

From May to December

Glenn G. Kautt, CFP, EA

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“Oh, it’s a long, long while from May to December,
But the days grow short when you reach September,
When the autumn weather turns the leaves to flame,
One hasn’t got time for the waiting game....”

This popular song by Kurt Weill and Maxwell Anderson provides compelling lines about everyone’s future. As a financial planner, I think about clients’ financial futures all the time. However, as I was building my business I rarely thought about my own career in the same focused way. When I did think about it, the daily pressures of building and running a firm often crowded out my random thoughts.

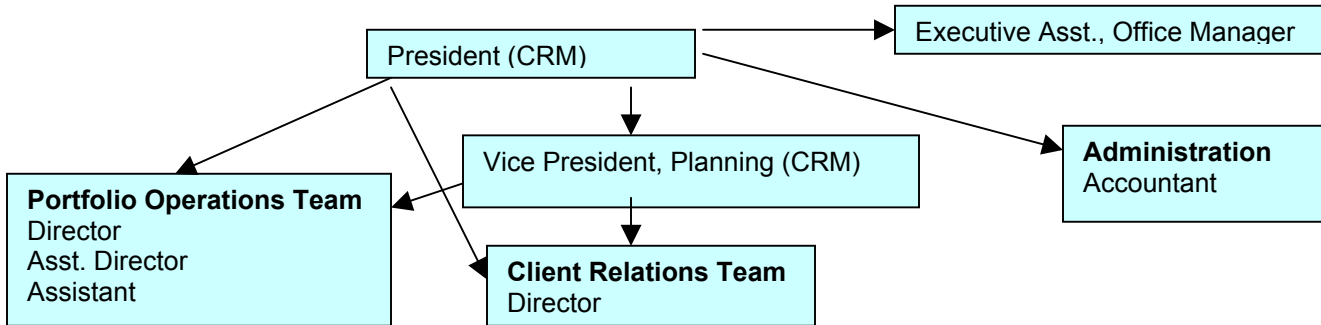
But, as the song says, business owners don’t have time for the waiting game. As I pass through my September years, I’ve been thinking long and hard about the future of our wealth management firm. This column is devoted to some of the things our firm is doing about it.

QUO VADIS?

Management consultants tell business owners they have to have a vision of where they want to end up. I struggled with the “vision thing” for some time. I knew a vision statement had to be simple, direct and powerful. My idea was to have the firm continue beyond my lifetime, so I came up with the idea of a “100-year firm.” This vision is simple, direct and even a bit grandiose.

However, having a vision by itself doesn’t get anything done. To reach that goal I had to ask myself the Latin question: “Quo vadis?” or “Where are you going?” To answer this I developed a “roadmap” or action plan. The action plan was a result of examining our current situation and competitive realities, and developing a set of strategies. The concept is easy to understand, but implementation is much more difficult.

A big challenge was figuring out what the firm needed to look like. I examined our corporate culture: a collegial place to work where people felt challenged each day; where creativity and innovation were valued and embraced; and where our relation with clients was holistic and complete. However, when I looked more closely, our firm’s “people structure” wasn’t going to work as we grew. Our organization had to be scalable, flexible and the right people had to be in the right jobs. This wasn’t the case. This is how we looked about four years ago.



There wasn't any way to grow without seriously disrupting the workflow and possibly putting people into jobs where they were destined to under perform or fail.

At the same time I had to understand the critical elements necessary to successfully evolve the organization. In reality, successful major changes within a company are made up of a myriad of small steps aligned to produce the final intended result. Even with what seems perfect "alignment" change is inherently messy. That is, you can't be completely sure what will happen as you complete parts of the change because actual results are not always as intended. For example, individuals you expect to perform in a certain way may not be willing or able to change, systems and technology may have to be significantly modified when you least expect it, and the simple, linear change process you first envisioned may turn into a highly personal, emotional and frustrating grind.

Harvard Business School professor John P. Kotter, in his book *Leading Change*, outlines an eight-stage process for creating major change:

1. Establish a sense of urgency.
2. Create a guiding coalition.
3. Develop a vision and strategy.
4. Communicate the change vision.
5. Empower broad-based action.
6. Generate short-term wins.
7. Consolidate gains and produce more change.
8. Anchor new approaches and change in the company culture.

Thus armed with some organizational skills, a compelling vision, and no clear idea exactly how I was going to get it all accomplished, I set off several years ago on my quest.

