Allan Financial tag team: Chriselle Kalaw, Ross Allan, and Danielle Allan

Revive Your Firm

Allan Financial desired more social engagement in their practice in hopes of keeping them relevant for future generations. **Jay Palter** explains how they did it

Ross Allan is like most seasoned insurance advisors. Entering the business in 1984, he built his practice the old-fashioned way, by slowly nurturing relationships over time. A long-time resident of Bowen Island, just a short ferry ride from Horseshoe Bay in West Vancouver, Allan has become a go-to insurance guy in this close-knit and affluent community.

His office is in Vancouver's trendy Yaletown neighbourhood, to which he commutes by boat for half of the year. He started out serving the insurance planning needs of a broad demographic. But today the ideal client of Allan Financial is a member of the "mass affluent" — high-income earners in their 30s, 40s, and 50s. These clients have substantial investable assets, but also significant amounts of personal debt. Allan calls them the "high debt worth," as their primary insurance needs are for income replacement and debt protection. The firm processed more than 200 high-end insurance applications in 2016.

While managing a thriving business, Ross Allan desired more. In the past decade, his staff grew from four to 12 people who are mostly Millennial women. He wanted a firm that not only fully explored but also embraced fresh concepts. "The future of this firm cannot be my 56-year-old ideas," Allan says of his Boomer demographic. "For the firm to really grow for the next 30 years, we need to be ready to compete with the new reality."

For Allan Financial, the new reality means creating more meaningful social engagement. But what does meaningful engagement even look like?

Enter Allan's daughter Danielle, who represents the next generation of the firm. As finance director, she has occupied every seat in the firm since she began working in the family business eight years ago — except for her father's. Danielle is currently two years into a 10-year transition plan, and Allan knows he's fortunate to have a capable, educated successor who is keen to take the reins one day.

Danielle first brought the idea of the Kiva Project to her father (or "Ross-Dad," as she calls him at the office) in 2014. Kiva is a non-profit organization headquartered in San Francisco that offers "micro-loans" to borrowers in developing countries to start or scale their small businesses. Danielle was intrigued after seeing friends share on social media about their experience lending with Kiva. They immediately see the impact of their loans.

While organizing a corporate retreat in San Francisco, Danielle suggested they visit the Kiva office. "In the end, the whole team went and had a great meeting with Kiva's director of marketing," she says.

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Back in Vancouver, Danielle and the team began organizing the Allan Financial Kiva Project. They set a goal to raise and lend $250,000 to women entrepreneurs within 18 months by training the firm's staff to pitch clients and suppliers. Teams of two or three staff were assigned geographic regions (East Africa, the Middle East, Southeast Asia, and Central America) and competed to raise money for loans in their regions. Today, they have raised more than $460,000. The initial amounts loaned out were repaid within the first 12 months.

Why focus on a project that loans funds to women entrepreneurs in developing countries? When money is invested in women, it typically stays within the community and improves the lives of others.

"We want to have something where the whole is more than the sum of its parts," says Danielle. "There's a multiplier effect at our firm, too — having staff involved and with a shared set of values." The success of the project even sparked some conversations with clients about their own charitable aspirations.

While the project is officially complete, it continues to have a positive impact on communities all over the world. Once a loan is repaid, lenders can opt to re-lend for another year, or in perpetuity. Danielle notes that about 70 per cent of clients and partners have chosen to re-lend the money, allowing it to be put to work for another set of entrepreneurs. As Ross Allan puts it, "Danielle showed me that the value of a social venture meant more than just profit to Allan Financial."

That's not to say that the firm didn't directly benefit. "The initiative gives clients a greater sense of who we are as a firm," explains Danielle. "Many people go to our website and when they meet with us, they bring up Kiva to us and want to share their own stories that we otherwise wouldn't know about."

The firm's philosophy enticed director of product design Chriselle Kalaw. Since joining the firm four years ago, Kalaw has played a prominent role in driving growth as its chief number cruncher. About Kiva, she says, "it gives clients a good feeling about working with us. When your clients feel engaged, they stay with you, they talk to their friends about you, and they will bring you referrals."

Kalaw notes that many clients have made the project their own, sharing it with their families and co-workers. Seeing Allan Financial give back on such a grassroots level inspires her. "Why would I ever want to leave a company that is so socially conscious?"

After working for a managing general agency and estate planning department, Kalaw's role now involves running illustrations and determining how to cover a client's insurance needs. Sounds standard, but Kalaw mentions the collaborative process and an open-door space for free thinking — something not encouraged at most financial firms — as keeping her engaged.

Ross Allan believes social engagement will play a crucial role for the insurance firms of tomorrow. Below are his five ideas on how advisors can create a more engaged practice.

