



5 Steps to Prioritizing Client Service Initiatives:

How to Create a Strategic Roadmap Addressing Client and Firm Needs

By Greg Kalosieh
Senior Project Manager
Securities Service Network

Advisory firms today are faced with the daunting task of meeting various, sometimes competing, client needs with financial products and services the firm can offer. To do so effectively with scarce resources, firms need a flexible, repeatable and transparent way to prioritize and address those needs.

The process described in this white paper can be employed to provide such a solution and can be as quick or as in-depth as required for specific circumstances.

Technology may often be used to solve a client service problem; however, the implementation of technology solutions can provide its own challenges. First, technology is employed best when it solves the root cause of a problem or automates an already sound workflow. The use of technology to automate a bad process will not provide the benefits the firm seeks. Second, there are now myriad technology solutions for any given problem, making the evaluation of software products and vendors an extensive process unto itself. The methodology described here could be used to evaluate software solutions.

For the past year or so at SSN, we have been using the process described here to identify development and implementation priorities for our rep facing technology. Its value cannot be overstated as it has literally changed our culture; when new ideas are revealed in company meetings, someone will invariably ask, “Is it on the roadmap?” This serves to enforce a sort of corporate discipline and helps to reinforce our strategic decisions.

Wade Wilkinson
President and CEO
Securities Service
Network

Step 1: Identify target customer needs and potential solutions

The needs of your target audience may be uncovered in numerous ways, but most needs can be identified from direct interaction with investors. Other inputs may include client forums, advisory councils, survey responses, client records, website “feedback” responses, and social media posts. Customer needs may also be gleaned from strategic partners including broker-dealers, RIAs, technology vendors, CPAs and other professionals, and industry conferences. Casting a wide net will enable you to capture the most inputs, which, when analyzed, may lend insight into customer needs.

Although competitive information is important, its value is reduced as long as your firm is focused on your target customer. Why chase another firm’s target customer down a rabbit hole? In the absence of a strategic roadmap, this becomes the default planning method.

Also note the use of the term “target customer.” It is important to acknowledge that your scarce resources should be put to use serving the customers with whom you like to work or those who are most profitable. If a \$1mm prospect is interested in your services but is not in your target market, you may choose (incorrectly) to spend time and effort attempting to attract that client. What is suggested here is that the expenditure could be better directed by focusing on the needs of your target customers and ensuring that your services are perfected for that profitable segment.

Next, you should identify potential solutions for each customer need. Various solutions for a single customer need will be vetted through this process, so this can be a blue-sky exercise. In the course of this exercise it may become apparent that a proposed solution will not work, in which case it may be excluded. However, proposed solutions that you may not feel are “optimal” should still be included in the process, as those may inspire and help determine the optimal solution.

Step 1

Solutions
Solution A
Solution B
Solution C

The results of the above exercise should be listed down the left hand column of a spreadsheet and labeled “solutions.”

Step 2: Scoring and prioritization of solutions

After all the potential solutions for all the customer needs are collected, you need a method by which they are prioritized. Which are the solutions that will add the most value to customers or increase your firm's value the most? The solutions will all appear to be important, and the relative value of each may not be readily apparent. So, which should be addressed first?

To prioritize them, score each solution against a set of weighted criteria, which will then provide a weighted score for each. The criteria must flow directly from the goals of the firm. If you are part of a larger organization, developing these criteria along with your associates is a phenomenal experience, in and of itself. You can collectively discuss and document what the most important criteria are for the firm. As mentioned earlier, this process is supposed to be a transparent one.

► First, identify the goals/criteria to be used. These will be specific to your firm but may include:

- Increase customer service
- Provide point of differentiation for firm
- Increase office efficiency
 - » Decrease firm costs
- Decrease cost amount
- Reduce firm risk
- Create new revenue stream
 - » Amount of new revenue

Note: Any time you have quantifiable criteria you should have accompanying "amount" criteria (see sub-bullets above).

There are some additional criteria that may be used as tie-breakers. These criteria are developed with the notion of "all other things being equal, we should address the need that _____." Examples here include:

- Time to market
- Least customer disruption
- Number of customers impacted

For instance, all other things being equal, you would address a solution that can be implemented quickly first.

Now, add the criteria identified along the top of the spreadsheet.

Step 2a

Solutions	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5
Solution A					
Solution B					
Solution C					

- ▶ Second, weight the criteria. Here you identify which goals/criteria are the most important to your firm at that moment. This again should be a team exercise and agreed upon, independent of the solutions at hand. It is best to use weights that are at least 2 digits apart (e.g. odd numbers only) so that you aren't "splitting hairs." Ensure that the weights you provide will produce a higher score for a solution that contributes positively to that criterion.

Enter the relative weights of the given criteria/requirements.

