, and what I mean by chickenship strategy is when we're like, I'm just too chicken shit to have the conversation with myself or the clients about. I gotta change the services, the fees or the advisor. I rationalize that, and I'm gonna give them to a junior at right advisor, and then it makes it all better. And then I feel good, because now it's more profitable.

314

00:43:37.370 --> 00:43:48.099

Stephanie Bogan: But it's really just passing the dilution, and it's less dilution because they're worth a lot less than you. But if you're trying to get the client base to all ideal clients.

315

00:43:49.020 --> 00:44:07.009

Stephanie Bogan: You might want that seed starter, but you would only want one right. You don't want to keep growing that client base. So Adam's basic strategy is those 37 clients, or like the right, the this hour. Do starter as you brought on, John. Now it's Kate. If he loses 2 or 3 of those clients a year like it's not a big deal

316

00:44:07.990 --> 00:44:19.019

Stephanie Bogan: or right, he could say, Hey, I'm going to package them up or transition them out and create more capacity, and then I'll hire. But do you notice how, in either case, we're still optimizing economics?

317

00:44:20.570 --> 00:44:40.880

Stephanie Bogan: We're either seeding it or we're scaling it. We don't want to use the chicken shit strategy, which is, I'm just gonna pass the problem off to another advisor. So I don't have to deal with it,



because ultimately, like Adam is experiencing with John, they're dilutive because the new clients that John is getting are 8, 18 to \$12,000 a year, and those 37 clients are like 3 grand a year.

318

00:44:41.730 --> 00:44:45.270

Stephanie Bogan: right? So that client base will get passed on to Kate

319

00:44:45.640 --> 00:44:58.560

Stephanie Bogan: right? And so ultimately what Adam will experience? Because, Kate, right? We built an onboarding strategy where? Right Kate supports onboarding, and then she takes those clients right then they're all familiar. When she gets busy

320

00:44:58.570 --> 00:45:05.389

Stephanie Bogan: right? The next service advisor starts. They they become the onboarding advisor. Right? They take clients until they get busy.

321

00:45:05.450 --> 00:45:23.780

Stephanie Bogan: If we are taking clients that are too small, we're building in dilution and the bottom of all their books. If we don't, if we just chase, use those in this example. Smaller clients is the seed starter, and we just use that to fund each new hire, and we don't let it grow. It can be a very viable strategy.

322

00:45:24.030 --> 00:45:30.600

Stephanie Bogan: If you're not careful, it becomes a dilution strategy, because you just pass the problem on. If that makes sense.

323

00:45:30.920 --> 00:45:32.495

Chase Crump: Yeah, you bring in that.

324

00:45:33.320 --> 00:46:02.600

Chase Crump: It's the first time I've thought about that. We just think we have to keep the clients. So we need to hire that advisor through buying the original founder out that added like a hundred households to the team, and then we had a new hire. Then it worked out. He was supposed to take on some, so those came back to us, and then we, the second practice we bought was another 100. So now, as it sits, Danny, Steve and I have 3. We're in charge of 300 households each, which seems crazy to say that out loud, but that's why we that where we think the only way that we can create bandwidth.

325

00:46:02.600 --> 00:46:07.720

Chase Crump: it's for that new hire. I guess what you're telling me is to see how profitable that.

326

00:46:07.720 --> 00:46:08.340

Stephanie Bogan: Yeah, I'm.

327

00:46:08.350 --> 00:46:08.930

Chase Crump: This is.

328



00:46:08.930 --> 00:46:30.900

Stephanie Bogan: Given that you have that many clients in particular. The odds are one, that those tier 3 and 4. Certainly the fours are really pulling, dragging down profitability to the fact that you have that many means that packaging up and purchasing them to Natalie's point gets that's pretty 50 or 100 clients worth rate 100,000 plus like you can definitely do that. If you have

329

00:46:30.900 --> 00:46:51.789

Stephanie Bogan: 3 clients or 15 clients or 20 clients, we kinda go. It's not, you know, no one's gonna do that. But right now again, low value client to you. High premium, I promise you there are a number of people in lifestyle. Who, you know, Christy is like, well, my new minimums 15. I'm gonna get an \$8,000 referral and like 10 people were like, Give it to me. That'd be great

330

00:46:52.120 --> 00:47:05.740

Stephanie Bogan: like there are people who will, if if they don't have actual financing which you can actually get now. Even like a heavy revenue share. Right? Like, we'll take 75% for X number of years, right? Until we get to that multiple.

331

00:47:05.870 --> 00:47:14.639

Stephanie Bogan: And you're still getting cash flow. So I think to chase this point, we really wanna look at what the strategy is. So I'm gonna skip ahead a little bit

332

00:47:14.840 --> 00:47:27.939

Stephanie Bogan: and then I'll go back. Here are the 4 core strategies. We talked about these last week and at Summit, but I wanted to rate. Put them in boxes for your brain to remember one survival strategy. You're all past this point, written Ramen.

333

00:47:28.620 --> 00:47:36.179

Stephanie Bogan: I need all the clients, because I'm trying to replace my income and get to even. And then I can get a little bit more discerning

334

00:47:36.410 --> 00:47:39.159

Stephanie Bogan: 2 container strategy.

