LIMITLESS

UPCOMING EVENTS

06.03 PRODUCTIVITY VIRTUAL SUMMIT

UPCOMING COACHING CALLS

04.08 OFFICE HOURS
with Coach Stephanie & Coach Natalie

04.15 PERSONAL PEAK COACHING CALL
with Coach Liz

USE ZOOM Q&A FOR TODAY'S QUESTIONS

PEAK PRACTICE

COACHING CALL

MARCH 2024


CLARIFYING YOUR IDEAL CLIENT BASE
CLEARLY DEFINING & DELIVERING DEEPER VALUE
BUILDING A HYPER-EFFICIENT DELIVER SYSTEM
OUR FOCUS THIS QUARTER


This Month's Topic
CURATING A
PROFITABLE
CLIENT BASE

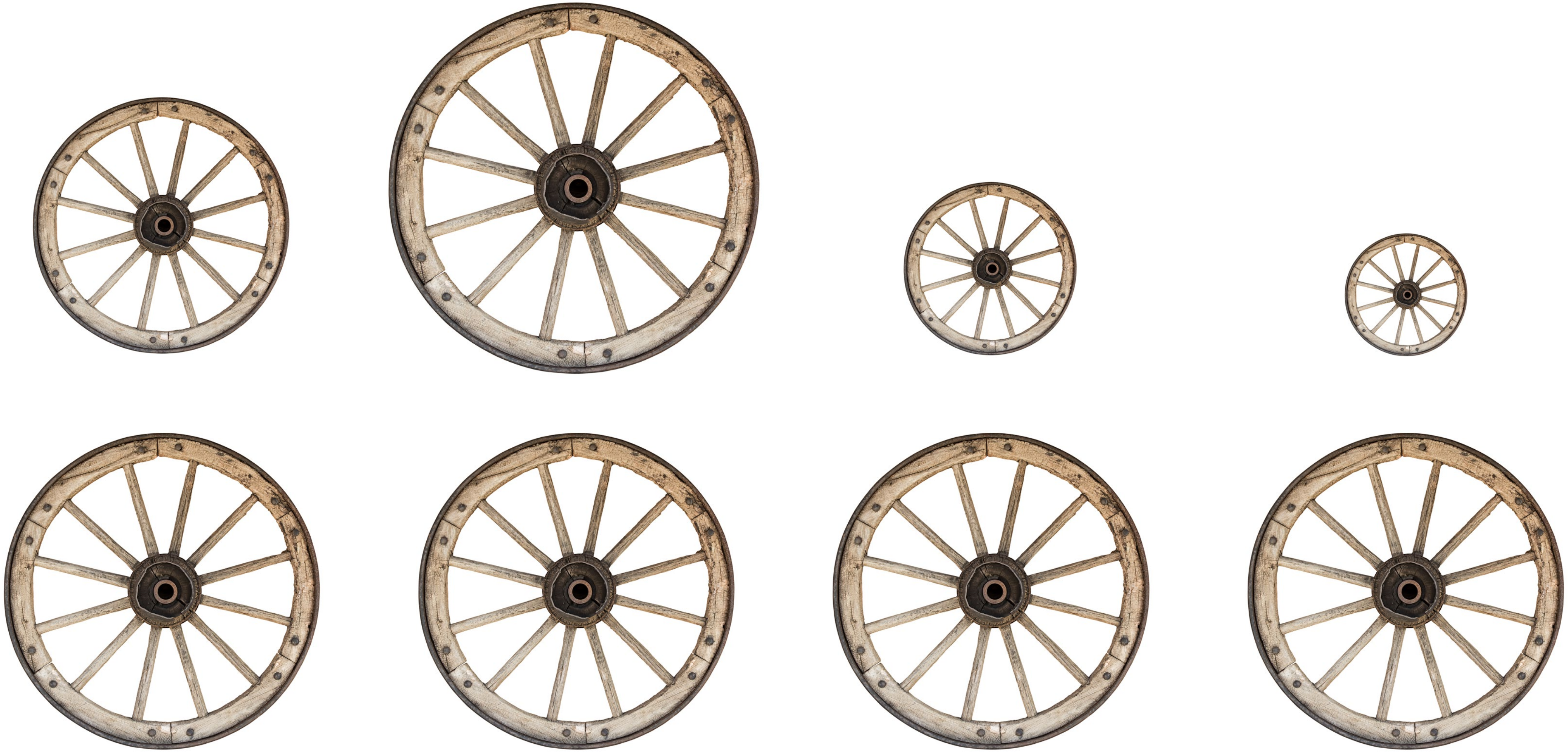

STRATEGY & LEADERSHIP
ADVISOR CAPACITY
LEAD GENERATION
CLOSING RATES

CURATING A (PROFITABLE) CLIENT BASE

MEET CLIENT PROFILE

ALIGN SERVICES WITH FEES

ENJOY A PROFITABLE RELATIONSHIP



REVENUE

SERVICES

CAPACITY

PROFITABILITY

LIMITLESS

ANALYZE

The **CLIENT BASE & PROFITABILITY ANALYSIS tool** is used to assess the relationship between revenue, services, profitability, and capacity

FIT PROFITABILITY

REVENUE CAPACITY

- Estimate profitability by segment
- Project cumulative client advisor-time needs
- Highlight capacity and efficiency concerns

Analysis Input:

Tier	Tier Name	Average Revenu	Current Number	New * Per Year	Adv Hrs / Yr	Staff Hrs / Yr
1	Tier 1 Name	$ 12,000	4	3	8	16
2	Tier 2 Name	$5,000	13	8	10	8
3	Tier 3 Name	$1,200	45	0	9	6
4	Tier 4 Name	$ 500	56	0	4	5
					Avg. Hours per Client	

Expenses & Weighting Methods

Expenses	$126,000
Weighting method for assigning expenses to clients:	Revenue

