

Barron's Winners Circle Conference – Scottsdale, AZ

Utilizing Team capabilities that can strengthen and Optimize Practice Efficiencies

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I'm going to base my discussion on one significant assumption. I'm going to start this discussion with the premise everyone here is interested in building a continuously profitable enterprise, not a practice. In a practice, you build a single team of individuals who each have a particular set of responsibilities. That sort of team operates at maximum efficiency and profitability when in a setting such as a dentist's office. Furthermore, in that scenario, everyone on the team rises to a certain level of proficiency and rarely changes jobs or responsibility.

You create a status quo situation that lasts a long time until someone leaves. Then, you have to hire another specialist to fit in with the team, which can be fraught with problems if you've created unique processes or procedures. Training can be big deal in that case.

Building a continuously profitable enterprise means multiple advisors and teams. I'm not focusing on semantics, rather I'm focusing my comments towards those who want to build a lasting business that has equity value. That's what I set out to do when I got into the business, and that's what I did. Advisors who build with this goal in mind also know they are in a position to realize a financial reward when they leave their firm.

So, in this case, we're talking about increasing the efficiency of your business to be more profitable, competitive, create and offer more value-added services and differentiate yourself in their markets. Almost 10 years ago, mutual fund company Undiscovered Managers run by Mark Hurley released a controversial report, *The Future of the Financial Advisory Business and the Delivery of Advice to the Semi-Affluent Investor*. Follow up independent studies showed smaller firms slipping margins, but the best managed firms holding or even increasing margins. Today, I'm guessing profit margins have slipped for most firms from where they were a year ago. The

result is the most efficiently organized and managed firms are likely to be the winners coming out of this recession.

Now, a quick sidebar on seeking efficiency. I'm going to remind everyone of the auto industry, but not now, I'm talking about 100 years ago, and more specifically, Henry Ford.

Ford is credited as the father of mass production. After being employed by industrial giants George Westinghouse and Thomas Edison, Ford went out on his own to start a car manufacturing company. His fanatical focus on manufacturing efficiency made his name a household word. By 1914, Ford produced 267,720 cars with 13,000 employees, while the other 299 American car builders employed 66,350 workers, while turning out only 286,770 autos.

By 1918, he had opened the River Rouge production facility in Detroit with the ability to transform a load of iron ore into a car in just 33 hours, with a new vehicle rolling off the line every 90 seconds.

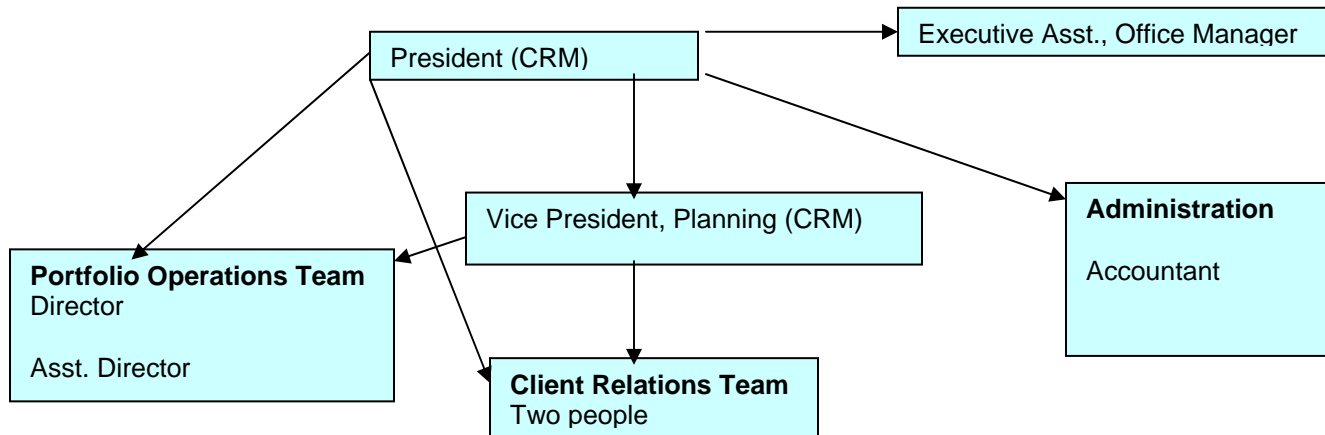
This state-of-the-art vertically integrated production facility sowed the seeds for America's second industrial revolution. Ford's innovative genius changed America...but Ford's intense focus on efficiency to produce one product rather than innovating in response to consumer demand was his eventual undoing. In his relentless pursuit of higher margins and efficiency, he once remarked: "You can have a Model T in any color you want...as long as it's black!" However, Ford's failure to respond to what the marketplace wanted led to the eventual closing of the Rouge plant for five long agonizing months while he re-tooled for Model A production.

