

The Winning Edge



The winning edge refers to the distinction which separates the best from the rest. This distinction is often small; however, the difference in rewards can be huge.

The winning edge says that small differences in knowledge and ability can lead to enormous differences in results. Take a horse race. A horse that wins by a nose still earns ten times more prize money than the horse that places second. The first place horse is clearly not ten times faster nor ten times better than the second horse; it is only a nose better. Nonetheless, the slightly faster horse wins the vast majority of the purse. The first place horse benefits from the winning edge.

Entrepreneurial Excellence

Advisors with the winning edge are entrepreneurs. Entrepreneurs, like those described in Michael Gerber's "The E-Myth" or Thomas Stanley and William Danko's "The Millionaire Next Door", are people who run their businesses like well-oiled machines.

Earnings alone do not define a successful entrepreneur. There are chiropractors and proprietors of small printing companies who each earn about \$100,000 a year from their businesses which are located in a suburban strip mall. They often possess greater entrepreneurial savvy than financial advisors who earn \$500,000 a year. The difference is that chiropractors and print company owners must focus on their businesses in ways that financial advisors typically do not. To have the winning edge, however, financial advisors need to develop this same entrepreneurial spirit.

All Systems Go

One of the most important shifts to make is to adopt a systems-based approach to your business. This means that every process and activity you and your team execute on a daily basis is planned, scripted, rehearsed, refined and well-documented in a Procedures Manual.

Two key reasons you should script your business from top to bottom:

1. Until your methodology is documented, it is not an asset.
2. If you don't document everything, it is likely that your business will run smoothly only if you are there all the time.

The primary benefit of a systems-based operating approach is that you gain predictability and efficiency. Think of your business as a path through dark woods. Your Procedures Manual will act as the light for this path. Without a Procedures Manual, you must navigate the path with no more than a penlight for guidance. A good plan, one driven by systems, is like a beacon. It guides you forward, letting you see past short-term obstacles, so that you remain on the path to your goals.

Have you ever missed an opportunity while you were trying to reinvent the wheel?

That's the primary reason why people buy franchises. The day-to-day procedures have been perfected - franchisees don't spin their wheels. Try putting your operation under the spotlight for a moment. Could you franchise your business? Could you sell it for a huge sum or hand it to someone to run, guaranteeing them a high level of success because of tight operational procedures? Establishing and documenting clear procedures will allow you to answer yes to these questions and will give you the winning edge.

Enjoy the Winning Edge

With systems in place, your success is no longer simply tied to your ability to sell investments. It is due in large part to *how efficiently you run your business*.

It is an undisputed fact that an entrepreneur must constantly be looking for ways to increase revenues and lower costs. When it comes to increasing revenues, you can either increase the number of transactions you process or increase the size of the transactions.

Lowering costs is another attractive business development strategy, one that Wal-Mart has mastered. Wal-Mart sells far more goods per square foot than its rival K-mart. However, that is only half the story. Wal-Mart is far more profitable because it actually "makes money" when it buys goods. Long ago, the company realized that it couldn't raise its prices to increase profits because of competitive factors and market pressures. In response, it started buying more efficiently. Its costs for landing a skid of Tide is so low that the company is able to widen its profit margins while holding down retail prices.

This philosophy can be applied to your business, because systems add to your profit margin by making your practice more efficient. Furthermore, systems ensure that you aren't at the mercy of talent alone when it comes to your support staff. We know of a lawyer who, in truth, is held together by his legal assistant. As he said recently, "Every time she returns from holiday, I have to give her a raise because she can see how the business nearly caved in without her."

Don't rely on talent alone. Create a systematic approach that you can hand to someone else to implement. You are truly on the verge of greatness when you have made yourself obsolete, meaning that your business could run without you being there every day. Most advisors we have met love what they do, but they are getting a little weary. You've given a lot to your business. It's time for your practice to give something back. *Better efficiency leads to more free time, so that you can charge up your batteries and balance your life. It's not only liberating, it's rejuvenating too!*

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