Advisor Roster and Annual Capacity Hours

Adviser Name	Hrs	Adviser Name	Hrs	Adviser Name	Hrs
Rico Suave	1,800	Name 4	0	Name 7	0
Jane Doe	1,400	Name 5	0	Name 8	0
Name 3	0	Name 6	0	Name 9	0

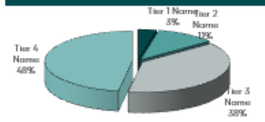
Profit Calculat

Tier	Revenue	Overhead	Profit	Profit Per Client
1	$ 48,000	$ 31,015	$ 16,985	/ $ 4,246 Per Client
2	$ 65,000	$ 42,000	$ 23,000	/ $ 1,769 Per Client
3	$ 54,000	$ 34,892	$ 19,108	/ $ 425 Per Client
4	$ 28,000	$ 18,092	$ 9,908	/ $ 177 Per Client
Firm Totals	$ 195,000	$ 126,000	$ 69,000	/ $ 585 Per Client

Future Projection: Growth trends are based upon client growth per tier. Total Available Adviser (ADV) capacity = 3200 HOURS / YR

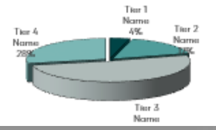
	Year 1					Year 3					Year 5				
	# of Client	ADV Capac	ADV Hours	Staff Hours	Profit ($)	# of Clien	ADV Capacit	ADV Hours	Staff Hours	Profit ($)	# of Clien	ADV Capacit	ADV Hours	Staff Hours	Profit ($)
1	4	1%	32	64	$ 16,985	10	3%	80	160	$ 76,427	16	4%	128	256	$ 143,519
2	13	4%	130	104	$ 23,000	29	9%	290	232	$ 92,349	45	14%	450	360	$ 168,186
3	45	13%	405	270	$ 19,108	45	13%	405	270	$ 34,392	45	13%	405	270	$ 40,365
4	56	7%	224	280	$ 9,908	56	7%	224	280	$ 17,833	56	7%	224	280	$ 20,930
OTA	118	25%	791	718	$ 69,000	140	31%	999	942	$ 221,000	162	38%	1207	1166	$ 373,000

CLIENT POPULATION (YEAR 1)



CLIENT PROFIT (YEAR 1)

ADVISER HOURS (YEAR 1)



CASE STUDY

$540,000 PRACTICE
80 CLIENTS
RPC $7,287

Analysis Inputs:

Tier	Tier Name	Average Revenue	Current Number	New # Per Year	Adv Hrs / Yr	Staff Hrs / Yr
1	A	$16,636	11	2	12	15
2	B	$6,702	39	14	8	12
3	C	$4,334	20	1	3	6
4	D	$ 641	10	1	0.5	1
					Avg. Hours per Client	

Expenses & Weighting Methods	
Expenses	$443,509
Weighting method for assigning expenses to clients:	Even

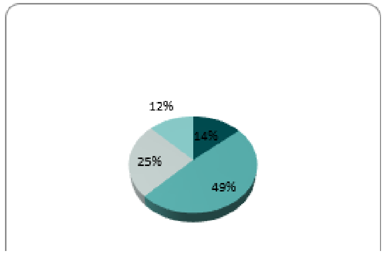
Advisor Roster and Annual Capacity Hours					
Advisor Name	Hrs	Advisor Name	Hrs	Advisor Name	Hrs
Alumni Member	1,800	Name 4	0	Name 7	0
Name 2	5	Name 5	0	Name 8	0
Name 3	5	Name 6	0	Name 9	0

Profit Calculator:

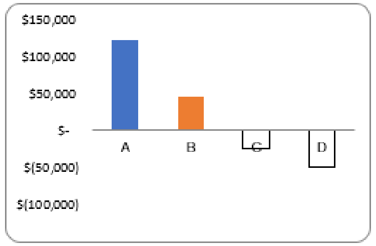
Tier	Revenue	Overhead	Profit	Profit Per Client
1	$ 182,996	$ 60,982	$ 122,014	/ $ 11,092 Per Client
2	$ 261,378	$ 216,211	$ 45,167	/ $ 1,158 Per Client
3	$ 86,680	$ 110,877	$ (24,197)	/ $ (1,210) Per Client
4	$ 6,410	$ 55,439	$ (49,029)	/ $ (4,903) Per Client
Firm Totals	$ 537,464	$ 443,509	$ 93,955	/ $ 1,174 Per Client

	Year 1					Year 3					Year 5				
	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)
1	11	7%	132	165	$ 122,014	15	10%	180	225	$ 192,190	19	13%	228	285	$ 260,645
2	39	17%	312	468	$ 45,167	67	30%	536	804	$ 192,869	95	42%	760	1140	$ 359,497
3	20	3%	60	120	$ (24,197)	22	4%	66	132	$ 11,234	24	4%	72	144	$ 33,988
4	10	0%	5	10	$ (49,029)	12	0%	6	12	$ (38,188)	14	0%	7	14	$ (31,876)
OTA	80	28%	509	763	$ 93,955	116	44%	788	1173	$ 358,105	152	59%	1067	1583	$ 622,255

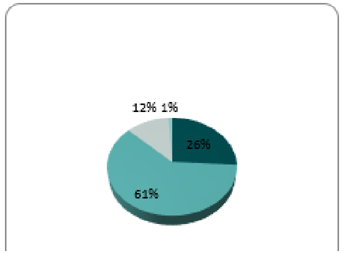
CLIENT POPULATION (YEAR 1)



CLIENT PROFIT (YEAR 1)



ADVISOR HOURS (YEAR 1)



- AVERAGE RPC LOOKS GOOD BUT…
- T3/T4 NOT PROFITABLE
- T2/T3 NOW/NO MARGIN BREAD & BUTTER
- NO NEW T3, T4 CLIENTS NEW MINIMUM $750,000 OR $1M
- CAPACITY NOT REFLECTIVE OF REALITY

LIMITLESS

LIMITLESS

CASE STUDY

$500,000 PRACTICE
59 CLIENTS

Analysis Inputs:

Tier	Tier Name	Average Revenue	Current Number	New # Per Year	Adv Hrs / Yr	Staff Hrs / Yr
1	Tier A	$15,359	11	5		
2	Tier B	$7,013	12	10		
3	Tier C	$3,421	18	0		
4	Tier D	$1,006	18	0		
					Avg. Hours per Client	

Expenses & Weighting Methods	
Expenses	$272,612
Weighting method for assigning expenses to clients:	Even