335

00:47:39.180 --> 00:47:54.902

Stephanie Bogan: That's where, hey? That's what we did for Adam. We've got 37 clients. They're good revenue. They don't have high demands, and that can subsidize right the first higher, otherwise that comes out of pocket. So Adam made a choice. He could have cut off those 37 clients

336

00:47:55.690 --> 00:48:08.770

Stephanie Bogan: and had capacity, but he used them to fund that service advisor because he knew what his goal was right. He had that vision of a 2 million dollar practice with 2 advisors. So he's like fast tracking to that point. He's reinvesting that capital.

337

00:48:09.220 --> 00:48:19.030

Stephanie Bogan: So the idea is, do we draw. We draw a box around those small clients, small or less profitable clients. And we do. Mvp. Anybody remember what Mvp. Is?



338

00:48:21.710 --> 00:48:29.840

Stephanie Bogan: Minimum viable planning? What's that? Right. The Cfp stuff which the core stuff you need to do is actually not that much or that complicated.

339

00:48:30.260 --> 00:48:37.209

Stephanie Bogan: And we create processes. And we automate it right, we have our one or 2 meetings a year. We're in and out 45 like, done

340

00:48:38.250 --> 00:48:46.980

Stephanie Bogan: right? We contain the impact of that client base because it's not as positively impactful as everyone else.

341

00:48:47.100 --> 00:48:49.370

Stephanie Bogan: And then chasing that example.

342

00:48:49.750 --> 00:49:01.550

Stephanie Bogan: we we only grow above that right? That's what we call efficient intentional growth, right? So we've contained it to either package it or use it as a subsidy for that service advisor.

343

00:49:01.690 --> 00:49:10.799

Stephanie Bogan: And now we can make that decision with each hire. Right? Do we want to use seed capital for the next service advisor? Or have we gotten to? You'll get to a point where you're like, oh, forget it.

344

00:49:11.040 --> 00:49:21.199

Stephanie Bogan: just, you know. Send them out or package them up because they're just 37 different, right than the standard. As you get those ideal clients up at some point. It'll just be an easy like, hey? Why not?

345

00:49:21.530 --> 00:49:22.080

Natalie Bergsma: Hmm.

346

00:49:22.810 --> 00:49:40.479

Stephanie Bogan: That th the optimization strategy or graduation strategy Ryan is, hey, for every \$10,000 we bring in at the right in the ideal. We're gonna graduate, you know, 10,000 at the bottom. It might be 5 clients at 2,000. It might be 15 clients at right? 800. Yeah.

347

00:49:40.480 --> 00:49:47.529

Natalie Bergsma: That tends to feel better to people. Right? It's like, Okay, I can do this a little bit over time from revenue perspective.

348

00:49:47.630 --> 00:50:11.220

Natalie Bergsma: But you know, you're also not letting go of the entire client base that helped you start



your business, which is where right? That emotional component still connects but, Chase, I think you mentioned something. If you're looking at growth through acquisition, you're gonna constantly have to do this model over and over and over again, unless you say, Hey, I'm gonna buy your client base. I'm only gonna buy the ones that are ideal

349

00:50:11.220 --> 00:50:19.960

Natalie Bergsma: fit for me because you're basically just rediluting your client base every time you acquire it. So it's great for top line growth.

350

00:50:20.000 --> 00:50:21.810

Natalie Bergsma: It's bad for bottom line.

351

00:50:22.360 --> 00:50:27.660

Stephanie Bogan: Unless we build a model that says, Hey, right? As if our growth strategy is X

352

00:50:28.020 --> 00:50:36.299

Stephanie Bogan: right. Senior advisors grow with the top 20% of the client base. And so that's again, where we start role playing the model like, Hey, that sounds really cool.

353

00:50:36.470 --> 00:50:49.370

Stephanie Bogan: Do we want to do that? Do we need to do that right? There's that's where it's like, Hey, we could boutique up, you know, down we could scale up, and that's where we get to have really interesting dynamic conversations about like we did with Mark.

354

00:50:49.820 --> 00:50:52.429

Stephanie Bogan: Well, this sounds good, but in reality

355

00:50:52.790 --> 00:51:19.799

Stephanie Bogan: well, there are lots of other options. Right? So let's this is where we can start to role play to Nelly's point. Let's open the client list. Let's look at the revenue right then we can start to say, Hey, this is a much better place to draw the line. Let's build a container around these clients because there's enough of them to really see it, or hey, if we sold these at 2 x right, even though there's not a ton of them that would be \$100,000 that we could reinvest in growth. Wow, where we could hire that service advisor and invest in growth.

356

00:51:20.060 --> 00:51:28.089

Stephanie Bogan: So that's where you want to start to think about. Where's the current client base. Where do I want it to be? Right? 3 years from now that model practice.

357

00:51:28.170 --> 00:51:46.580

Stephanie Bogan: And then, yeah, Chase, like, we can pull a couple of different levers. There are 4 basics, right? And then a shift strategy, which is what we've talked about. So in the optimization strategy, your revenue neutral, but margin enhanced right? So our revenue might still be a million 3. But our margin went from 15% to 35,

358



00:51:46.780 --> 00:51:49.440

Stephanie Bogan: which means that our value just went up

359

00:51:49.450 --> 00:51:50.730

Stephanie Bogan: a lot

360

00:51:51.140 --> 00:51:57.500

Stephanie Bogan: like a lot a lot. And that's where on the back end this really matters because you'll get those multiples.

