

# Delivering Quality Service in a Time-Constrained World

Take a minute to think about all of your clients:

- Do you have the time and resources to meet all of their needs?
- Do you know which clients you cannot afford to lose?
- Are these key clients getting enough of your attention?

If you answered no to any of these questions, you are not alone. Providing your clients with the level of service they deserve while effectively managing a productive practice can be challenging for any advisor or team.

Many daily activities take up your time, but not all are equally productive. We recommend you make a list of the activities that are important to your business model, classifying them into three buckets: those that are basic necessities to running your business, those required to service your existing clients and those that offer the opportunity to grow your business.



Running a successful practice requires you to balance competing demands for your time. The challenge for any advisor or team is finding enough time for business expansion without letting client servicing and back-office activities fall through the cracks.

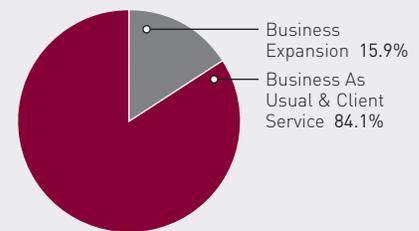
## Sample Advisor Activity List

Business as Usual (activities that must be done)	
<ul style="list-style-type: none"> <li>• Operations</li> <li>• Compliance</li> <li>• Research</li> <li>• Due Diligence</li> <li>• Staff Administration</li> </ul>	Should be streamlined as much as possible.
Client Service (activities required to maintain current clients)	
<ul style="list-style-type: none"> <li>• Client Meetings</li> <li>• Client Calls</li> <li>• Client Correspondence</li> </ul>	Face time is a time-intensive endeavor.
Business Expansion (activities that help grow and improve your future business)	
<ul style="list-style-type: none"> <li>• Client Presentations</li> <li>• Client Appreciation Events</li> <li>• Client Acquisition (e.g., social networking, prospecting)</li> </ul>	Often get postponed because time is consumed doing business as usual and client service activities.

The average advisor spends 15.9% of his or her time, or about six hours per week\*, acquiring new clients.

\* Assumes 40 hour week.

## Advisor Time Allocation



Source: Cerulli Quantitative Update: Advisor Metrics 2009.

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## Find Time to Provide Top-Tier Service

Consider following the process outlined below to define your service model, set your clients' service expectations and ensure you do not lose those clients who are most important to your business.

### 1. Review Your Current Service Model

- Any proactive client contact, no matter the format, should be scheduled, meaningful and consultative. Anything that does not fit that criteria should be modified or eliminated.
- When examining your service model, consider the following questions:
  - How often do your clients expect to meet with you face-to-face?
  - How many of these meetings could you conduct as conference calls (or non-face-to-face)?
  - What other communication will you offer (e.g., emails, reports, birthday cards)?
- Taking the time to write out your service model helps you understand how much time you can afford to spend with clients and often illuminates easy changes to your routine that can add time to your day.

### 2. Establish an Ideal Service Model

- The example below illustrates a service model similar to one used by top advisors in establishing consistent face time with their clients. You may want to base your model on this idea.
- Once you have established your ideal model, determine how much time it would take to apply this model to all of your clients. Can you maintain the level of service your top clients deserve if you are applying the same service model to all clients?

#### Applying Your Ideal Service Model to Your Book

	Service Model			Assuming 300 Clients	
	Contacts/Client/Year	Minutes/Contact	Hours/Client/Year	Total Hours/Year	Total Hours/Week*
Client Meetings	2	90	3	900	18
Client Calls	2	45	1.5	450	9
Client Correspondence	8	15	2	600	12
<b>Total/Client/Year</b>	<b>12</b>		<b>6.5</b>	<b>1,950</b>	<b>39</b>

\* Assumes 50 weeks per year.

- In this example, which assumes a base of 300 clients, you would need to spend 39 hours per week just to service your clients. Even if you have a team of two advisors, client service still takes up approximately half of your time each week.
- Something has to give. Either the number of clients has to be reduced or the quality of service has to go down. Providing a lower level of service to your top-tier clients, however, may make them more likely to leave.
- One solution is to apply different levels of service to different levels of clients, focusing on your top-tier relationships.

