

RIGHT-SIZING YOUR CLIENT BASE





REVENUE

SERVICES

CAPACITY

PROFITABILITY

S
S
E
T
M
I

Mindset

PUT YOUR OWN
MASK ON FIRST



WORTH

Fear of
Rejection



VALUE

Imposter
Syndrome



RELATIONSHIPS

All Clients Are
Good Clients



THE
SERVICE
SYNDROME

5 STEPS TO A 5-STAR SERVICE MODEL

Client Model Time Calculator

Section 1: Use this simple table to calculate your client hours by segment to help you design a client model that aligns with your goals.

ROT goal: _____ *ROT = Return On Time
 Percentage (%) of time spent on clients: _____ (Advisor revenue-producing hours ONLY)
 Total work hours / year: _____
 Percentage (%) of time spent on clients: _____
 Total client hours available each year: _____
 Current client hours commitments: _____
 Available client hours remaining: _____

Section 2: Do some simple math and complete the table below to calculate Advisor time by segment and for the client base.

Tip	# Clients	# Client Meetings / Year	Total Advisor Hours / Client	Total Advisor Hours / Year	NOTES
Tip 1 Investment	10	6	6	60	

Calculating Advisor Client Time:

Section 3: Calculate the average Advisor time per client to input into the table in Section 2. If you have more than one segment and/or Advisor time varies by segment, simply repeat this exercise for each segment and input that number for each segment in the table above.

Meeting Prep Time (Per Meeting): _____
 Meeting Time (Per Meeting): _____
 Meeting Follow-Up (Summary + Actions): _____
 +
 Total Advisor Time / Client: _____

Section 4: Now, assess the impact of your current client model on your revenue, time, productivity, staffing, profits and satisfaction. Note key take-aways for reference when designing your Client Service Model to align with your goals.

Analysis Input

Tip	Total Sales	Average Revenue	Client Months	Tip #	Adviser Fee	Staff Fee	Staff Salary
1	\$10,000	\$1,000	12	3	\$2,000	\$1,000	\$12,000
2	\$20,000	\$2,000	24	6	\$4,000	\$2,000	\$24,000
3	\$30,000	\$3,000	36	9	\$6,000	\$3,000	\$36,000
4	\$40,000	\$4,000	48	12	\$8,000	\$4,000	\$48,000

Expenses & Weighting Methods

Expenses: \$120,000

Revenue: \$100,000

Profit Calculations

Tip	Revenue	Commissions	Profit	Profit / Client
1	\$10,000	\$1,200	\$8,800	\$733
2	\$20,000	\$2,400	\$17,600	\$1,467
3	\$30,000	\$3,600	\$26,400	\$2,200
4	\$40,000	\$4,800	\$35,200	\$2,933

Advisor Allocation

Advisor Name	Tip	Revenue	Commissions	Profit
Advisor A	1	\$10,000	\$1,200	\$8,800
Advisor B	2	\$20,000	\$2,400	\$17,600
Advisor C	3	\$30,000	\$3,600	\$26,400
Advisor D	4	\$40,000	\$4,800	\$35,200

Client Population (Year 0)

Client Profit (Year 1)

Advisor Hours (Year 0)

Client Segmentation & Fee Analysis Results

This tool is designed to help you analyze and segment your current client base. The tool will summarize your segmentation and fee analysis results based on your inputs. It summarizes current values, how you can use the data to inform your strategy, and how you can use the data to inform your strategy. It summarizes current values, how you can use the data to inform your strategy, and how you can use the data to inform your strategy.

Segment	Revenue	% of Clients	Total Revenue	Avg Revenue Per Client	% of Revenue	Avg Revenue Per Client	Avg Fee	Avg Fee %
A	\$10,000	10%	\$10,000	\$1,000	10%	\$1,000	10%	10%
B	\$20,000	20%	\$20,000	\$2,000	20%	\$2,000	20%	20%
C	\$30,000	30%	\$30,000	\$3,000	30%	\$3,000	30%	30%
D	\$40,000	40%	\$40,000	\$4,000	40%	\$4,000	40%	40%