Advisor Roster and Annual Capacity Hours					
Advisor Name	Hrs	Advisor Name	Hrs	Advisor Name	Hrs
Name 1	1	Name 4	0	Name 7	0
Name 2	5	Name 5	0	Name 8	0
Name 3	5	Name 6	0	Name 9	0

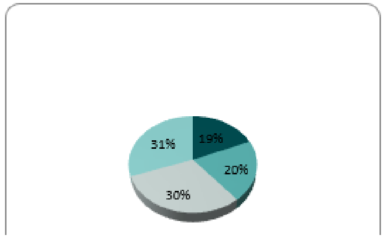
Profit Calculator:

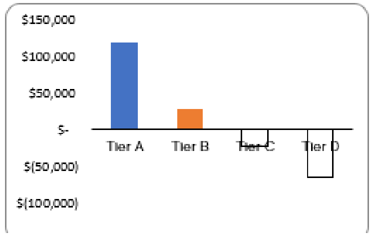
Tier	Revenue	Overhead	Profit	Profit Per Client	
1	$ 168,941	$ 50,826	$ 118,115 /	$ 10,738	Per Client
2	$ 84,156	$ 55,447	$ 28,709 /	$ 2,392	Per Client
3	$ 61,578	$ 83,170	$ (21,592) /	$ (1,200)	Per Client
4	$ 18,108	$ 83,170	$ (65,062) /	$ (3,615)	Per Client
Firm Totals	$ 332,783	$ 272,612	$ 60,171 /	$ 1,020	Per Client

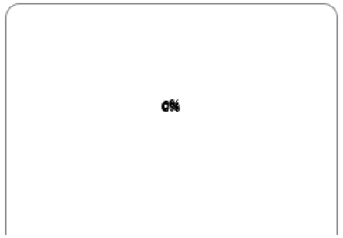
Future Projections: Growth trends are based upon client growth per tier. Total Available Advisor (ADV) capacity = 11 HOURS / YR

	Year 1					Year 3					Year 5				
	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)
1	11	0%	0	0	$ 118,123	21	0%	0	0	$ 258,215	31	0%	0	0	$ 405,112
2	12	0%	0	0	$ 28,709	32	0%	0	0	$ 126,398	52	0%	0	0	$ 245,551
3	18	0%	0	0	$ (21,592)	18	0%	0	0	$ 6,443	18	0%	0	0	$ 20,343
4	18	0%	0	0	$ (65,062)	18	0%	0	0	$ (37,027)	18	0%	0	0	$ (23,127)
OTA	**59**	**0%**	**0**	**0**	**$ 60,179**	**89**	**0%**	**0**	**0**	**$ 354,029**	**119**	**0%**	**0**	**0**	**$ 647,879**

CLIENT POPULATION (YEAR 1)	CLIENT PROFIT (YEAR 1)	ADVISOR HOURS (YEAR 1)







NO FA HOURS IS A SIGN NO IDEA; THE 'TOO MUCH/TOO LITTLE' PROBLEM

OBSERVATION 1

OBSERVATION 1

CASE STUDY
MATTHEW

LIMITLESS

Analysis Inputs:

Tier	Tier Name	Average Revenue	Current Number	New # Per Year	Adv Hrs / Yr	Staff Hrs / Yr
1						
2	Not Ideal Clients	$ 3,188	85	0	5	5
3	Ideal Clients	$ 11,675	45	9	10	8
4	Tier 4 Name					
					Avg. Hours per Client	

Expenses & Weighting Methods

Expenses	$400,000
Weighting method for assigning expenses to clients:	Revenue

Advisor Roster and Annual Capacity Hours

Advisor Name	Hrs	Advisor Name	Hrs	Advisor Name	Hrs
Matt	1,000	Name 4	0	Name 7	0
Jesús - Paraplanner	0	Name 5	0	Name 8	0
Name 3	0	Name 6	0	Name 9	0

Profit Calculator:

Tier	Revenue	Overhead	Profit	Profit Per Client	
1		$ -	$ -	/ #DIV/0!	Per Client
2	$ 270,980	$ 136,110	$ 134,870	/ $ 1,587	Per Client
3	$ 525,375	$ 263,890	$ 261,485	/ $ 5,811	Per Client
4	$ -	$ -	$ -	/ #DIV/0!	Per Client
Firm Totals	$ 796,355	$ 400,000	$ 396,355	/ $ 3,049	Per Client