Step 2b

Solutions	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5
<i>Weight</i>	<i>5</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>1</i>
Solution A					
Solution B					
Solution C					

- ▶ Third, score each solution versus how well that effort will fulfill a particular goal or firm criterion. In doing so, you will arrive at a weighted score for each solution that will reveal the prioritization and order with which you should pursue them. Here again, it is best to use scores that are at least 2 digits apart (e.g. odd numbers only).

Step 2c

Solutions	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5
<i>Weight</i>	<i>5</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>1</i>
Solution A	1	1	3	1	5
Solution B	3	3	3	1	1
Solution C	5	1	1	1	3

To arrive at a consolidated score for each solution, enter formulas into your spreadsheet that will:

1. multiply the needs score with its weight to come up with a figure for that cell
2. repeat this process for all criteria
3. add all of the figures for that need to arrive at an aggregate score

(See *Step 2d.* below where calculation is illustrated for the first row.)

There will be times when you are unsure how to score a particular effort or when you will waiver between two scores. The scores will make relative sense so long as you maintain consistency. For example, you may deem that you have been scoring a particular criterion incorrectly. This is fine so long as you score incorrectly for all needs in the same way – relative to each other, scoring incorrectly has no effect. As a general rule, be conservative in your scoring.

Score each need/requirement against criteria.

Step 2d

Solutions	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Score
<i>Weight</i>	<i>5</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>1</i>	-
Solution A	1 (5)	1 (3)	3 (15)	1 (1)	5 (5)	29 (5+3+15+1+5)
Solution B	3	3	3	1	1	41
Solution C	5	1	1	1	3	37

- ▶ Lastly, prioritize the needs/requirements as per the relative score of each and reorder the rows to be in priority order to display the current consensus of priorities.

Step 2e

Solutions	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Score	Priority
<i>Weight</i>	<i>5</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>1</i>	-	
Solution B	3	3	3	1	1	41	1
Solution C	5	1	1	1	3	37	2
Solution A	1	1	3	1	5	29	3

Step 3: Establish Effort Estimates

Once your solutions are prioritized, you need to create a plan for addressing the high priority ones. Document high-level business and technological requirements so that all stakeholders have a good understanding of the demands for time and effort. There will be many unknowns at this point, but that is tolerable at this stage of high-level planning efforts.

- ▶ First, you need to identify the resources at your disposal to meet as many of the solutions you may address as possible. You may need to create “buckets” of resources that are specialized for specific tasks, such as marketing or finance. For smaller firms, it is likely that a single bucket of resources will suffice.

Resources are usually estimated in either hours or dollars. For the table below, hours are used. Put the final resource count in a column after your prioritized list of needs.

Step 3a

Solutions	Score	Priority	Resource A (50 hours)	Resource B (20 hours)	Resource C (10 hours)
<i>Weight</i>	-				
Solution B	41	1			
Solution C	37	2			
Solution A	29	3			

- ▶ Second, for each solution identify the number and type of resources required to fulfill that effort. Again, these are high-level estimates, since detailed requirements are not yet known. These are not the estimates for which you will hold yourself or your team accountable.

When you exhaust all of your resources in any column for which resources are required, draw a line under that row. This is your cutoff point, where no further efforts may be completed with the resources provided. All solutions after this line are your “backlog” of efforts. The backlog efforts can be addressed only if:

- more resources are obtained
- you have over-estimated the work required for an effort which frees resources
- the priority of your efforts change

In the table below, Resource B is exhausted after solutions B and C are addressed. Solution A becomes the first item in the backlog. If it is later determined that the estimates for Resource B are incorrect, and at least 2 hours are freed, then Solution A may be addressed as well.

Step 3b

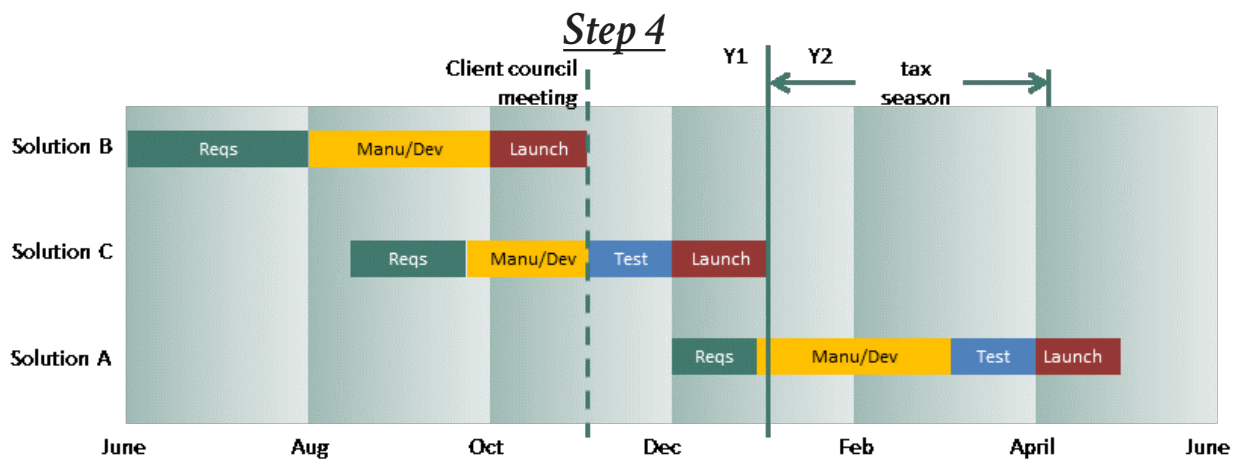
Solutions	Score	Priority	Resource A (50 hours)	Resource B (20 hours)	Resource C (10 hours)
<i>Weight</i>	-				
Solution B	41	1	35 hours	10 hours	2 hours
Solution C	37	2	10 hours	10 hours	0 hours
Solution A	29	3	5 hours	2 hours	5 hours