Client Services Overview

Client Services List: Sample

Service Type	Tip 1	Tip 2	Tip 3	Tip 4
Initial Meeting, On-Call Advisor Access	Yes	Yes	Yes	Yes
Portfolio Review	Yes	Yes	Yes	Yes
Investment Plan	Yes	Yes	Yes	Yes
Quarterly Performance Review	Yes	Yes	Yes	Yes
Client Education	Yes	Yes	Yes	Yes
Investment Plan Updates	Yes	Yes	Yes	Yes
Client Onboarding	Yes	Yes	Yes	Yes
Client Support	Yes	Yes	Yes	Yes
Client Training	Yes	Yes	Yes	Yes
Client Communication	Yes	Yes	Yes	Yes
Client Reporting	Yes	Yes	Yes	Yes
Client Education	Yes	Yes	Yes	Yes
Client Support	Yes	Yes	Yes	Yes
Client Training	Yes	Yes	Yes	Yes
Client Communication	Yes	Yes	Yes	Yes
Client Reporting	Yes	Yes	Yes	Yes
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Client Reporting	Yes	Yes	Yes	Yes
Client Education	Yes	Yes	Yes	Yes
Client Support	Yes	Yes	Yes	

STEP 1 CALCULATE

- 1 AVERAGE ADVISOR HOURS BY SEGMENT
- 2 TOTAL CLIENT ADVISOR-TIME NEEDS

- Estimate profitability by segment
- Project advisor time needed to service client base
- Highlight capacity and efficiency concerns

Where is all your time going?

Client Model Time Calculator

Section 1: Use this simple table to calculate your client hours by segment to help you design a client model that aligns with your goals.

ROT* goal *ROT = Return On Time
(Advisor revenue-producing hours ONLY)

Total work hours / year

Percentage (%) of time spent on clients

Total client hours available each year

Current client hours commitments

Available client hours remaining

Section 2: Do some simple math and complete the table below to calculate Advisor time by segment and for the client base.

Tier	# Clients	# Client Meetings / Year	Total Advisor Hours / Mtg	Total Advisor Hours / Client	Total Advisor Hours / Tier	NOTES
Tier 1 (example)	10	4	4	16	160	

Calculating Advisor Client Time:

Section 3: Calculate the average Advisor time per client to input into the table in Section 2. If you have more than one segment and/or Advisor time varies by segment, simply repeat this exercise for each segment and input that number for each segment in the table above.

ADVISOR

Meeting Prep Time (Per Meeting)

Meeting Time (Per Meeting)

Meeting Follow-Up (Summary + Actions) +

Total Advisor Time / Client

Section 4: Now, assess the impact of your current client model on your revenue, time, productivity, staffing, profits and satisfaction. Note key take-aways for reference when designing your Client Service Model to align with your goals.



LIMITLESS

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A group of five diverse business professionals (three women and two men) are standing in an office setting. They are holding a large, glowing white circle in the center. The circle contains the text "TREAT CLIENTS FAIRLY, NOT EQUALLY". The background features a cityscape and decorative green circular patterns.

TREAT CLIENTS
FAIRLY,
NOT EQUALLY

STEP 2 ANALYZE



FIT



PROFITABILITY



REVENUE



CAPACITY

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

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

Analysis Input:

Tier	Tier Name	Average Revenue	Current Number	New Per Year	Adv Hrs /Yr	Staff Hrs /Yr	Expenses & Weighting Methods	
1	Tier 1 Name	\$12,000	4	3	8	16	Expenses	\$126,000
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		
							Weighting method for assigning expenses to clients:	
							Revenue	
							Avg. Hours per Client	

Advisor Roster and Annual Capacity Hours

Advisor Name	Hrs	Advisor Name	Hrs	Advisor 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

Tier	# of Client	ADV Capact	Year 1			Year 3			Year 5						
			ADV Hours	Staff Hours	Profit (\$)	ADV Hours	Staff Hours	Profit (\$)	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%	230	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)

When the vision is clear, the decisions are easy



HELLO

my name is

Covering The Cost
Of "C" Clients But
Don't Know It

STEP 3 ASSESS

 SEGMENTATION CHANGES

 FEE CHANGES

 REVENUE IMPACTS



SERVICE TRANSITIONS

Introduce and invite to participate in new firm services



FEE INCREASES

Share fee increase with clients to promote sustainable business




CLIENT TRANSITIONS

Transition away clients who are no longer a fit for services, fees or alignment

SEE "RIGHT-SIZING CLIENT BASE" LESSON

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



LIMITLESS

Client Segmentation & Fee Analysis Results

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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.