Unfortunately, the Model A wasn't good enough. It only sold for five years, rapidly becoming obsolete because of competitors' groundbreaking innovations. The once dominant industry leader could not figure how to get into touch with consumers, and sunk into "me-too" products for almost three generations. With the exception of the Mustang, it was not until over 50 years later Ford Motor Company again bet the entire company on a new visionary car—the Taurus—and regained market leadership of "family chariot" sales.

So what, you ask? What does this have to do with running a financial planning business?

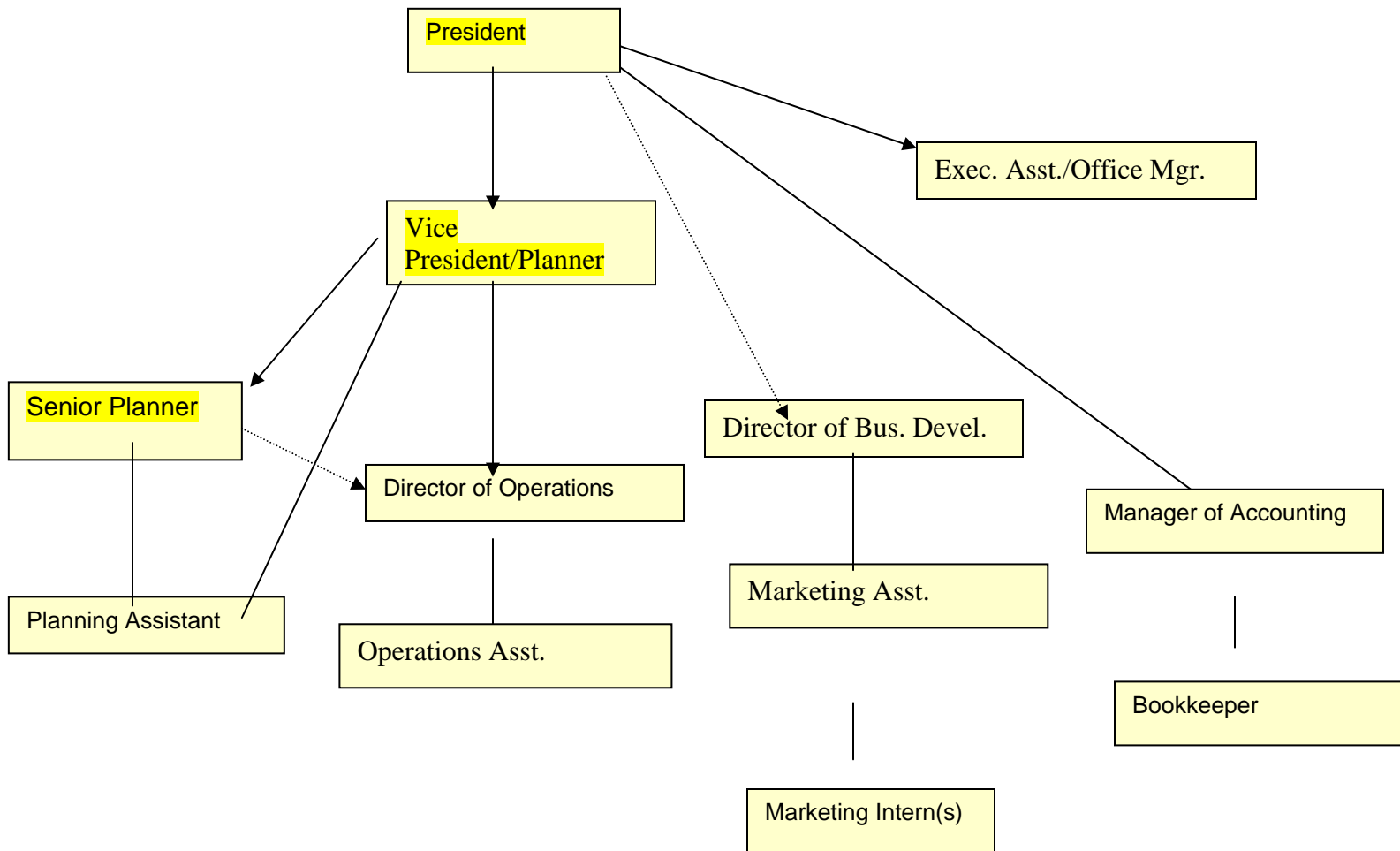
Everything. About 6 years ago, I was considering modifying our organizational structure to add an additional client relation manager and team. I was sure we could continue to build on our efficient business model. However, in the back of my mind was the nagging legacy of Henry Ford and the Rouge River plant. In my zeal to develop systems and procedures for every aspect of our operations, I wasn't absolutely sure the increasing complexity of the new organization would keep us as well connected to clients – we might miss what the market wanted.