361

00:51:57.620 --> 00:52:10.989

Stephanie Bogan: But you can get the same multiple with much smaller client base. If you can get those margins up right, which is one going back to Seth Godin, one get better clients, 2 right? Have that hyper efficient delivery system to service those clients.

362

00:52:11.250 --> 00:52:34.540

Stephanie Bogan: the th. The 4 strategy is just a pure shift. We are literally drawing a line. Everybody under that line has a shift. They're changing advisors. They're changing services. There's their changing fees. They're moving up into the model or they're moving out. We're either. Gonna you might give them that option. You might package them up and sell them. You might do a solicitor. Arrangement was like that. That's where you can right define how

363

00:52:34.540 --> 00:52:47.570

Stephanie Bogan: you want to shift them out of the practice. But the intent there is over right? 6, 1218 months, ideally 6 to 12. We are shifting those clients out. And right, really focusing on growth, of bringing the ideal client in

364

00:52:48.578 --> 00:52:57.189

Stephanie Bogan: time and capital. If we, if we package them and sell them. We free up time and capital to reinvest and redeploy, which is

365

00:52:57.360 --> 00:53:10.370

Stephanie Bogan: th. That was not a market for that 10 years ago. No one wanted to buy 15 clients worth, you know, \$45,000. But if you're a 500,000, not like now, you've got those little deals like I call micro deals happening all over the place.

366

00:53:11.880 --> 00:53:34.409

Stephanie Bogan: and those older advisors, with not amazing practices, still have to sell them to someone. And that's right for Jason, Danny. To Natalie's point. We will run a client profitability analysis on the client base that we're gonna buy, particularly if it's a right advisor to advisor, peer to peer transaction, because you can show them why the bottom half of that client base is not worth 3 times revenue.

367

00:53:35.130 --> 00:53:39.450

Stephanie Bogan: because you do not want to pay 3 times revenue on clients that are not profitable.



368

00:53:40.520 --> 00:53:46.030

Stephanie Bogan: which happens all the time. By the way, because we lump everybody in. We say, read that in an article. That must be what it's worth.

369

00:53:46.980 --> 00:53:51.230

Stephanie Bogan: So please don't do that before you lump them up and sell them anyone. Let's chat.

370

00:53:52.530 --> 00:53:56.659

Stephanie Bogan: But does that give you guys a sense of like, hey, we can look at the client base

371

00:53:56.700 --> 00:54:01.839

Stephanie Bogan: and we have a lighter strategy. Right? Think peeling the bandaid off a little bit slower

372

00:54:02.210 --> 00:54:11.749

Stephanie Bogan: all the way to right. We're ripping the band aid off. We're having the meetings and the letters, and we're just going to free up a whole bunch of time and or capital, and we're going to double down on growth, going forward.

373

00:54:12.450 --> 00:54:20.259

Stephanie Bogan: There's no right or wrong. But now do you start to see how the client model and the growth model interact in that one example.

374

00:54:22.320 --> 00:54:33.420

Stephanie Bogan: right? I have no issue saying, let's raise the bar to 10 or 15, because I know this person is hyper capable in this space. They're just hedging they're in. They're just held back. That's it's the only thing stuff's in the way.

375

00:54:33.810 --> 00:54:45.709

Stephanie Bogan: If this was one or 2 I'd be like, let's just crush that tier. 2 get our economics where we were. We're gonna get some tier ones. And when we hit that next goal, we're gonna raise it again. That's what we did with Christy right from 6 to 8.

376

00:54:45.710 --> 00:54:46.090

Mark Wade: Like, now.

377

00:54:46.090 --> 00:54:51.389

Stephanie Bogan: She's at 14, and what happened in a 5 min call today? I was like, raise it to 15, and she was like, alright

378

00:54:52.480 --> 00:54:57.210

Stephanie Bogan: because it works. She's gone from 8 to 14 in like 2 and a half, 2, 2 and a half years.

379

00:54:57.410 --> 00:55:05.319



Stephanie Bogan: So you're constantly like you're never done. It's break it, build it, break it, build it, break it, build it, Peter Lazarov, right? If you guys are all familiar with them? Or do they have like

380

00:55:05.360 --> 00:55:07.060

Stephanie Bogan: 3 billion. 6 billion.

381

00:55:07.110 --> 00:55:09.240

Stephanie Bogan: Right? They're doing a huge fee increase right now.

382

00:55:10.010 --> 00:55:16.390

Stephanie Bogan: because lots of big firms with the bill be in the billions. You know what they do. They're just really good at growing.

383

00:55:16.980 --> 00:55:27.540

Stephanie Bogan: But they're not optimizing their client model. They're not optimizing their income engines. And then they grow. And they're like, wow! This is right heavy and expensive, and then they then they start to make changes.

384

00:55:27.680 --> 00:55:39.640

Stephanie Bogan: So you'll set your fees and your do your this. Now you'll do ideally. This becomes part of your strategic planning. You should be looking at this tool every single year. When you have multiple advisors, you should be looking at each client base every single year.