### 3. Review Your Book

- Think about the people you consider your top clients. What are the minimum criteria that set them apart from other clients? Use these characteristics to develop parameters to define your top clients.
- If you are part of a team, involve all members in the scoring process to help ensure you have everyone’s insight.
- Score all your clients along each measure. Assign relative numerical values (e.g., 3 is best, 0 is worst) to each measure and then add up the scores to get a total attractiveness score.

Ranking Your Clients				
	Sample Measures of Client Attractiveness			Total Attractiveness Score
	Revenue (x2)	Likelihood to Give Referrals	Like Working With Them	
Client 1	3 (6)	2	3	11
Client 2	2 (4)	3	1	8
Client 3	1 (2)	1	3	6
Client 4	0 (0)	1	2	3
Continue the same process for all clients				

- In the example above, the clients have been scored on revenue, referral generation and likeability. Additionally, the revenue scores have been scaled up by a factor of two, which represents this measure’s greater relative importance in the example.
- When you are scoring your clients, consider whether you want all of your measures of attractiveness to be equally weighted. Some measures (such as revenue) may be more important to you than others.

### 4. Segment Your Book

- Using the information and analysis from your book review, match total scores to segments (labeled A, B, C and D in this example) to differentiate your clients.

Segmenting Your Clients	
Total Attractiveness Score	Segment
10-12	A
7-9	B
4-6	C
0-3*	D

\* You should consider whether it is worth your time to maintain relationships with these clients.

- Go back to your initial list of activities and decide how much time you wish to spend with each segment. Activities like non-face-to-face meetings may be utilized with lower scoring clients to save time. You should also determine which business expansion activities should be targeted to each segment.

Applying Your Client Service Model Segmentation					
Client Service	A	B	C	D	Prospects
Client Meetings	4/yr	2/yr	1/yr	0	
Client Calls	0	2/yr	3/yr	0	
Client Correspondence	8/yr	4/yr	0	4/yr	
Business Expansion					
Client Presentations	x	x			x
Event Invitations	4/yr	2/yr	1/yr	0	x

- Clearly communicate to clients and prospects the level of service they can expect to receive. In this example, A clients receive the most client service, as well as the most face time.
- Many top advisors strive, over time, to build books comprised entirely of A clients. Their books are, out of necessity, smaller as they must provide top-tier service to all clients. Consider applying this idea to your practice.
- Whether you plan to maintain a segmented model or strive for an all “A” book, we recommend repeating steps 3 and 4 at least once a year to make sure clients are categorized appropriately. You should also check your parameters each year. How you define your A clients may, and should, change over time.

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## Put Client Segmentation Into Practice

- Review Your Service Model
- Establish an Ideal Service Model
- Review Your Book
- Segment Your Book — Revisit Annually

This four-step process can be used to effectively organize your book, streamline your client service model and create more time for business expansion. After completing this process, we recommend that you create a customized action plan for each client that contains how you will communicate and apply your service model.

In addition to helping you understand your current book, identifying the qualities you consider important in your top clients allows you to target leads more effectively. You can also use this exercise to identify a few B and C clients each year that you feel are in a position to become A or B clients with a little help. Provide these clients the next higher level of service in your model, and you may be able to move them up-segment and grow these relationships.

If your goal is to work toward a smaller book including only top-tier clients, applying this segmentation process will help you identify those clients you want to keep and those you need to transition elsewhere. For example, you may move your lower scoring clients to an internal call center, to a junior team member or out of your practice entirely.

Over time, segmenting your book and adhering to a review process will help you increase the number of top-tier clients with which you do business, while simultaneously reducing the time dedicated to less profitable clients. This will allow you to grow your business, the quality of your clients and the value of your experience as a financial professional.

**BlackRock can help you segment your book, make your client contacts more effective and expand your business. For more information, contact your BlackRock representative at 877-ASK-1BLK (877-275-1255) or visit us online at [www.blackrock.com/fp](http://www.blackrock.com/fp).**

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