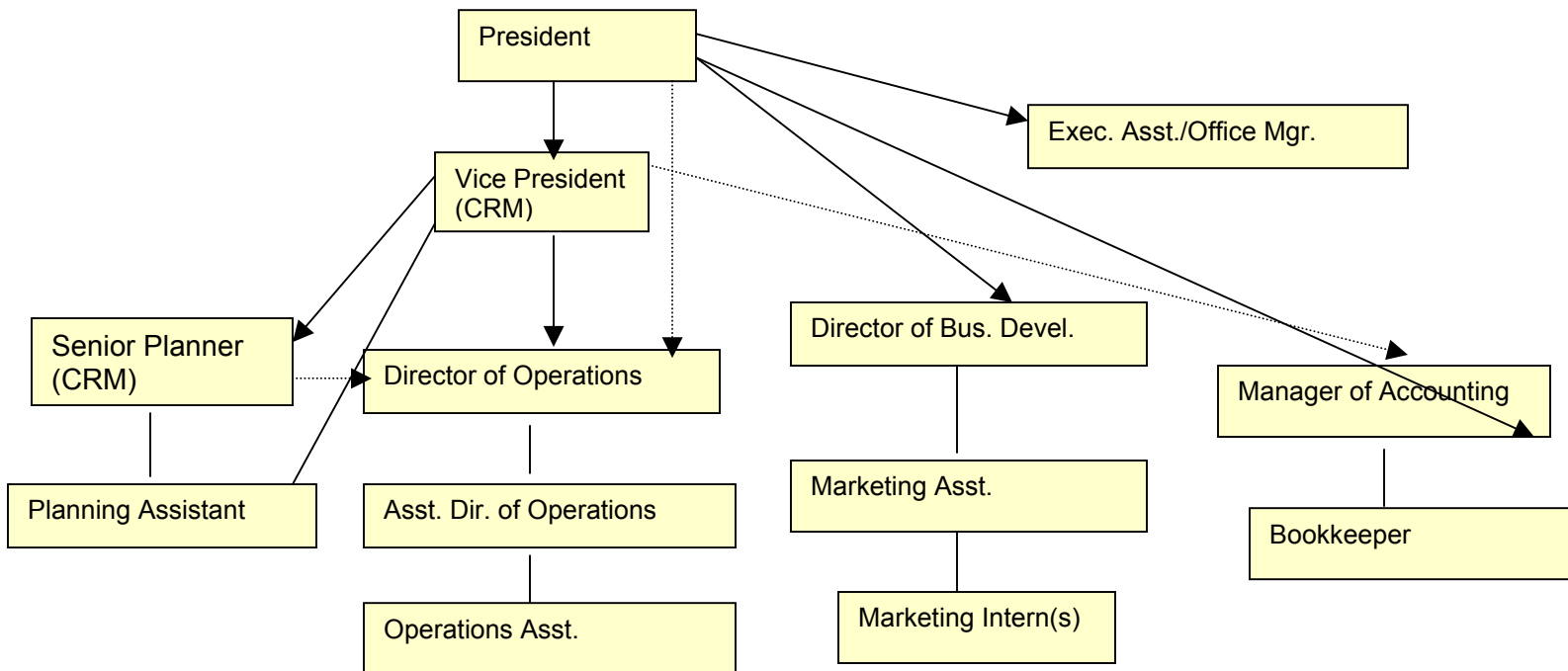
21ST CENTURY CAREERS

21st century financial professionals expect a less bureaucratic environment, including policies and procedures that produce less, rather than more, internal interdependence in order to serve clients. The culture has to be open, candid and risk tolerant so juniors will be encouraged to develop and grow professionally while management leads. For our firm