385

00:55:39.810 --> 00:55:41.859

Stephanie Bogan: This is the income engine.

386

00:55:44.050 --> 00:56:02.830

Dany Martin: Hey, Stephanie? We don't have to really dive into it. How much do you factor in like a lot of my tier? 3 and fours were tier one and twos 5 years ago, or their their kid. You know their friends. Our age, whose parents are retiring in 4 years, is all that sort of factor in when you actually get into the list. Because I could look at the tiers and think.

387

00:56:03.080 --> 00:56:07.079

Dany Martin: man, most of these higher ones came from these lower ones at some point.

388

00:56:07.480 --> 00:56:16.380

Stephanie Bogan: Yeah, this is where we have. We have biases, and that's we're looking like you. You might look at those. Natalie made a really good point.

389

00:56:16.400 --> 00:56:29.540

Stephanie Bogan: hey? You know what? They're this age, and they're going to be transitioning. You know, this money is going to be going to their kids in the next 5 to 7 years. If you have a good next gen program and good relationships and a service model for that

390



00:56:29.730 --> 00:56:35.819

Stephanie Bogan: great, if you don't, I'm gonna tell you, don't worry about it, cause that those kids are leaving with their money.

391

00:56:36.189 --> 00:56:59.500

Stephanie Bogan: Right? So you either need to create a service model tier where we can deal with them. Remember, tree clients fairly, not equally, or we can deal with them is right. So that's where we start is, remember, last week we talked about service tiers versus relationship tiers versus opportunity tiers. So a service tier is one meeting X value. Add this analysis, a relationship tier is, and this person refers a lot.

392

00:57:00.040 --> 00:57:18.229

Stephanie Bogan: We tend to do more meetings to add value for those relationships. But there's nothing right like meetings, isn't what does it? It's the relationship and the connection. So there's much more efficient ways to do that. So you might have a tier one plus, for example, right? Which is. And then third is opportunity. Tier

393

00:57:18.740 --> 00:57:24.840

Stephanie Bogan: opportunity tier is Natalie to Danny's point, really good point. If we open up that client list

394

00:57:24.940 --> 00:57:34.530

Stephanie Bogan: and we have no relationship with all those kids, and we don't have a service model for it. We're gonna have a really hard heart, a heart to heart about the fact that most firms don't retain the kids, they just don't.

395

00:57:34.590 --> 00:57:36.680

Stephanie Bogan: So either we need to accept that

396

00:57:36.970 --> 00:57:48.959

Stephanie Bogan: and make our decision accordingly. Or we need to decide. We want to change that and create that service model tier and make that decision accordingly. So that's we're digging into the client base to knowledge point can reveal

397

00:57:48.960 --> 00:58:08.879

Stephanie Bogan: more insight around, hey? Is that if that is that 31, 1 50 million dollar client and a bunch of 2 million dollar clients which would be like, actually, we're not raising it to 50, you know, or is it like a whole bunch of 25 and \$30,000 clients, and then a few that are lower. In which case I'm like, absolutely.

398

00:58:09.290 --> 00:58:19.210

Stephanie Bogan: So that's why running it is step one, because we don't know what it's gonna surface. On average, we know it's gonna surface that you're doing the 80 20 thing or something like it.

399

00:58:19.700 --> 00:58:23.570

Stephanie Bogan: That's just 75% of you. Statistically, that will be true.



400

00:58:24.440 --> 00:58:30.800

Stephanie Bogan: The other 25% will almost always have something in there that makes you kinda shrink back a little bit.

401

00:58:31.090 --> 00:58:42.580

Stephanie Bogan: But we need to. We need to know what it is so that we can know the impact of it so that we can influence it positively right in the direction of those metrics that we're now tracking. This is why we're tracking those metrics.

402

00:58:42.600 --> 00:58:43.820

Stephanie Bogan: Now.

403

00:58:44.380 --> 00:58:56.530

Stephanie Bogan: Chase, we bring in a client below that new minimum feels good. Right revenue is up. But what happens to my revenue per client? It just went from 89, 99 to 89, 54. Is that a big deal? No.

404

00:58:56.770 --> 00:59:00.549

Stephanie Bogan: but when you know your goal is 10, and you see that you're like,

405

00:59:01.470 --> 00:59:12.910

Stephanie Bogan: that doesn't fit and your brain goes. What are we doing? You might do that a couple of times. You're either gonna go back and revisit the client model and be like we didn't mean it. There's just too many of these Middle America clients coming to us. We gotta figure it out

406

00:59:13.050 --> 00:59:20.610

Stephanie Bogan: or you're gonna stop. You're gonna be like, yeah, we went from 89 99 to 8,100. That was the wrong direction.

407

00:59:20.650 --> 00:59:32.059

Stephanie Bogan: So that's why top line revenue, right conference hallway conversations are so misleading because they tell you how much someone's producing. They do not tell you how they are genuinely performing.

408

00:59:32.450 --> 00:59:37.139

Stephanie Bogan: Producing is for amateurs. Performing is for professionals.