Segmentation	Minimum Revenue	Current Segmentation					New Segmentation					Fee Schedule	
		# 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

TOTALS	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			AUM Fees (BPS)			Annual Planning Retainer Revenue & Fees			Total Revenue		
		Current AUM Revenue	New AUM Revenue	Delta AUM Revenue	Current Avg BPS	New Avg BPS	Delta Avg BPS	Current FP Revenue	Input New FP Reven	FP Revenue Delta	Current Total Revenue	New Total Revenue	Delta Total Revenue
Client 1	\$ 1,831,508	\$ 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	\$ 1,523,895	\$ 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

STEP 4 DEFINE

SEGMENTATION

SERVICE TIERS

SERVICES

SEE "5-STAR SERVICE MODEL" LESSON

Client Services Overview

No individual or family is quite the same, and neither should their financial plan. We believe in identifying and servicing your specific needs and goals, rather than delivering a "one-size fits all" solution. No matter what type of client you become, we're here to help you achieve your goals.

PLANNER CLIENT
Ready to clarify, simplify, and organize your entire financial life? Planner Clients want a holistic approach to defining goals, making informed decisions, and building a well thought-out and maintained strategic plan to reach those goals.

INVESTOR CLIENT
If you want to delegate investment decisions to a disciplined advisor who has the knowledge, experience and resources to perform ongoing investment research and analysis in their best interest.

Investor clients view professional management as a way to accomplish financial goals while freeing up valued personal time.

Their goal is to delegate financial planning to remove the burden of ongoing worry and work, providing additional time to concentrate on personal life and family.

Your Client Experience

Initial Consultation
Get to know us, our services, and our processes. We'll show you how we will meet your needs.

Financial Goals Consultation
Bring clarity to your financial goals and identify how your money can reflect your values.

Strategy Development
Our team meets internally to collaborate, develop, and prepare our recommendation.

Strategy Consultation
We'll discuss our findings and prepare our recommendation.

Implementation: A plan for what's next.

January and February
Write clients, annual review with your dedicated CFP® pro
Cash-flow planning consultations
Estate planning consultations

March and April
Prior-year income tax preparation
Quarterly guidance newsletter

July and August
Investment planning consultations
Cash-flow planning consultations
Estate planning consultations

September and October
Fall clients: Annual review with your dedicated CFP® pro
Quarterly guidance newsletter

Our Client Service Calendar

JANUARY - JUNE

- Financial Plan review (Update goals, action items, and projections)
- Balance sheet update (includes budget + debt review)
- Credit Score check
- Download and review social security statement
- Weekly Newsletter
- Investments Review
- Rebalance 401k + Investment accounts (includes 529 + HSA)
- Quarterly Market commentary
- Insurance Policy review/check-in (P&C, Health, Life, DI, LTC)
- IRA + HSA contribution check in
- Tax return review
- Review tax withholdings and adjust w4

JULY - DECEMBER

- Goal progress update
- Financial Aid applications/FAFSA
- Recertify student loans
- Review Credit Cards for optimal bonuses/rewards
- Client education/appreciation event
- Open enrollment (Employer + Medicare)
- Weekly newsletter
- Rebalance 401k + Investment accounts (includes 529 + HSA)
- Quarterly Market commentary
- Mid year cash flow check in
- Estate plan review/check-in (update beneficiaries)
- EQI tax planning review + projections

Source: Mason & Associates

Where is all your time going?

Cash Flow Planning | Investment Management | Risk Management | Tax Planning | Financial Planning | Estate Planning

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Client Services List: Sample