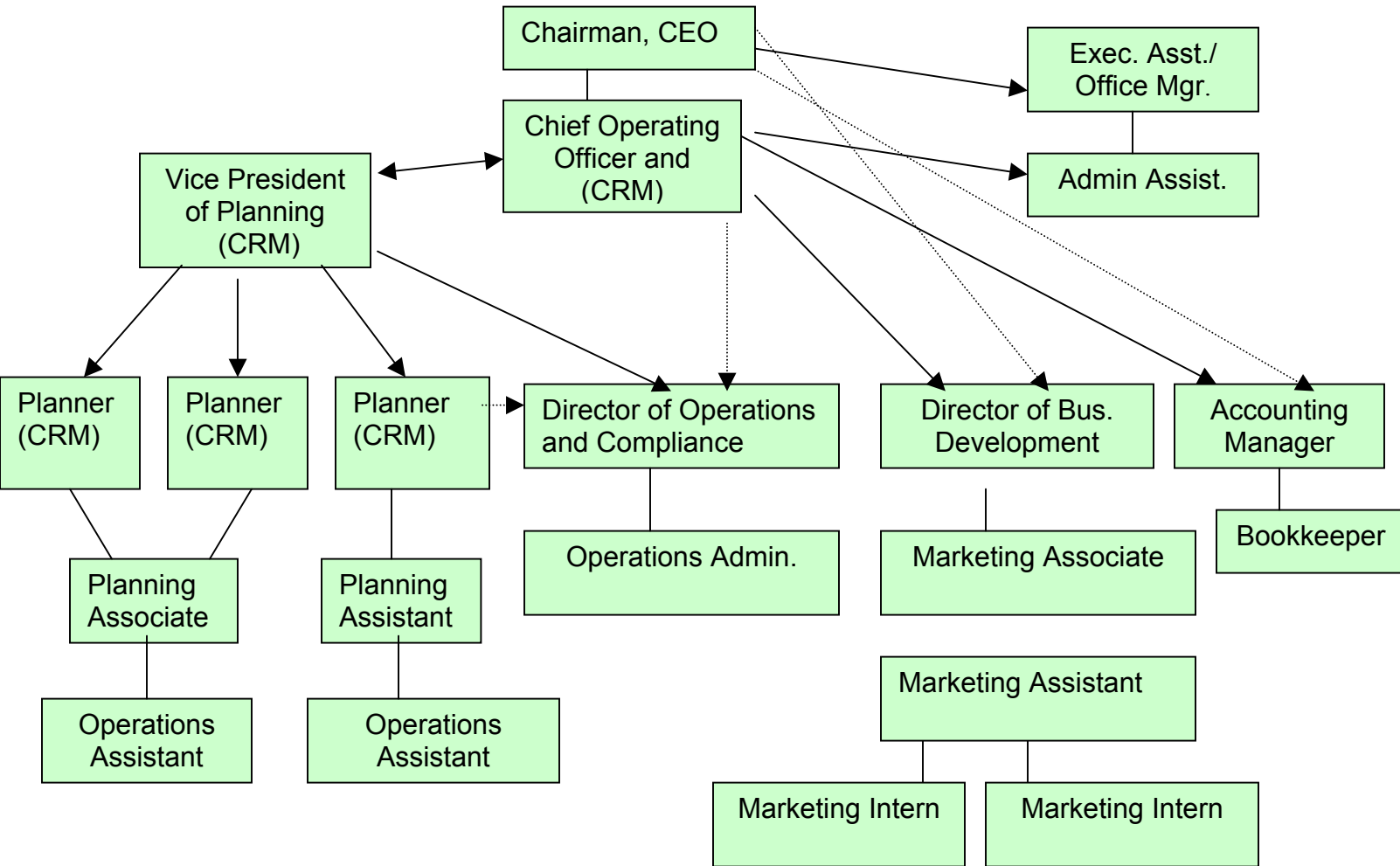
professional growth opportunities needed to be formalized. If there wasn't a defined career path with increasing responsibility good people were going to leave. After a lot of head scratching, I developed a Planning Career Program ("PCP") with increasing levels of responsibility, authority and compensation based on demonstrated expertise and experience.

The PCP was my first attempt at formalizing the process of professional growth. Not everyone can or will aspire to enter the program, and not everyone who enters in the program will end at the top. However, it was very clear without this sort of program, we were not going to move forward.

Specifically, we shifted to the client relation manager ("CRM") model comprised of a senior CFP plus a planning assistant or associate in training. Because I had to lead the change, rather than manage clients, I got out of the way by shifting almost all client responsibilities to the senior planners and empowered them to develop action plans. The organization structure evolved to look like the following:



Even after this much change, it's clear our organization has to continue to evolve to become even more scalable and efficient. How will we look in the future to permit professional growth, while maintaining efficiency, scalability and top-notch client service? This is what I see, dimly, through my glass.



What you see here is a business that at its core has a planning team consisting of a senior planner, planning assistant/associate and an operations assistant/associate. Overall planning management and training is managed by a senior planning professional, while investment and compliance is handled by a senior operations professional and staff. The big difference is our business development department, headed by a marketing professional with nearly 20 years of experience in the financial services industry. CRMs will have very limited marketing/selling responsibilities, while the President and COO work as “rainmakers” with the Director of Business Development. Some folks in our industry might argue only seasoned principals at a firm can market. My response is 500 of the Fortune 500 corporations employ powerful sales and marketing departments for a reason, and these folks don’t produce, distribute or administer the products or services. Right or wrong, in future columns we’ll explore how this very traditional business model is working in a financial services firm.

The song’s lyrics go on to say:
 “Oh, the days dwindle down to a precious few,
 September, November,

And these few precious days I'll spend with you,
These precious days I'll spend with you..."

May I suggest, even if you are not in the September of your years, you give some thought to your own future and the future of your organization, before the days dwindle down to those precious few.