

Unconventional Wisdom

Step 2: Identify Your Business Functions

Building a High Performance Team



This is the second installment of the Building a High Performance Team newsletter series. As a reminder, we define a High Performance Team as one that has the right PEOPLE doing the right THINGS the right WAYS for the right CLIENTS at the right TIMES for the right REASONS. In our last newsletter, we reviewed the importance of the first step of our process: Define Your Business Vision. In this newsletter we will describe the second step of the process: Identify Your Business Functions.

To Identify Your Business Functions you need to DEFINE all of your work BEFORE you can determine what your team should look like. The goal is to look at every detail of your business so that you are acutely aware of what it really takes to run your business. Only when you are aware can you develop.

Why is Identifying Your Business Functions so Important?

- In order to deliver CONSISTENT service, you need to understand the flow of work in your business
- To understand the gap between what you do for your clients and what you SHOULD be doing for your clients so you can deliver QUALITY service
- You need to understand what it really takes to operate your business at its OPTIMAL level so it is ATTRACTIVE to your ideal client
- In order to determine how many people you need for your team, you need to first understand WHAT needs to be done and HOW LONG it takes to do the work
- Having a clear UNDERSTANDING of all the functions in your business leads to clearly defined ROLES and RESPONSIBILITIES for your team members

Many investment professionals find this step in our process both eye opening and overwhelming. The awareness that the financial consultant is wearing most, if not all, of the hats in the business completely explains their desire to build a team to minimize the stress that they feel in their business. But, if you do not clearly define and quantify all of the work that needs to be done AND hire people who can do specific functions, you will just create a team of stressed out people wearing too many hats that you don't feel confident delegating work to. Since you now know your business vision, you can now determine what work there is to do. It is time to develop your Functional Organization Chart.

What is a Functional Organization Chart?

A Functional Organization Chart is a high level overview of your business, breaking each part of your business into FUNCTIONS. It tells you WHAT work has to be done. Right now we are not concerned about WHO is doing the work. This exercise will help you realize that one person

Unconventional Wisdom Step 2: Identify Your Business Functions

cannot do everything and do it well. To help you get started, we break the business into three core parts – FIND, GRIND, and MIND. You have to find the business, grind out the work, and mind the relationships and team. To take this step further, FINDING is about Marketing and Sales, GRINDING includes Investment Management and Portfolio Analysis, and MINDING includes Client Service and so on. The sample below will get you started in developing your own Functional Organizational Chart. The GREEN boxes are what we define as your FINDING functions, the RED boxes are what we define as your GRINDING functions and the BLUE are your MINDING functions.

Sample Function Organization Chart

from the Optimize Your Business :: A Virtual Practice Management Workshop CDROM*



As you work on your own chart, you will gradually be able to identify the gaps in coverage, or areas where things are not getting done. You will also probably see that one person is covering too many areas - that person is probably YOU. As a reminder, we are only asking you to document WHAT work needs to be done in the business, not WHO is doing it. You may be thinking of the "who" right now and asking yourself, is Paragon Resources saying I need 11 people on my team? Absolutely not! When we get to the next step of the process, you will see that people will perform more than one function. We will say now, though, that in order to have a High Performance Team and a business running at its optimal level you will need a minimum of 3 people – a FINDER, a GRINDER and a MINDER.

Now that you understand your business at a high level, you should DEFINE what takes place in EACH CORE FUNCTION. Only you and your team can define each task that occurs or should occur in each function of YOUR business. You may realize that you do more for clients than you thought or that your team is actually stretched too thin and cannot take on any more clients until things are reorganized. To do this right, you need to document EVERYTHING you do in your business. The best way to understand something is to commit it to writing.

The best way to form a new team or restructure a current one is to organize it around function rather than specialty or expertise. You need to organize the team by the functions or duties that they will perform rather than putting them together because of personalities or skills that they possess. When you do this, you can achieve a higher level of efficiency and synergy. Many teams



Unconventional Wisdom Step 2: Identify Your Business Functions

are made up of people who are good at the same types of things. To have synergy, you need the members of the team to be good at different things so that they can balance each other's weaknesses.

In our next newsletter, we will review the importance of the third step to Building a High Performance Team – Design Your Optimal Team Structure.

This newsletter series can be found on our Web site in our Library at:
www.ParagonResources.com/newsworthy

*Information on the *Optimize Your Business :: A Virtual Practice Management Workshop CDROM* can be found on our Web site at www.ParagonResources.com/oyb

If you are interested in building a High Performance Team and want to know if you have the right PEOPLE doing the right JOBS in your team, we have the solution for you. We have a complete process to identify the talents of each of your team members, determine any coverage gaps, and provide tips on how to effectively communicate with as well as manage and motivate your team. Two major brokerage firms agree that this is the best program to structure and manage a partnership or team.

Please phone us at 770.319.0310 or visit our website at www.ParagonResources.com for more information.

Copyright 2005. Paragon Resources, Inc., Atlanta, GA
THIS DOCUMENT IS FOR INFORMATIONAL PURPOSES ONLY. INFORMATION PROVIDED IN THIS DOCUMENT IS PROVIDED 'AS IS' WITHOUT WARRANTY OF ANY KIND. The user assumes the entire risk as to the accuracy and the use of this document. This document may be copied and distributed subject to the following conditions: 1) All text must be copied without modification and all pages must be included; 2) All copies must contain Paragon's copyright notice and any other notices provided therein; 3) This document may not be distributed for profit.