LIMITLESS

Service Tiers	Tier 1	Tier 2	Tier 3	Tier 4
Review Meetings, Calls & Adviser Access				
In-Person Meeting	2x/yr	1x/yr	n/a	n/a
Phone Meeting	n/a	n/a	1x/yr	n/a
Just Because Calls	2x/yr	1x/yr	n/a	n/a
Offer for Review Meeting	n/a	n/a	n/a	1x/yr
Additional Access (turn around, add'l mtg request)	Priority	Standard	Standard	n/a
Service Based				
Goals Based Planning Link	n/a	n/a	Yes	Yes
Financial Plan Development	Yes	Yes	Yes	n/a
Financial Plan Updates	1x/yr	EO Year	n/a	n/a
Investment Objective Confirmation	1x/yr	1x/yr	1x/yr	1x/yr
Investment Risk Tolerance Review	1x/yr	1x/yr	1x/yr	1x/yr
Systematic Portfolio Review	Qtrly	Qtrly	Qtrly	Qtrly
401k Review	1x/yr	1x/yr	1x/yr	1x/yr
Cash Flow / Budget Review	2x/yr	1x/yr	1x/yr	1x/yr
Liabilities Analysis	1x/yr	1x/yr	1x/yr	1x/yr
Education Funding Review	1x/yr	1x/yr	1x/yr	1x/yr
Social Security Analysis	1x/yr	1x/yr	1x/yr	1x/yr
Beneficiary Review	2x/yr	1x/yr	1x/yr	1x/yr
Power of Attorney Review	5 yr cycle	5 yr cycle	5 yr cycle	NA
Life Insurance Review	5 yr cycle	5 yr cycle	5 yr cycle	NA
Long Term Care Review	5 Yr cycle	5 yr cycle	5 yr cycle	NA
P&C Insurance Review	5 yr cycle	5 yr cycle	5 yr cycle	NA
Estate Plan Review	5 yr cycle	5 yr cycle	5 yr cycle	NA
Year end Tax Planning	1x/yr Q4	1x/yr Q4	1x/yr Email	1x/yr Email
Stock Option Analysis	As needed	As needed	If needed, hrly	If needed, hrly
Charitable Gifting Strategies	As needed	As needed	n/a	n/a
Coordinate mtg with CPA or Atty	As needed	1x/yr	n/a	n/a
Relationship Building				
Relationship Exception for Small Client	Yes	n/a	n/a	n/a
Personal Lunch/Dinner	2x/yr	1x/yr	EO Yr	Case by case
Special Event (Marketing)	2x/yr	3 yr cycle	n/a	n/a
Holiday gift (Marketing)	Yes	Case by case	n/a	n/a
Christmas Party (Marketing)	Yes	Yes	Yes	n/a
Birthday Call (Marketing)	Yes	Yes	n/a	n/a
Birthday Card (Marketing)	Yes	Yes	Yes	n/a

Areas or topics that display as x/yr are typically aligned with meeting preparation and review. For clients with multiple meetings per year, topics may be spread across meetings. Cycle indicates that the area or topic will be re-reviewed in depth on the defined frequency, these may come up sooner than the defined frequency and would be addressed at that time.

STEP 5 LAUNCH



FEE INCREASES



TRANSITIONS



SERVICE MODELS

MAKE CHANGES BY

- Standardizing minimums and fees
- Creating service standards
- Defining a consistent process & schedule
- Systematizing proactive planning
- Cultivating a system for consistent, credible connection with clients
- Adding specialized services
- Utilizing value-adds



Client Communication & Transition Tracker

Instructions: Use this worksheet to develop and customize your client communication and transition plan. This can be used for multiple types of client communications and transitions such as fees changes, segment/service level changes and adviser transitions. Feel free to add and remove columns to needed to track your specific plan.

Transition Group	Description	Transition Options	Transition Start Date	Communication Type		
				Letter	Call	Me
Group 1	No changes for them	n/a	4/30/2018	Yes, general letter	n/a	
Group 2	Moving up a service tier	n/a	4/30/2018	Yes, improved services letter	n/a	
Group 3	Transition out	Meet min level of service / fees or rec'd new adviser	6/30/2018	Yes, new services letter	No	
Group 4	Moving down a service tier	Increase service/fee or stay at new model or rec'd new	8/31/2018	Yes, new services letter	Yes	
Group 5						
Group 6						
Group 7						
Group 8						

Client Name	Current Model (Segment/Fee/Adv)	New Model (Segment/Fee/Adv)	Exception: Y or No?	Transition Group	Transition Letter Send Date	Transition Letter Status	Tr
Jane Doe	B Client	B Client	n/a	Group 1	n/a	n/a	
John Smith	C Client	B Client	Yes	Group 2	3/1/2018	Sent	Ca
Bob Thornton	D Client	D Client or Out	n/a	Group 3	7/1/2018	Sent	Ca
Lily Tamis	C Client	D Client or Out	n/a	Group 4	5/1/2018	Sent	

Client TERMINATION LETTER

Hello <Client Name>,

At <Firm Name>, we are dedicated to helping clients improve their lives by working toward their true financial and life purpose. Over the years, I have found that we do our best work with <insert niche> who need complex wealth management. After much consideration, I've made an important decision to tailor the firm's <services / fee schedule> going forward to suit the unique needs and challenges facing this group.