We connected with clients and the market with a number of mechanisms I mentioned in my columns, including the Client Advisory council, annual client surveys, trials services to a selected group of clients with feedback, and input from the outside board of directors. We solved the connection problem, but I had to make sure that each team would have the same ability to relate with clients. So, here's how the organizational plan went. Here's what we looked like in 2003.



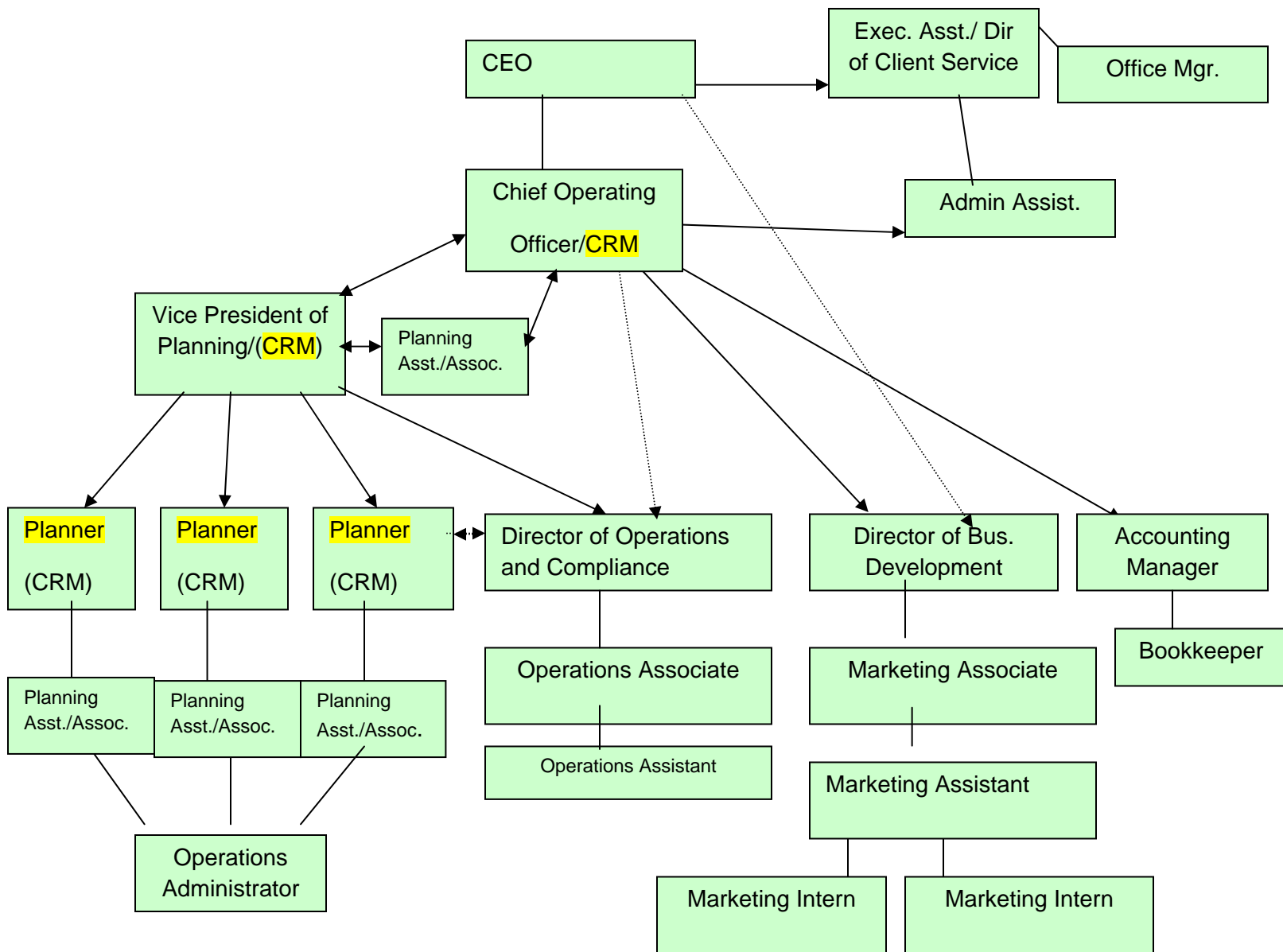
By the end of 2005, we shifted to the client relation manager (“CRM”) model comprised of a senior CFP plus a planning assistant or associate in training. Because I had to lead the change, rather than manage clients, I got out of the way by shifting almost all client responsibilities to two senior planners and empowered them to develop action plans. The idea was to go from two CRM teams sharing resources, with me as one of the CRMs, promoting the Director of operations to Senior Planner, and creating two teams with me only providing support, rather than leading a team. This involved adding additional support personnel on each team. We started with a planning assistant and operations assistant on each team. Bad idea, as successful operations folks have an entirely different mindset and personality than planning folks.

