

REALIZE → MINIMIZE → ORGANIZE → SYSTEMATIZE → OPTIMIZE

Paragon Resources has worked closely with investment advisors since 1994, and we have come to a sobering conclusion – most advisors are working much harder than necessary to achieve their results. If you apply proven business management concepts, you will be able to work less and achieve the same results OR you can keep working as hard as you are and achieve better results. Better yet, we believe in achieving better results with less effort, by working smarter not harder.

If this sounds familiar, it is because you can apply this same concept every day in your business. This is called optimization. Optimization is defined as the procedure or procedures used to make a system or design as effective or functional as possible (American Heritage Dictionary). You help investors optimize their portfolios through modern portfolio theory. We help investment advisors optimize their businesses by making changes in their way of conducting business that will result in growth and a higher level of efficiency. The purpose of this piece is to share a process that will help you do just that. We will give you a general overview of the business optimization process, including a brief outline of its five steps. In our future newsletters we will dig deeper into each step so you can implement this powerful process in your business.

Paragon Optimization Process

The five steps of the Business Optimization Process are **REALIZE**, **MINIMIZE**, **ORGANIZE**, **SYSTEMATIZE**, and finally, **OPTIMIZE**.

REALIZE The first thing that you must do is to identify the challenges and problems that are holding your business back from achieving its maximum potential. Only after you have identified the problems and obstacles can you try to formulate a plan to fix them.

MINIMIZE Now that you have identified the problems that are holding you back, how do you reduce or get rid of them? The goal of the second step is to reduce or eliminate problems in order to focus on the growth of your business.

ORGANIZE In this step, you begin the process of fine-tuning your business. This includes determining the structure of your business and its teams. For example, how many people should there be on your team? What are their functions and responsibilities?

SYSTEMATIZE The goal of this step is to create a system, or a means of accomplishing a task, and then document it so that everyone does it the right way. This promotes efficiency and consistency in your business, which leads to better results.

OPTIMIZE All of these steps have led up to the ultimate goal: optimization. This is the process of creating value in the business for the clients, and for you.

How is this program different from others? Most programs give you a system of doing something – a sales process, client service initiative, marketing campaign, new technology, team structure, etc. If you look at our process, organization and systems are introduced after problems have been identified and then minimized. Why create systems for a problem-filled business? You'll just continue to have problems. Would a doctor prescribe medication without first examining the patient to determine the problem? We all know that this could have disastrous results. We assume that there are some issues that have to be addressed in the



Unconventional Wisdom Are You Working Too Hard? A Case for Business Optimization

business before we start building teams and installing that great new software. This is a process that must be followed in an order. Without the order, you cannot optimize the potential of the business.

Think of Your Business as a Portfolio.

One of the best things to come from the intense interest in Modern Portfolio Theory in recent years is a greater appreciation for the relationship between risk and return. We can probably guess how you would respond to the investor who comes to you with the "I just want the highest returns possible" goal.

We hope you would point out that in order to achieve extraordinary returns, investors must take on extraordinary levels of risk. Even then, they are not guaranteed. You would also try to educate the investor about the history of the capital markets in an effort to establish reasonable expectations. You would also take the time to explain how a diversified (optimized) portfolio can actually increase expected return while decreasing expected portfolio risk.

It is not our job at Paragon to manage your expectations (desired results), but it is our job to help you manage the risk you are taking to achieve those results. Risk, in the case of your business, is the effort you have to expend to achieve those results. It is also the opportunity cost (unrealized potential) of operating an efficient business.

Is it Time for a Business Physical?

We only wish that investment advisors would respect the health of their businesses as much as they respect the health of their bodies. Every day we talk to successful financial advisors whose businesses are seriously out of shape.

These advisors are reminiscent of the famous Sumo wrestlers, whom we greatly admire and respect. We all know they're big and powerful, but no one really wants to look like them.

If these "Sumo Advisors" were required to take their businesses in for an annual physical, they might take better care of them! Business Optimization is about becoming a lean mean fighting machine instead of a "Sumo Advisor."

This is our case for optimization: **Work less and achieve more; Think of your business as a portfolio; and Be a lean mean fighting machine instead of a Sumo advisor.**

This overview will lead us into our next newsletter, in which we will discuss REALIZE, the first step of the optimization process.

Do you want your business to grow faster? Would you like to spend more time with family and friends or just having more fun? Are you tired of dealing with business problems and personnel issues? If you answered "YES" to any of these questions, *Optimize Your Business :: A Virtual Practice Management Workshop CDROM* is the answer.

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

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