409

00:59:37.420 --> 00:59:46.210

Stephanie Bogan: We are not walking through hallways like, look at me! We're walking through hallways like I got a hundred days off. I got a 35% margin. I got a team that does my stuff

410

00:59:46.540 --> 00:59:48.479

Stephanie Bogan: like, put that on my name badge

411



00:59:49.790 --> 00:59:59.970

Stephanie Bogan: I want. And we were joking earlier. I wish that every time you went to a conference people had to wear their client profitability, analysis, like in a laminated thing on their chest.

412

01:00:00.380 --> 01:00:20.469

Stephanie Bogan: and then I promise you those conversate or like a giant, call out button above their head, like, I have a 3 million dollar firm and a 10% profit margin. And my stuff is, you know, 40% turnover. And my clients are, you know, like, that's not what we talk about in this profession. We because it started to sales and right. The big company's job is to get all of you to produce more.

413

01:00:20.560 --> 01:00:25.150

Stephanie Bogan: even the good ones they can do in great ways, but they make money when you make money.

414

01:00:25.686 --> 01:00:30.820

Natalie Bergsma: But they're they don't scale like time and expenses, when you add tiny clients.

415

01:00:30.900 --> 01:00:32.389

Natalie Bergsma: yeah, just revenue.

416

01:00:32.660 --> 01:01:02.270

Stephanie Bogan: So again you can go back to step 3. If you want to watch right. Sizing your client base. We go through the 5 steps. Step 3 as you take that analysis. And this is where really good to do this and use one of those calls. If you guys want to dive deeper. So we can really start to look at your client model strategy for your specific practice. And then you can model. What if these were this segments. What if these were the fees? And then we can start to see, where do we need to move the needle to get to those right model practice, Kpis, if you will.

417

01:01:02.740 --> 01:01:24.089

Stephanie Bogan: And again, we're always into gonna end up changing services, fees or advisors. That might be an internal advisor. It might be an external advisor. Right? It might be a giveaway. It might be a package, it might be a fee split, but at some level. If it's not profitable for you, it will be profitable for someone else. It's a decision of where that revenue sits inside or outside the firm.

418

01:01:24.610 --> 01:01:28.709

Stephanie Bogan: Alright. So we're gonna practice having some conversations around this.

419

01:01:28.870 --> 01:01:36.509

Stephanie Bogan: So I want you guys to think about which group that you're in. Are you in survival strategy? Are you in container strategy.

420

01:01:36.630 --> 01:01:46.199

Stephanie Bogan: optimization or shift, or do you not know yet? And you think you need to do that?

589

01:23:39.220 --> 01:23:41.370



Stephanie Bogan: What were some of your takeaways.

590

01:23:42.380 --> 01:23:44.390

robertwyrick: Well for me.

591

01:23:44.738 --> 01:24:00.019

robertwyrick: You know, I feel like we're sort of navigating right now between sort of 3 of these strategies. Right? We you know, we made the shift kind of in the beginning of the year to get rid of the really obvious clients that needed to just push be pushed off to the swab. You know, retail platform

592

01:24:00.050 --> 01:24:10.670

robertwyrick: that we're maintaining some. And then we're we're continuing to sort of raise our, you know, raise our ideal client minimum. So it seems like kind of an on ongoing project. You know, the first part was easy. Just sort of, you know.

593

01:24:10.700 --> 01:24:12.450

robertwyrick: chopping off the bottom layer.

594

01:24:12.640 --> 01:24:40.729

Stephanie Bogan: Yeah. So I just this just occurred to me. I had to write it down because I wanna use it later. You have to tell me what you think right? So there's like, think of like 3 tranches when you run your your tool analysis. You're almost always gonna see like those tranches go as follows, one undeniable to Robert's point, like they're just some clients that they looked at. And they were like, Yeah, just not not even I can rationalize this like gotta go right like that's the easy one

595

01:24:40.730 --> 01:24:46.245

Stephanie Bogan: next Tranche. Natalie and I spent a lot of time with clients here uncomfortable, like, you know.

596

01:24:46.600 --> 01:24:48.119

Stephanie Bogan: and it's uncomfortable.

597

01:24:48.770 --> 01:25:08.500

Stephanie Bogan: And then that third tier is what I'm gonna call uncompromizing. That's where you're like. This is the model practice. This is what I'm moving toward. I'm gonna draw that line to that point, or I'm gonna get it there over the next. And this would depend on how far off the line. You were right 12 to 36 months.

598

01:25:08.750 --> 01:25:09.850

Stephanie Bogan: And

599

01:25:09.860 --> 01:25:12.810

Stephanie Bogan: and I'm that is the plan. I'm going to prosecute the plan

600



01:25:13.100 --> 01:25:16.580

Stephanie Bogan: right? And so it's the uncomfortable

601

01:25:16.680 --> 01:25:24.539

Stephanie Bogan: that tends to slow the whole process down, because when we don't know what to do or how our brains are like that's icky. Stop!

602

01:25:24.950 --> 01:25:33.599

Stephanie Bogan: And if you've if you're an alumni, you know, like if you've listened to Adam like we've done this a gazillion times. I'm like a gazillion.