The organization structure evolved to look like the following by 2006:



What happen is we still were sharing resources between the CRM teams. We finally grew to a point where we added, and lost a number of operations associates and planning assistants. We figured that out by 2008. Please check my column in FP magazine for the article on hiring, and Gen-Yer's in particular. What was very clear by that time, was that we had a very scalable plan which depended primarily on client body count to add teams. AUM or revenue was important, but not the driver. We knew a new planner could only handle about 60 clients, while an experienced team could handle about 90. We simply set a target of 20-30 new clients a year, and we know within 6 months when we will need a new team.

By the end of 2012, here's what we expect:



In this configuration, we can manage 400 wealth management clients, and 100 small firm clients, with AUM in excess of \$1 billion.

Let me talk for a minute about problems we confront in team evolution, which revolve around designing the team functions correctly and hiring the right people.

Hiring the right people

This is a fact of business life. It's clear as companies get bigger; jobs become more specialized. If you are growing and want to be scalable, your staff must specialize, or your firm will quickly become inefficient and uncompetitive. However, another critical factor is the evolution of firm structures based on changing business models, and how that continuing metamorphosis is changing the financial planning industry.

Connecting with Gen-Yers is critical. We use outside experts and professional evaluation tools to assess candidates work attribute profiles. (My November 2007 column "Report Card" mentions the tests we administer to job candidates) This has helped us immeasurably in finding and retaining qualified candidates.

Speaking of retention, from their perspective, the biggest reason for losing Gen-Yers is they don't like their supervisor.... really! They readily challenge authority and the "old" way of doing things, sometimes in ways that is unsettling to older professionals—with adverse consequences for everyone involved, if you're not ready for that sort of behavior.

Young employees expect more than job security and fair compensation. They're after an enjoyable work experience. They want to feel a part of something more significant than just their work, hence the need for teamwork, and need to see the value of their contribution early and often. Gen-Yers want a connection to their place of work and the world at large, and want a mentor to guide them. Managers who build relationships with their staff can make these things a reality. I received as much feedback from this column as any I've ever written in 5 years.