Step 4: Roadmap planning

After establishing targeted solutions, you can plan when the various phases of the effort (e.g. manufacturing/development, testing, or launch) will take place. Take care to stagger the phases so that, for instance, not all efforts are in the testing phase at one time. It is normal, at this point, that requirements be refined, but still not finalized, so a better understanding of the efforts is achieved.

You should also pay attention to significant dates for your customers and your firm. You'll likely want to tout a new offering or customer enhancement at some significant customer event planned. You may also want a particular solution in place for, say, tax season or the end of your fiscal year. Be sure to leave yourself plenty of time and slack in your schedule to accommodate unknown requirements. In this manner, the worst that may happen is that you get more done than you had planned.

Here is an example of a roadmap that is easy to read and understand. In this example, Solution A is put off until next year.



Step 5: Roadmap maintenance

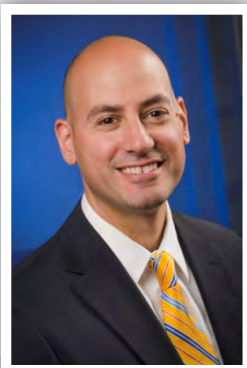
One of the benefits of the above process is its flexibility. Since the solutions have already been scored, a change in direction of the firm can re-prioritize the documented solutions instantly. For example, if your firm enters a cost cutting mode, you simply bump up the weighting on that criterion. The scores for each effort will automatically be regenerated, potentially providing new priorities. Likewise, an increase or decrease in available resources can be addressed with ease.

As efforts are completed they are dropped from the spreadsheet, making way for new solutions to be addressed. You may add new solutions as needed and go through this exercise again, but a best practice is to gather solutions for quarterly or semi-annual evaluation. This will eliminate the “paralysis by analysis” effect.

When new efforts are added with higher prioritization than existing efforts, you must make the decision whether or not to pursue the existing solution or new solution. If the existing effort is well along in the development cycle, you may choose to continue to pursue it. Starting, stopping and re-starting an initiative is disruptive and may elongate the total effort needed. You also need to identify those efforts that may have been promised to clients or partners and if the change in priorities will be welcomed by those stakeholders. Lastly, consider when the existing effort was to be delivered. It may make sense to pursue an effort that benefits customers and have it completed before a customer meeting date.

All firms may employ the aforementioned process to any number of planning processes, including project requirements validation and vendor selection. This methodology provides a repeatable, well-documented and transparent process that is also flexible to the needs of each firm. It relies more on an unbiased process and less on “gut feel” or the tribal knowledge that exists in each firm. Expect to spend more time with the process the first time you complete it. However, making subsequent changes is a quick and easy scoring process, especially for those familiar with what to expect.

Greg Kalosieh is currently Senior Program Manager for Securities Services Network, Inc. (SSN). In this role, Greg performs strategic planning and product/project management for the firms' advisory and technology products.



Prior to joining SSN, Greg spent 15 years at Pershing LLC in various roles. Most recently, Greg was a Vice President and worked as a Product Manager in Pershing's Technology Products and Services division helping to formulate the firm's technology product strategy. As a Product Manager, Greg applied his market analysis, strategic planning and implementation skills to create innovative and compelling technology solutions for the NetExchange suite of applications. In 2009, Greg was responsible for the strategic planning, implementation, and rollout of Pershing's award-winning NetX360 application. His change management and leadership in the organization were recognized regularly.

Greg holds an MBA in Finance from New York University's Stern School of Business. He has a MS in Pure and Applied Mathematics from Montclair State University, and a BS in Mathematics from Fairfield University. He also holds a Series 7 license.

About Securities Service Network, Inc.

Securities Service Network, founded in 1983, is a locally owned and operated independent broker dealer, headquartered in Knoxville, Tennessee. SSN currently has nearly 500 affiliated financial professionals nationwide.

SSN is ranked one of the nation's leading independent broker dealers as recognized in Investment News and Investment Advisor and a member of the INC 500 magazine's Hall of Fame.

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9729 Cogdill Road
Knoxville, TN 37932
866-218-7908, Option 7
www.joinssn.com