GROWING YOUR BUSINESS:
IT STARTS WITH YOUR SENSE OF PURPOSE

How a focused approach to growth begins by defining who you are.

By Lana Calton, Managing Director, Head of Clearing
How to develop a value proposition for your broker-dealer firm.

Sometimes when you want to move forward, it’s necessary to first take a step back. We’re all driven by doing more with less, working with leaner resources and lengthier days. Often the ability to focus on opportunity and growth is superseded by the pull of daily business — by the responsibility of fulfilling the tactical requirements of today rather than the strategic needs of tomorrow.

As an owner or operator of a broker-dealer, you most likely know exactly what I’m talking about. Managing the complexities of your business, from regulatory and compliance issues to audits, payroll processing, and recruiting and managing employees can be taxing on your time and your attention. However, prospecting the next level of growth for your firm takes a considered approach. It takes thoughtful planning. And, I would argue, it takes a large amount of self-reflection. It takes looking inward to find your true sense of purpose to capitalize on the opportunities outside your door. It takes thinking about who you are, the value you deliver and even why you’re in business in the first place to adequately define where you want to go and grow with your firm.

Recently, I went through an exercise to create a value proposition for our Clearing Services division. It was a valuable experience and one I’d like to share. It may sound unnecessary for an established business, but I think you’ll find the impact of formulating a purpose statement that clearly positions your firm to be both immediate and lasting. It gives you a tool to use as a guidepost — and a daily roadmap for your future. I know it’s helped me and my team to have a fundamental promise to rally around. I hope it does the same for you.
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Reflect on who you are.

Formulating a purpose statement that clearly positions your firm to be both immediate and lasting.

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Your goal is to create a concise definition of who you are and the core values you associate with your business. You can start this process by asking yourself a series of questions. For example:

What was your biggest success? How did you make it happen? And, what would it take to replicate it?

What is your business currently known for? What do you want to be known for?

What attracts people to your firm — as clients and employees?

If you could only do one thing well, what would it be?

What differentiates your firm from other broker-dealers? What value do you provide?

What gets you out of bed in the morning?

What are your key motivators? What continues to inspire you about your business, your clients and the communities you serve?

If you could afford to do it, is there any piece of business you would shed?

What is your business currently known for? What do you want to be known for?

What would it take to replicate it?

What attracts people to your firm — as clients and employees?

By paying close attention to the answers to these unique positioning statements. The next step is to put your reflections in writing.
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Write it down.

Writing down your value proposition not only gives it structure, it also forces you to be concise. You only want to express your core purpose as a business and your central belief system. Everything else is clutter. Your goal here is to cut through the clutter with clearly focused statements. Your value proposition will have two parts:

- **Your value statement:** What is your sense of purpose and the purpose of your business?
- **Your promise statements:** How are you going to support your value statement — every day?

Share your values.

Another reason to write down your value proposition is because to have meaning it needs to be integrated into the daily experiences of your firm. Which means you must share it. Your job is to make it leap off the page and become a fundamental tool for your team to rally around, which is what I’m currently doing with my team. It gives you the opportunity to ask your employees how they could better help the firm fulfill its promise. And, seeing it in writing may spur someone to create or tackle a new role where they could add value. Ultimately, it can have application in the real-world processes of your firm as a tool.
for hiring, training and evaluation, or as a lens to view new opportunities through. One of the most significant benefits it will have is that it can help you look at the scope of your business and identify areas of conflict. Perhaps there are lines of business that are no longer in alignment with who you are, or maybe there are hiring practices that need to be retooled to better deliver on the promise statements you’ve identified and defined. A clearly articulated value proposition helps you manage around the central idea of who you are — and it can help you keep the clutter at bay.

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Look outward for growth.

Once you’ve internalized your value proposition, it’s time to look outward through this new lens. Are there engagement opportunities in your community that can create new business? One thing to remember when you are constructing your value proposition is to think about the philanthropic aspect of your firm. What are you, your company and your employees committed to and passionate about? How can that passion become an extension of who you are and the purpose of your business? How can it deepen your ties to your community? We put down roots every day — with every interaction — whether planned or unplanned. With your purpose statement firmly in hand, you can plan meaningful interactions that can resonate with all your constituencies.

Stay true to yourself.

I know many of you have a clear understanding of who you are and have never veered from your identity. Your success has been fueled by that and it continues to guide you regardless of market or regulatory environment. But I also know that not every owner of a broker-dealer firm has had the time or opportunity to define a central value proposition. Hopefully this exercise can be the first step in accomplishing that.

If you would like to read the Clearing Service’s value proposition that I’ve mentioned in this article, go to the appendix on page 7.
Analyzing your community for growth and opportunity.

Communities change. In many cases, at a rapid pace, driven by business growth, corporate relocations and shifting population segments. A yearly evaluation of your greater community could include an analysis of the following:

Population makeup: Have there been significant shifts in key population groups, including professional, retirement or millennial segments?

Business landscape: Have there been recent corporate or company relocations that are driving growth in specific areas?

Are there major employers that are expanding? Where is your community growing — and contracting?

Now, look at your advisors:

Do they reflect the community segments they serve?

Have they been adequately educated on how to realize new opportunities?

Are you engaging in an ongoing conversation about new opportunities?

One in an occasional series of business insights for owners and operators of broker-dealer firms.

About Lana Calton

After positions in operations and equity trading, Lana Calton joined the Clearing Services team in 1997 as a relationship manager. Since that time, she has gained a deep-seated knowledge of the needs and requirements of broker-dealers through her roles in sales and management. She has been a registered representative of HilltopSecurities since 1997, and she became the Managing Director, Head of Clearing for HilltopSecurities in October, 2013.
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