603

01:25:34.210 --> 01:25:37.460

Stephanie Bogan: I have knock on wood, Natalie, knock on wood

604

01:25:37.540 --> 01:25:42.700

Stephanie Bogan: in 29 years. I don't have one awful story

605

01:25:42.980 --> 01:25:57.270

Stephanie Bogan: from running the analysis and shifting one of the 3 shifts right? You have to. Ultimately, if they're not right, the ideal client, they don't meet the profile, and they're not profitable. They either have to change the advisor, change the service model or change the fees.

606

01:25:58.240 --> 01:26:09.109

Stephanie Bogan: and you can build a path for any of them to choose that just they might not like for Adam's. Some of those clients to go from 600 or 3,000 to 6,000

607

01:26:09.240 --> 01:26:18.180

Stephanie Bogan: for a handful of them. It was, you know, a couple of them. It was just too much. But for the most part even the ones in 600 were like we were wondering when you were. Gonna do that

608

01:26:19.030 --> 01:26:22.989

Stephanie Bogan: genuinely like you will have clients to go. I was wondering about that.

609

01:26:22.990 --> 01:26:28.452

Natalie Bergsma: Yeah, this is the only industry where it seems perfectly acceptable not to raise your fees for 20 years.

610

01:26:29.270 --> 01:26:39.460

Stephanie Bogan: Well, and that's because we believe right? Typically at right. A is a fee model raises them for us over time. But we're seeing those fee model shift.

611

01:26:39.600 --> 01:26:55.529

Stephanie Bogan: We're also seeing right in down markets. That's very uncomfortable. And so what we ultimately want to do is build margin in good markets so that we can comfortably between the margin



we have built, we can. We can take a hit to that and cushion

612

01:26:56.040 --> 01:27:06.560

Stephanie Bogan: right? But most of the time you can build enough margin into your 7 figure practice. If you apply these strategies that if the market drops 30%, it just takes you to an even.

613

01:27:06.890 --> 01:27:14.249

Stephanie Bogan: and all of you, right for the most part, are doing pretty good at right. You've been doing this while you've saved some money of your own, like

614

01:27:14.450 --> 01:27:22.199

Stephanie Bogan: most of you can really weather that. And that's typically your worst case, or it's, you know, if it's 50. His history says it doesn't last that long.

615

01:27:22.940 --> 01:27:29.100

Stephanie Bogan: Right? So we we ultimately want to do is look at where we are this month for client profitability.

616

01:27:29.760 --> 01:27:37.979

Stephanie Bogan: So if you have not run one of these this year for those of you that have done it before. Let's do it again.

617

01:27:38.610 --> 01:27:41.730

Stephanie Bogan: if nothing else, you'll see progress over time.

618

01:27:42.070 --> 01:27:46.169

Stephanie Bogan: Christy was like, wow! I went from 8,000 to 14,000. That's

619

01:27:46.730 --> 01:27:56.290

Stephanie Bogan: that's pretty affirming. When you when she joined, if you told her she was, gonna write essentially double the client size. In a couple of years she would have been like, yes, thank you so much.

620

01:27:56.880 --> 01:28:13.600

Stephanie Bogan: right. We don't know what levers each of you are gonna pull. That's what makes this an inflection point conversation. This is right before it branches off to staffing operations and growth, because vision defines client model client model defines everything else.

621

01:28:14.130 --> 01:28:24.830

Stephanie Bogan: We want to make sure that we're building smart, lean, and right. So we're adding value to the client. But we're building value into the business. We're not baking in complexity and compromise.

622

01:28:25.590 --> 01:28:36.709

Stephanie Bogan: What were some of the other? Sarah? What about your group? Robert and Sarah? You



were in the same group, weren't you? Cause you came back at same time? Ed, how about you? You've been quiet today. What were your takeaways?

623

01:28:40.680 --> 01:28:43.319

Stephanie Bogan: You're on mute. It's brilliant, but you're on mute.

624

01:28:43.430 --> 01:28:44.340

Stephanie Bogan: mother.

625

01:28:44.790 --> 01:28:51.739

Ed Woehlcke: I wasn't on mute in the other conversation, so I didn't realize it stayed on mute. Now we we all

626

01:28:51.860 --> 01:28:59.805

Ed Woehlcke: face the same challenges. It sounds like it's just I. I admit it that I take the chicken shit model.

627

01:29:00.600 --> 01:29:01.310

Stephanie Bogan: Model.

628

01:29:01.620 --> 01:29:13.189

Ed Woehlcke: Yeah kind of keep dealing with it, but it's no it's I I like. I think I may have mentioned to you at in Charlotte that I I like the optimization

629

01:29:13.230 --> 01:29:14.014

Ed Woehlcke: idea.

630

01:29:15.255 --> 01:29:26.300

Ed Woehlcke: if we bring in an 18 down our client, let's fire our bottom 100 up an average of 1,000 each, and it's just not great. So whether it's fire, move.

631

01:29:26.560 --> 01:29:28.918

Ed Woehlcke: raise fees all the above.

632

01:29:30.079 --> 01:29:45.079

Ed Woehlcke: I I we just got it, and I got midway in on your conversation there. Of, like the 1, 2, and 3 of that tranche. I agree like there's always going to be somebody in that 100 or your bottom tier that's like, or 5 that

633

01:29:45.560 --> 01:29:51.740

Ed Woehlcke: alright. Yeah, I can't do it to these people. It's my brother, sister, friends, whatever. But just take them out.