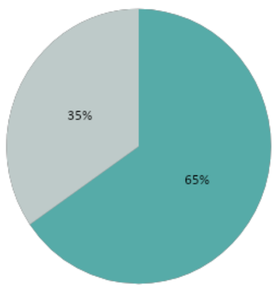
MORE ISNT BETTER,
BETTER IS BETTER

ions:

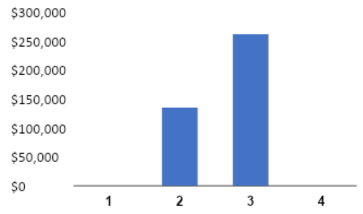
Growth trends are based upon client growth per tier. Total Available Advisor (ADV) capacity = 1000 HOURS / YR

	Year 1				Year 3						Year 5				
DV city	ADV Hours	Staff Hours		Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours		Profit ($)	# of Clients	ADV Capacity	ADV Hours	Staff Hours	Profit ($)
%	0	0			0	0%	0	0			0	0%	0	0	
%	425	425	$	134,870	85	43%	425	425	$	163,289	85	43%	425	425	$ 181,890
%	450	360	$	261,485	63	63%	630	504	$	443,216	81	81%	810	648	$ 634,765
%	0	0	$	-	0	0%	0	0	$	-	0	0%	0	0	$ -
%	**875**	**785**	**$**	**396,355**	**148**	**106%**	**1055**	**929**	**$**	**606,505**	**166**	**124%**	**1235**	**1073**	**$ 816,655**

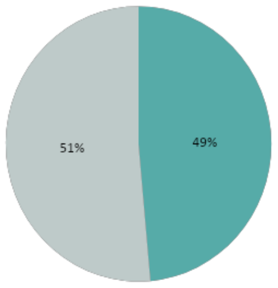
CLIENT POPULATION (YEAR 1)



CLIENT PROFIT (YEAR 1)



ADVISOR HOURS (YEAR 1)



- @EVEN T2 PROFITABILITY $112
  @EVEN T3 PROFITABILITY $$8,599
- ROT (T2) $637 & (T3) $1,167
- HITTING CAPACITY THRESHOLD

STEP 3
ASSESS

The CLIENT SEGMENTATION & FEE ANALYSIS tool allows you to Monte Carlo how changes to segmentation and fees would impact revenue

SEGMENTATION CHANGES

FEE CHANGES

REVENUE IMPACTS

SEE "RIGHT-SIZING CLIENT BASE" LESSON

Client Segmentation & Fee Analysis Results

LIMITLESS

This tool is designed to help you analyze and segment your current client base. The below summarizes your segmentation and fee analysis results based upon your inputs. It summarizes current value, new value and the delta (or difference) between these values. If you input your current fee schedule then the delta should be zero or negligible. If you input a new fee schedule the delta will show you the change to revenue, fees and segmentation. In order to assess the impact of changing the annual financial planning fee, input the new fee for each client.

EDIT CELLS WITH BLUE TEXT, all other cells are formulas.

To prevent possible issues in calculating formulas this worksheet is protected. To customize the tool or add additional analysis, simply unprotect the sheet by selecting 'unprotect sheet' under the Review menu.

Segmentation Results

The below chart summarizes the results between your current model and the new model. The fee schedule being used in the model is shown to the right.

		Current Segmentation					New Segmentation					Fee Schedule	
Segmentation	Minimum Revenue	# of Clients	% of Clients	Total Revenue	% of Revenue	Avg Revenue per Client	# of Clients	% of Clients	Total Revenue	% of Revenue	Avg Revenue per Client	AUM Fee Schedule (BPS)	AUM (>)
A	$ 15,000	1	1%	$ 17,486	4%	$ 17,486	1	1%	$ 19,486	3%	$ 19,486	75	$ 3,000,000
B	$ 10,000	6	6%	$ 70,433	15%	$ 11,739	6	6%	$ 77,886	14%	$ 12,981	75	$ 1,000,000
C	$ 5,000	27	27%	$ 205,035	43%	$ 7,594	27	27%	$ 171,744	31%	$ 6,361	100	$ 500,000
D	$ 2,500	37	37%	$ 136,084	28%	$ 3,678	37	37%	$ 209,403	37%	$ 5,660	105	$ 250,000
X	$ 1,000	26	26%	$ 47,025	10%	$ 1,809	26	26%	$ 69,968	12%	$ 2,691	115	$ -
Z	$ -	3	3%	$ 2,885	1%	$ 962	3	3%	$ 13,687	2%	$ 4,562	0	$ -
TOTALS		100	100%	$ 478,948	100%	$ 4,789	100	100%	$ 562,174	100%	**$ 5,622**		