With this in mind, along with the many changes that have recently occurred in the market and at my firm, I have reviewed all of my client relationships. I have reluctantly concluded that I am no longer able to serve you in the way you most need. My role has always been to provide you with advice that ensures your goals are being met. At this time, I believe the best way to do that is to resign your account and ensure you have an adviser who is an ideal fit for your needs.

As such, this communication serves as the <30 day> written notice outlined in our <advisory/financial planning> agreement. As a gesture of goodwill, we will continue to manage your accounts through the end of <2nd Quarter> and you won't be charged a financial planning fee for the <3rd Quarter>.

I understand any anxiety that you may feel upon hearing this news and want to ensure you that I am fully invested in finding you a financial adviser that will better align with your personal goals and current needs. I am happy to make introductions to a local financial adviser who I feel is ideally suited to serve you. I can also send you information about <Custodian/BD in-house advisers, or the great, economical team of Certified Financial Planners (CFP) employed by Vanguard>.

Please know that I would be happy to make this transition easy and work with the adviser you choose to facilitate a seamless transfer of your accounts. Should you not have a decision by <date>, I will send information on how you can work directly with <Custodian or appropriate firm>.

Thank you for your past business and support, I wish you and best wishes for your continued happiness and success.

In your service,
<Adviser Name>



SERVICE TRANSITIONS

Introduce and invite to participate in new firm services



FEE INCREASES

Share fee increase with clients to promote sustainable business



CLIENT TRANSITIONS

Transition away clients who are no longer a fit for services, fees, or alignment

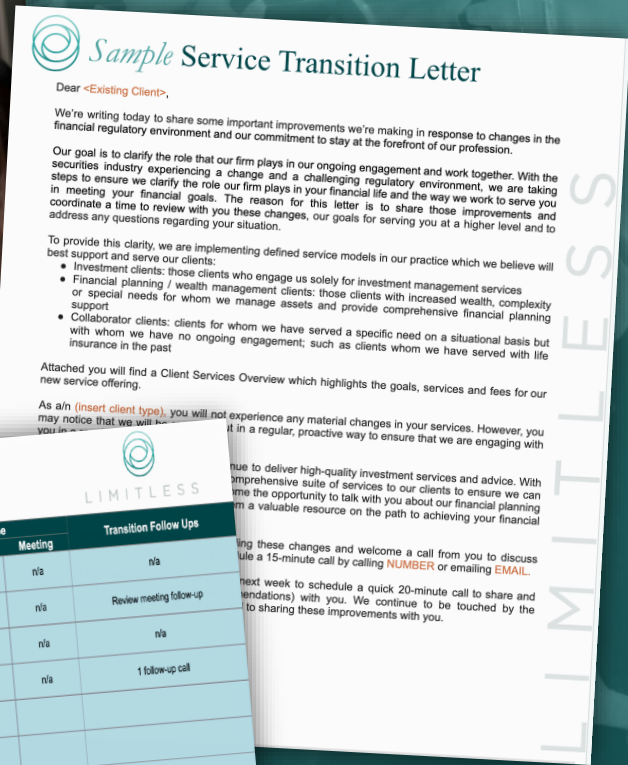
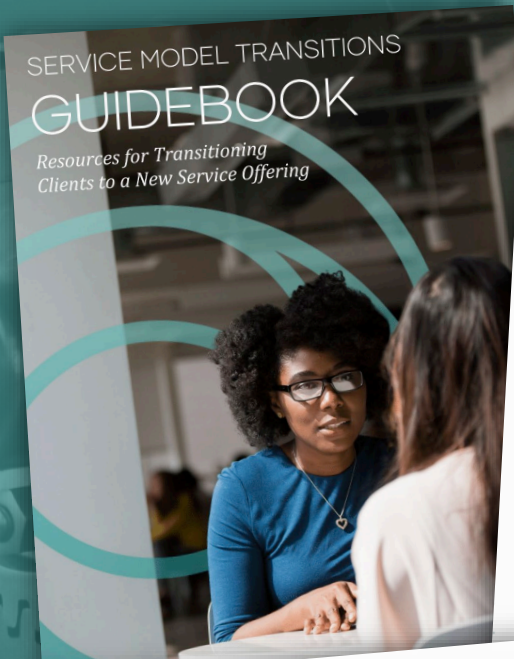