634



01:29:51.840 --> 01:29:56.405

Ed Woehlcke: and they kind of live on, but the rest of them can kind of go.

635

01:29:56.710 --> 01:30:01.979

Natalie Bergsma: We call that the 5% rule in any given day. You're probably gonna have about 5%

636

01:30:02.010 --> 01:30:10.160

Natalie Bergsma: of your client base. That is an exception that you've made. For some reason. If you're above 5, you need to make a change.

637

01:30:10.160 --> 01:30:25.929

Stephanie Bogan: What she means is it shouldn't be above 5%. I'm guessing that some of you have exceptions that exceed 5%. And that's because honestly like, if it's your in-laws or your priest, yeah, or the little old lady who gave you

638

01:30:25.930 --> 01:30:42.730

Stephanie Bogan: right like you don't want to make Christmas or the afterlife uncomfortable like. Okay, those are allowed. If it's Grandma true, I mean, come on, man, like I don't want to be like sorry I fired my sister in law. Christmas. I actually have clients who literally told their family. I love you. I'm going to give you to someone who's going to be great for you. It's not me

639

01:30:42.730 --> 01:30:45.500

Stephanie Bogan: clearly you don't. It's all good.

640

01:30:45.500 --> 01:30:52.379

Natalie Bergsma: Yeah. Well, in the world of like therapy and coaching, that's a conflict of interest. Can you really serve your friends and family

641

01:30:52.390 --> 01:31:04.409

Natalie Bergsma: without like half the time when I hear that story. It's like, Oh, well, we had our planning meeting when we were like meeting at Christmas. I'm like that's not a planning meeting. They're not really getting the level of service that they should be getting from an advisor.

642

01:31:05.070 --> 01:31:25.660

Stephanie Bogan: Yeah. And look, if you've got everyone's got one. That little old lady that gave you money when you needed that money, you were like, yes, thank you. And you just love her or them great 5%, which is like in a hundred clients. It's about 5. It's not 1010 is not an exception. It's a segment

643

01:31:26.170 --> 01:31:50.059

Stephanie Bogan: right? And then that's where, right? If we've got the 10%, then the gap between that and 100 tends to be pretty long, and that's what you want to watch out for. So the the fear that we all have is that we're going to run an analysis like this. There's going to be some magic red line, and we have to fire everybody instantaneously, and our hearts logs palpitate and go. I don't know how to solve for that just we'll deal with that later. It's all. It's not that bad.

644



01:31:51.010 --> 01:32:15.199

Stephanie Bogan: That's the chickenship strategy. And I say that with love, because it's so common. And that's why this tool is so valuable. It's simple. This does not. This is not a complicated tool. You're gonna divide your clients into 4 tranches. You're gonna average revenue. You're gonna drop that in with some time estimates. It's a directional analysis. It tells us. I think, very much Chase and Danny to that conversation from earlier.

645

01:32:15.420 --> 01:32:43.680

Stephanie Bogan: Where do we need to go? Look deeper at our time, hey? You know what it says. We have plenty of time, and we don't. We need to see if we're doing too much, or if we're wasting our time, let's talk about how we can get some insight on our time. Hey? It says this about the client base. Let's go figure that out. Let's go pop open that client list and see if right where are people falling, because you'll see the client list, and you'll be like, oh, that's exactly where the breakpoint should be which you can't see when it's rolled up into the aggregate.

646

01:32:44.100 --> 01:32:45.899

Stephanie Bogan: Wyatt. How about you guys.

647

01:32:50.780 --> 01:32:56.522

Ryan Wyatt: just start. I'm starting to realize. So I mean, we did not do this last year. We did a very

648

01:32:57.550 --> 01:33:02.490

Ryan Wyatt: A quick run through the service model. We're just working on so many other things. And so after Charlotte.

649

01:33:02.750 --> 01:33:03.980

Ryan Wyatt: we like

650

01:33:04.070 --> 01:33:08.399

Ryan Wyatt: taking a deep dive. And then, once it's done, I'm just gonna go over it with Ron. But

651

01:33:08.690 --> 01:33:13.690

Ryan Wyatt: I'm starting to realize, without actually running the numbers, that

652

01:33:14.520 --> 01:33:17.240

Ryan Wyatt: we we just have probably far too many exceptions.

653

01:33:17.290 --> 01:33:21.849

Ryan Wyatt: taking on a lot of clients that are maybe gonna be good, but not good right now.

654

01:33:24.160 --> 01:33:32.980

Ryan Wyatt: And so I'm in that camp of nervous just I don't know what the numbers are. Gonna say, but I'm scared. It's gonna be a pretty big.

655



01:33:33.490 --> 01:33:34.465  
Ryan Wyatt: glaring issue.

656

01:33:35.440 --> 01:33:47.189

Stephanie Bogan: And that's okay. Remember, we don't have to fire the bread and butter if we look at those numbers and those tiers, and we're like. Ouch, but hey, it's 40% of our revenue. We're not cutting that off right now. That's okay.

