

## Unconventional Wisdom Step 3: Design Your Optimal Team Structure

### Building a High Performance Team



This is the third 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 second step of our process: Identify Your Business Functions. In that step you clearly defined every detail of your business. In this newsletter we will describe the third step of the process: Design Your Optimal Team Structure. During this step of the Building a High Performance Team Process, you will determine the resources needed to do all of the work in your business.

### How Many People do I Need for my Business?

This question is one of the most common questions we hear from financial consultants. Everyone hopes there is an easy formula for determining this, but there isn't. Every business is different. How many people you need is primarily a function of what you DO (and SHOULD be doing) for your clients and HOW many and WHAT type of clients you do it for.

In order to understand how many people you need for your practice, you will need to start with your work from Step 2: Identify Your Business Functions. During this step, you were asked to develop a Functional Organization Chart for your business like the sample below.

### Sample Function Organization Chart

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



Once you identified the core functions of your business, you then defined every task that is done within each core function. When you review this work, you will see that some functions do not require a full time person, whereas others may require more than one person. Some of these

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functions contain activities that are practice based, which means that you perform that function for the whole business. Other activities are client based, which means that these are done on a per client or per prospect basis. Some of these activities may require expertise or extra training. You may outsource certain tasks or rely on your firm or a strategic partner to do some of the work. When reviewing all the work that is done in your business, you should first ask yourself “Is this activity essential or important to my business?” Financial consultants sometimes do work like customized reports or mail research that their clients don’t find valuable. Doing work just to say that you do it is not effective. Second, you should ask “Does this activity get the results I need?” For example, is your marketing strategy putting you in front of the right people? Just because you have always done seminars doesn’t mean you have to continue doing them if they don’t fill your pipeline with ideal prospects. Be sure to challenge everything you do for client value and effectiveness.

Another factor to consider when *Designing Your Optimal Team Structure*, is to understand and clarify the future direction of your business. Do you want to elevate your \$1MM business to a \$3MM business in 5 years, or do you want to maintain your current business with a modest 5-10% growth so that you can take more time off to spend with your family? Those two different objectives need two very different team structures. You must define and commit to a vision for your business BEFORE you build or rebuild a team.

Once you have identified everything you do (and should be doing) for your clients and understand your objectives for the future of your business, you need to QUANTIFY all of the work that takes place in each function. Most financial consultants have a very incomplete understanding of how much time it actually takes to do all of the work in their business, let alone what it really takes to run their business at its optimal level. Without this understanding you can have a chronic tendency to over commit and under deliver, which causes stress on your most valuable resource – your people. This makes you and your business highly inefficient and explains why so many businesses hit a plateau.

To better understand your business, it is a good idea to have everyone on your team (including you) complete a two week TIME STUDY on the important tasks of each function of your business. We are looking for estimates here, not total, accurate times. Once you know what you do and how long it takes for you to do it, you can then determine what resources you need to define the structure of your team and business. Resources for any business include man hours or people, technology, skills, knowledge, external support, etc. When you have this information, you can then determine how many people it currently takes to run your business, and what, if any, changes need to be made in order to fulfill your vision. You can also define your optimal client load based on the available resources of your business. This step brings clarity to what you need to run your business and helps you make smarter decisions for the organization. For example, you may learn that you cannot offer your level of service to anyone with less than \$1MM, so then you would redefine your ideal client profile and give away clients that do not fit. You do not necessarily need to add to the total number of clients to increase revenues; you need to have the RIGHT clients for your business model.



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### What's the Magic Number?

If there was a magic number for a team, we would say it is THREE. This number usually coincides with one person being a FINDER, another a GRINDER, and the last a MINDER. The FINDER finds the assets, the GRINDER puts together the asset allocation or financial plans, and the MINDER maintains great client service. These are the three core elements to every business. Most financial consultants are only one person shy of having the proper structure for their businesses. With the right PEOPLE doing the right THINGS the right WAYS for the right CLIENTS at the right TIMES for the right REASONS, the business has no limits on revenue potential.

In our next newsletter, we will help you Determine Your Optimal Team Type.

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

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