

REALIZE

MINIMIZE

ORGANIZE

SYSTEMATIZE

OPTIMIZE

In our last newsletter, MINIMIZE: Creating the Room for Faster Future Growth, we discussed the second step of the Paragon Optimization Process - REALIZE, MINIMIZE, ORGANIZE, SYSTEMATIZE and OPTIMIZE.

In the third step of the Paragon Optimization Process, ORGANIZE, the goal is to look at every detail of your business. You know the saying...the Devil is in the details? In the previous phases, REALIZE and MINIMIZE, you identified and reduced the obstacles in your business and created margin in order to streamline your organization. Lean and mean is the motto before you can move on to the ORGANIZE step. These are crucial steps to complete before attempting to fine-tune the business. At this point, it is time to start taking more advanced steps such as determining the structure of the business and team.

During this step you may become acutely aware of what it really takes to run your business. Working with hundreds of successful advisors over the years, we have found that this step is an eye opener for most. So many high octane advisors do not realize that they are wearing too many hats when it comes to running their businesses. They are taking on all the tasks because they either are trying to do too much, or do not have a team to help, or do not feel confident delegating the work to the people they do have. Many businesses are running on fumes because of poor infrastructure. If you do not know exactly what it takes to run the business, then you cannot determine things such as workload capacity, allocation of resources, or roles and responsibilities of the team members. When you have accurate information about the structure and order of the organization, then you are in a better position to make better decisions. All of this enables you and the team to provide a higher level of service to your clients.

### **So, How do You Determine the Proper Structure for Your Business?**

1. Select your BUSINESS MODEL...what business are you in? We discussed this in the REALIZE phase. Stop being all things to all people, commit to one business model as soon as possible.
2. Develop a FUNCTIONAL ORGANIZATION CHART. This 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. If you think this sounds daunting, that is because it is. This is the awareness exercise where you will realize that one person cannot do everything and do it well. To help you get started, we begin at a high level. This 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. If you think this sounds daunting, that is because it is. This is the awareness exercise where you will realize that one person cannot do everything and do it well. The next page is a sample of a functional organizational chart to help you get started. First, we begin at a high level. You can break down any business into 3 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. To help you, we have defined 11 core functions for you that you can customize for your own business. 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.



3. **DEFINE** the work that takes place in each function. Now you may feel that this is going to be really painful, but I promise you it will be the most rewarding. The best way to understand something is to commit it to writing. Only you and your team can define each task that occurs or should occur in each function of YOUR business. Each business is different, so we cannot give you a list here. Make this a team exercise. 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.

4. **QUANTIFY** the work that takes place in each function. Most advisors have a very incomplete understanding of how much time it actually takes to run their businesses at its optimal level. Without this understanding you can have a chronic tendency to over commit. This makes you highly inefficient. Have everyone on your team do a time study on the important tasks of each function for a couple of weeks. We are looking for estimates here, not complete, accurate times.

5. Determine your **REQUIRED RESOURCES** for your Business. This step takes all of your work so far and helps bring clarity to what you need to run your business. Once you know what you do and how long it takes for you to do it, you can 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 takes to run your business currently, and what it will take to ramp up revenues. This is where you can define your optimal client load based on the available resources of your business. Remember the **MINIMIZE** step, you do not necessarily need to add to the total number of clients to ramp up revenues, you need to have the **RIGHT** clients for your business model. We feel, at a minimum, your team needs to have at least one person performing each of the FIND, GRIND, and MIND areas of your business. During this step, you need to identify the right people for each job. This may mean redefining a team member's current job or adding a new person to the team. We use the Managing For Success Assessments to identify who should be doing what on a team.

6. Write accurate **JOB DESCRIPTIONS** for your team. Many job descriptions simply state the roles and responsibilities and nothing else. A good description is very detailed in terms of what is expected of that person and the actual tasks and activities that are involved. For people to perform at a high level, they need to completely understand their responsibilities. This process helps do just that.

In summary, 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



## Unconventional Wisdom

### ORGANIZE: Determining the Proper Structure for Your Business

this, you can achieve a higher level of efficiency and synergy. Many teams 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 discuss SYSTEMATIZE, the next step of the Paragon Optimization Process.

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