1. INVEST IN YOUR TEAM, AND THE THINGS YOUR TEAM CARES ABOUT.

Allan pays his staff more than industry standard. They all participate in a quarterly profit-sharing plan. He says they are smart young people who are given the autonomy to define their own evolution within the company. Allan says he intentionally hires people based on attitude and personality — not to fit a predefined role. "I want them to learn about the business and grow into leaders," he explains.

Last year, the firm launched a program to match employees' charitable contributions, up to $1,000 per year, using a Vancouver-based service called Chimp. Chimp acts like a personal foundation or personal charitable bank account: employees make contributions and get a receipt instantly that can be used for tax purposes. Dollar for dollar, this type of program builds loyalty and common purpose among staff and creates more goodwill than simply paying more salary or bonuses.

Beyond the investment in salaries and contribution matching, Allan invests his employees' time in activities that aren't directly related to revenues, like the Kiva Project. There is no direct return to investors on the micro-loans, but the true return on investment has been in engaging and retaining staff and clients.

2. INVEST IN THE RIGHT TOOLS FOR THE JOB

Allan has invested in technology by moving to Salesforce to manage his client records and transitioning toward a paperless practice. It's not technology for technology's sake — it's all about improving the experience for clients and streamlining interactions with suppliers and partners. "Don't just limit yourself to the tools that other advisors are using; look at innovators beyond your industry for inspiration, as well," he says.

3. INVEST IN THE BRAND

Allan Financial is a family business, and their branding has built on this. "Clients like knowing that there's a transition plan for the next generation," says Allan. "There's a sense of continuity, which is important when you're helping people protect what's most important to them."

Of course, not everyone has a family member who is capable, interested, and willing to step into the business. In any case, Allan suggests that Boomer advisors start thinking seriously about succession-planning issues.

4. LET GO

Once you've decided to invest in your people, technology, and brand, allow them do their jobs. When you've built your practice from nothing, this can be downright terrifying. But you do need to stop micromanaging everything, Allan advises. "You can build a framework and set some ground rules, but then you need to get out of the way," he says.

Former Apple CEO Steve Jobs once said: "It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do."

Letting go requires trust. If you want your staff to take ownership, you need to give them the latitude to actually do it. You need to let them make mistakes, and learn from them.

This also requires vulnerability. You have to admit that your way isn't the only way, or even the best way. When you build a brand around a community, you run the risk of allowing outsiders to change it. But that's also how you create advocates, both internally and externally. "Be willing to take risks. Generally, listen more and talk less — and listen to your Millennial staff," Allan says. "Show up and be totally authentic as part of the tribe you're in. It keeps me young, and it's so much fun."

5. ENGAGE YOURSELF, YOUR STAFF, AND PARTNERS

Allan continues to be actively engaged in his business, developing new products and solutions for his clients with the capable help of Kalaw. This is what he enjoys most about his job — working with clients and crafting solutions to meet their needs. His personal enthusiasm for his work, his engagement on a day-to-day basis, drives the success of the firm.

As for staff, remember that employee engagement is more than just holding team-building and social events for your staff. People want to be a part of something bigger. When your team feels engaged and aligned with your firm's mission, both on a business and social level, they will engage your clients and partners more effectively, more authentically.

The Kiva Project is a perfect example; it's not something that Allan thought up and forced his team to execute. It grew organically because he let go and created a space where the team felt empowered to spearhead initiatives on their own.

Meaningful social engagement may look completely different in your practice. The process of figuring it out is worth the journey.

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VISUALS MATTER

- Allan made an unconventional but innovative choice when it came to marketing his firm. He retained the services of Patti-Jo Wiese, business growth strategist at PJ Wiese Group and Bemoved Media in Vancouver.

- A filmmaker by training, Wiese helped the firm breathe life into its brand through expert video storytelling and photography, Allan says. Visit allanfinancial.com and you'll see the difference first-hand. The emphasis on visual, rather than predominantly written media, speaks to the central role that relationships play in driving the firm's growth.

- "Our innovation strategy is rooted in a relational business. But how are relationships built?" Wiese asks rhetorically. "They're built through connections, sharing real stories and experiences, not just friending someone on Facebook."

- She produced and directed a video, a short film, really, about the Kiva Project which created equal word-of-mouth buzz for Kiva and Allan Financial.

- "These kinds of social enterprise campaigns are on the rise because Millennials expect philanthropy," Wiese wrote in a column that appeared in the *Vancouver Sun*. "They believe it's an essential corporate responsibility to give back in a way that is meaningful and different."

- Wiese believes Allan has cracked the code of Millennial engagement. "Ross is humble enough to receive reverse mentorship. He is passionate and open to new ideas," she told *FORUM*. "He's mastered Millennial–Boomer intergenerational trust. He has high expectations, but also gives a lot of leeway." — *J.P.*