F

is for *fear*

SERVICE-MODEL TRANSITIONS

- #1 Identify service-model transitions
- #2 Define service model (see "5-Star Service Model" lesson)
- #3 Draft client-communications plan and communications
- #4 Create tracking process
- #5 Launch with lowest segment (don't practice on best clients)



Client Communication & Transition Tracker

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Transition Group	Description	Transition Options	Transition Start Date	Communication Type			Transition Follow Ups
				Letter	Call	Meeting	
Group 1	No changes for them	n/a	4/30/2018	Yes, general letter	n/a	n/a	n/a
Group 2	Moving up a service tier	n/a	4/30/2018	Yes, improved services letter	n/a	n/a	Review meeting follow-up
Group 3	Transition out	Meet min level of service / fees or rec'd new adviser	6/30/2018	Yes, new services letter	No	n/a	n/a
Group 4	Moving down a service tier	Increase service/fee or stay at new model or rec'd new adviser	8/31/2018	Yes, new services letter	Yes	n/a	1 follow-up call
Group 5							
Group 6							
Group 7							
Group 8							

Client Name	Current Model	New Model	Exception: Y or N	Transition Group	Transition Letter	Transition	Transition Call	Follow-Up Status	Client Decision
Jane Doe	B Client	B Client	n/a	Group 1	n/a	n/a	n/a	n/a	Agreed
John Smith	C Client	B Client	Yes - Family	Group 2	3/1/2018	Sent	Complete	Scheduled	Pending
Bob Thornton	D Client	D Client or Out	n/a	Group 3	7/1/2018	Sent	Call, 7/15	Complete	Terminated
Lily Tomis	C Client	D Client or Out	n/a	Group 4	5/1/2018	Sent	n/a	Complete	Terminated

SERVICE MODEL TRANSITIONS GUIDEBOOK

Resources for Transitioning
Clients to a New Service Offering

Sample Service Transition Letter

Dear <Existing Client>,

We're writing today to share some important improvements we're making in response to changes in the financial regulatory environment and our commitment to stay at the forefront of our profession.

Our goal is to clarify the role that our firm plays in our ongoing engagement and work together. With the securities industry experiencing a change and a challenging regulatory environment, we are taking steps to ensure we clarify the role our firm plays in your financial life and the way we work to serve you in meeting your financial goals. The reason for this letter is to share those improvements and coordinate a time to review with you these changes, our goals for serving you at a higher level and to address any questions regarding your situation.

To provide this clarity, we are implementing defined service models in our practice which we believe will best support and serve our clients:

- Investment clients: those clients who engage us solely for investment management services
- Financial planning / wealth management clients: those clients with increased wealth, complexity or special needs for whom we manage assets and provide comprehensive financial planning support
- Collaborator clients: clients for whom we have served a specific need on a situational basis but with whom we have no ongoing engagement; such as clients whom we have served with life insurance in the past

Attached you will find a Client Services Overview which highlights the goals, services and fees for our new service offering.

As an (insert client type), you will not experience any material changes in your services. However, you may notice that we will be taking a more regular, proactive way to ensure that we are engaging with

to deliver high-quality investment services and advice. With our comprehensive suite of services to our clients to ensure we can take the opportunity to talk with you about our financial planning in a valuable resource on the path to achieving your financial

ing these changes and welcome a call from you to discuss and schedule a 15-minute call by calling NUMBER or emailing EMAIL.

Next week to schedule a quick 20-minute call to share and (recommendations) with you. We continue to be touched by the opportunity to sharing these improvements with you.

Client Communication & Transition Tracker

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FEE TRANSITIONS

- #1 Identify service-model transitions
- #2 Define service model (see "5-Star Service Model" lesson)
- #3 Draft client-communications plan and communications
- #4 Create tracking process
- #5 Launch with lowest segment (don't practice on best clients)

PRICE VS. VALUE



"\$275 a month...
that's a sh*tty
car payment."

5 STEPS TO A 5-STAR SERVICE MODEL

Client Model Time Calculator

Section 1: Use this simple table to calculate your client hours by segment to help you design a client model that aligns with your goals.