657

01:33:47.460 --> 01:33:55.160

Stephanie Bogan: We want to have the information. We need to make good choices for the next 3 year window, because over 3 years you can re-engineer anything

658

01:33:55.430 --> 01:34:11.400

Stephanie Bogan: comfortably right unless you're way way off, and then we'll have that conversation. But, you guys, yes, you were gonna find some things that put you in the undeniable and uncomfortable camp without question. Now for you, Travis and Leanna. Super important, super awesome timing.

659

01:34:11.430 --> 01:34:19.600

Stephanie Bogan: As you guys look at shifting your business entity structures right from Bd to Raa, you're making a change.

660

01:34:19.670 --> 01:34:22.259

Stephanie Bogan: which is an awesome time to do what.

661

01:34:23.450 --> 01:34:25.180

Ryan Wyatt: Raise, raise fees.

662

01:34:25.180 --> 01:34:33.979

Stephanie Bogan: Raise fees, not bring everyone with us like we don't need. You have this incredible opportunity to leave the dilution behind, and I say that

663

01:34:34.020 --> 01:34:42.009

Stephanie Bogan: if I were air quoted it would be awful. But you understand the context there. Right like, please always. That conversation always in context, is

664

01:34:42.050 --> 01:34:51.290

Stephanie Bogan: that is not the high value client base relative to your ideal practice. And this is a perfect transition point, and you both have time

665

01:34:51.620 --> 01:34:57.149

Stephanie Bogan: and a runway to look at the analysis and look at hey? On the other side of that.

666

01:34:57.160 --> 01:35:23.290

Stephanie Bogan: what do we want it to look like? Which tells you really, clearly, comfortably or not.



What's that roadmap for change? So I think for you guys, Ryan, very much to your point. And that's why, right, you're not gonna do it all in one year last year you guys were working on things that were more impactful. Now that you've got that, you're making really big changes which are, gonna be huge for you guys on the other side. Now you're in a place where you're like. Oh, I'm really starting to see where this fits into our plan.

667

01:35:23.290 --> 01:35:32.339

Stephanie Bogan: And now you can layer this into what does the client base look set like on the other side of that transition? Because now we have a lever that we can pull

668

01:35:32.890 --> 01:35:44.930

Stephanie Bogan: again. You can package them up and sell them like you have options there that you can rate from an informed place. Sit around and make clear and conscious decisions about what's most additive to the business plan going forward.

669

01:35:45.490 --> 01:35:45.830

Ryan Wyatt: That we.

670

01:35:45.830 --> 01:35:46.699

Stephanie Bogan: Leona. Same thing for.

671

01:35:46.700 --> 01:35:48.960

Ryan Wyatt: It's not one on one. Yeah.

672

01:35:49.200 --> 01:35:53.539

Stephanie Bogan: Leanne and Travis. Same thing for you. This is such an opportunity, Leanna.

673

01:35:53.600 --> 01:35:56.199

Stephanie Bogan: I love you with all of my heart.

674

01:35:57.060 --> 01:36:05.500

Stephanie Bogan: I love you and this whole group here needs to hold you accountable to not taking everyone in the Kitty cat on the corner with you.

675

01:36:05.900 --> 01:36:20.430

Stephanie Bogan: I know that it's that service heart, but it is really holding down the practice and the things that you were the most afraid of. I promise you are not scary monsters that are, gonna jump out and eat. I don't. I do not. You're not gonna be the first girl

676

01:36:20.560 --> 01:36:22.269

Stephanie Bogan: like. Oh, that went bad

677

01:36:22.490 --> 01:36:33.890

Stephanie Bogan: because we make those decisions from a clear and conscious place, and we



communicate them always, ever. You've never heard me say, Mr. And Mrs. Smith, you're too small. You gotta go. Never gonna happen.

678

01:36:34.300 --> 01:36:46.770

Stephanie Bogan: It's not dignified. It's not the promise that you made, but you also are due growth in income, revenue and profitability, right? Like we do need to right size that and create career opportunity for us and our team.

679

01:36:47.130 --> 01:37:09.999

Stephanie Bogan: So we just wanna do it in a way that's fair and equitable. And that's what I love about this. This. This leg of the program is we're doing it from a clear and conscious place. We're honoring our commitments to clients. We're just taking a hard look at how we can best honor those commitments in a way that serves their goals without sacrificing hours.

680

01:37:10.110 --> 01:37:17.929

Stephanie Bogan: So this is the honest inventory like, you're plugging the car in and you're getting the diagnostics and the indicator lights are going off.

681

01:37:18.120 --> 01:37:24.140

Stephanie Bogan: It's okay. You've all gotten here doing what everyone does, which is show up to great work.

682

01:37:25.210 --> 01:37:33.339

Stephanie Bogan: Now you're growing yourself and your leadership by saying, and I can bring more discernment and discipline.

683

01:37:33.590 --> 01:37:36.780

Stephanie Bogan: so that for the next chapter of growth.

684

01:37:36.890 --> 01:38:02.660

Stephanie Bogan: Right? It's smarter, better, faster, more enjoyable. So this is just a really big tool that you now have in your toolbox for this business to be looking at annually, to absolutely make sure between this and your kpis. You've got the bookends that tell you if the tongue in your mouth, and the tongue in your shoes are really moving in the same direction, and when you get that honest feedback consistently, we tend to align our choices, which is what leaders is all about.