Client by Client Results

The below chart summarizes the changes on a client-by-client basis. Be sure to input a new annual financial planning fee to assess the impact of making changing to your financial planning fee

	Asset Management Revenue				AUM Fees (BPS)			Annual Planning Retainer Revenue & Fees			Total Revenue		
	AUM	CURRENT	NEW	DELTA	CURRENT	NEW	DELTA	CURRENT	NEW	DELTA	CURRENT	NEW	DELTA
TOTALS	$ 39,916,572	$ 327,948	$ 374,674	$ 46,726	82	94	12	$ 151,000	$ 187,500	$ 36,500	$ 478,948	$ 562,174	$ 83,226
Client	AUM	Current AUM Revenue	New AUM Revenue	Delta AUM Revenue	Current Avg BPS	New Avg BPS	Delta Avg BPS	Current FP Revenue	Input New FP Revenue	FP Revenue Delta	Current Total Revenue	New Total Revenue	Delta Total Revenue
Client 1	$ 1,931,508	$ 14,486	$ 14,486	$ -	75	75	0	$ 3,000	$ 5,000	$ 2,000	$ 17,486	$ 19,486	$ 2,000
Client 2	$ 1,825,029	$ 13,688	$ 13,688	$ -	75	75	0	$ 1,000	$ 2,500	$ 1,500	$ 14,688	$ 16,188	$ 1,500
Client 3	$ 1,530,329	$ 11,477	$ 11,477	$ -	75	75	0	$ 1,000	$ 2,500	$ 1,500	$ 12,477	$ 13,977	$ 1,500
Client 4	$ 1,523,595	$ 11,427	$ 11,427	$ -	75	75	0	$ -	$ -	$ -	$ 11,427	$ 11,427	$ -
Client 5	$ 1,380,085	$ 10,351	$ 10,351	$ -	75	75	0	$ -	$ -	$ -	$ 10,351	$ 10,351	$ -
Client 6	$ 1,244,197	$ 9,331	$ 9,331	$ -	75	75	0	$ -	$ -	$ -	$ 9,331	$ 9,331	$ -
Client 7	$ 1,225,202	$ 9,189	$ 9,189	$ -	75	75	0	$ -	$ -	$ -	$ 9,189	$ 9,189	$ -
Client 8	$ 1,206,338	$ 9,048	$ 9,048	$ -	75	75	0	$ -	$ -	$ -	$ 9,048	$ 9,048	$ -
Client 9	$ 1,180,838	$ 8,856	$ 8,856	$ -	75	75	0	$ 2,000	$ 5,000	$ 3,000	$ 10,856	$ 13,856	$ 3,000
Client 10	$ 1,089,291	$ 8,170	$ 8,170	$ -	75	75	0	$ 1,000	$ 2,500	$ 1,500	$ 9,170	$ 10,670	$ 1,500

The best way to make money is to not lose big chunks of it

Survival Strategy
(working towards rent & ramen)

Container Strategy
(maintain current, upgrade new)

Optimization Strategy
(exit non-ideal client $ as new come on)

Shift Strategy
(exit/sell all non-ideal clients; T1, T2 only)

Are you clear on how your client base is performing?

What stage of client base building are you in?

What is your next best step?

CLARIFYING YOUR IDEAL CLIENT BASE

CLEARLY DEFINING & DELIVERING DEEPER VALUE

BUILDING A HYPER-EFFICIENT DELIVER SYSTEM

Q2 / SUMMIT ACTION PLAN

Q&A