Section 2: Do some simple math and complete the table below to calculate Advisor time by segment and for the client base.

Calculating Advisor Client Time:

Section 3: Calculate the average Advisor time per client into the table in Section 2. If you have more than one segment and/or Advisor time varies by segment, simply repeat this exercise for each segment and input that number for each segment in the table above.

Section 4: Now, assess the impact of your current client model on your revenue, time, productivity, staffing, profits and satisfaction. Note key take-aways for reference when designing your Client Service Model to align with your goals.

Analysis Input

Tier	Tier Title	Revenue	Client Months	Rev / Client	Rev / Sq Ft	Staff	Rev / Staff
1	Tier 1 Name	\$ 1,000	10	100	100	1	100
2	Tier 2 Name	\$ 2,000	20	100	100	2	100
3	Tier 3 Name	\$ 3,000	30	100	100	3	100
4	Tier 4 Name	\$ 4,000	40	100	100	4	100

Expenses & Weighting Methods

Expenses: \$120,000

Advisor Revenue and Billing Capacity Hours

Advisor Name	Title	Address Name	City	Advisor Name	Title
John Doe	LOBO	Home	CA	Jane Smith	CA
Jane Smith	LOBO	Home	CA	John Doe	CA

Profit Calculations

Tier	Revenue	Cost	Profit
1	\$ 1,000	\$ 200	\$ 800
2	\$ 2,000	\$ 400	\$ 1,600
3	\$ 3,000	\$ 600	\$ 2,400
4	\$ 4,000	\$ 800	\$ 3,200

Client Population (Year %)

Client Profit (Year %)

Advisor Hours (Year %)

Client Segmentation & Fee Analysis Results

This tool is designed to help you analyze and segment your current client base. The tool will summarize your segmentation and fee analysis results based on your inputs. It summarizes current values, how you can find the value difference between these values, and you can find your current fee schedule. There are also a few other things you can do with the data, such as: you can find the value difference between these values, you can find your current fee schedule, and you can find your current fee schedule.

Client Segmentation

Segment	Revenue	% of Clients	Total Revenue	% of Revenue
1	\$ 1,000	10%	\$ 10,000	10%
2	\$ 2,000	20%	\$ 20,000	20%
3	\$ 3,000	30%	\$ 30,000	30%
4	\$ 4,000	40%	\$ 40,000	40%

Client Services Overview

Client Services List: Sample

Service Type	Tier 1	Tier 2	Tier 3	Tier 4
Initial Meeting	Yes	Yes	Yes	Yes
Follow-up Meeting	Yes	Yes	Yes	Yes
Quarterly Review	Yes	Yes	Yes	Yes
Annual Review	Yes	Yes	Yes	Yes

ON PURPOSE PROJECT PLANNING

Plan the path to your success.

Define your project goals and objectives.

Identify key stakeholders and their roles.

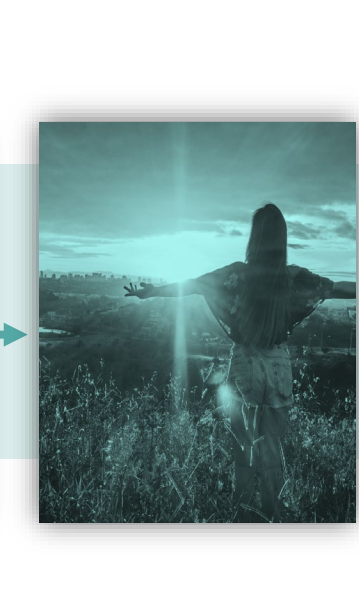
Develop a project timeline and milestones.

Allocate resources and budget.

Monitor progress and adjust as needed.

Communicate effectively throughout the project.

Close the project and evaluate success.



1
CALCULATE
YOUR CLIENT
TIME
(FOR CLARITY)

2
ANALYZE
CURRENT
CLIENT BASE
(FOR OPPORTUNITIES)

3
IDENTIFY
CHANGES &
TRANSITIONS
(FOR ALIGNMENT)

4
DEFINE
SEGMENTS &
SERVICE TIERS

5
LAUNCH SERVICE
MODELS &
TRANSITIONS

DELIVER
DEEPER VALUE,
HYPER-EFFICIENTLY

Q&A