What's the benefit to the firm? By encouraging Gen-Yers to come up with ideas they consider better, more efficient or more cost-effective, their contributions can be highly visible and have immediate impact. When they receive praise for their contributions, they feel part of the "big picture." That happens in our firm. Juniors are explicitly tasked with contributing to new projects, service offerings, procedures and writing company communications. This usually occurs as part of their MBOs.

From a mentoring standpoint, our planning career program provides juniors with specific metrics of education, experience and professional training to advance to the ultimate responsibility as a Client Relations Manager. They have a set of “career rails” to guide them, along with close personal contact with their supervisors. This allows Gen-Yers to work towards an expected professional standard with no uncertainties, which provides substantial “retention glue.” No one has left our firm because there was “no future” or they “didn’t know how to advance.” I created a 10 page document entitled: “**Client Relations Manager: Job Description, Responsibilities and Guidelines for Evaluation.**” (it’s attached at the end of this discussion) It includes job responsibilities, requirements for advancement to CRM, practical experience requirements, formal education and standards of performance.

Finally, junior professionals are rotated among planning teams. This has a short and long term impact on efficiency. Short –term less efficient, as new members have to come up to speed on different clients and particular ways the teams differ in their work flow. Long term, more efficient, as ideas on how to more effectively and efficiently do things by creating standard procedures are cross-fertilized amongst the teams. This leads to less NIH, less chance of silo building or career stagnation which occurs when relationship managers build their “own” team in an insular fashion. Because younger employees know they will get to work with more than one senior planner, we avoid any potential resentment from being “stuck” or working with someone they don’t enjoy. I’m sure you know of professionals who have left a firm because there was no chance to develop professionally to a point where they were leading a team.

Developing a plan for acquisition, training and retention of B-Bs is an integral part of our budget and business planning. Even so, according to various industry studies and our own experience, B-Bs *were* more expensive to hire during 2007 and into early 2008 than 2006, for sure. However, they become productive more quickly, make fewer errors and have a more positive career orientation than most. To maintain our positioning, we *must* hire B-Bs.

How do we find them? We recruit nationally using Monster.com; local and national FPA job banks; other Association job banks; university recruiting offices; and the *Washington Post*, our leading metro newspaper. We might review 20 resumes, talk with 10, give 3-4 candidates testing and interviewing by our outside industrial psychologist, and make one or two offers to get one exceptional hire. We don’t think it’s “difficult,” but it is hard work.

So, what's new in this?

Nothing. Building teams by hiring appropriate staff is an evolution, not a revolution. Many financial planners with little hiring experience often envision the new hire taking on a plethora of responsibilities the planner, or someone else in the office, has been handling. That might work for the first one or two new people, but that's about it. *These planners miss a fundamental issue: with growth, your organizational structure must evolve to remain competitive—thus jobs will change.* Another key issue: if you want to change your business/revenue model, the structure may change even more substantially. In either case, you *must* think how you want your organization to look 3-5 years out, or you cannot build a base that will evolve efficiently.

Designing the appropriate team organization is critical, just like finding the right people to put on the bus.

“Life was simpler then” certainly applied to firms in the 1970s and early ‘80s. To generate meaningful revenue in those days you merely had to sell a lot of product.

Back then, small practices were able to provide acceptable service with average or slightly above-average support personnel. A “growing practice” meant one experienced person at the top of an inverted-T organization, with lesser-trained support/product specialists providing sales support, planning analysis, etc. When the boss got overloaded with clients, if he or she was fortunate one or more support persons would show individual initiative and would be given more duties and responsibilities. The next evolutionary move was to band together several inverted-Ts and call it a firm. This happened to me in the late 1980s. It didn't work well then.

For RIA firms, the inverted-T organization doesn't work now, either: it won't scale/evolve, has no discernable career path and is absolutely unappealing to Gen-Yers. What *does* work is growing faster than average using “B-B” personnel to sustain the competitive advantages of superior technical skills, pricing and market leadership. This gives staff an assurance of increasing responsibility and being part of a team making an impact—exactly what B-Bs want. In fact, without superior growth, B-Bs won't sign up with a firm, or won't stay.

So, the way to design the organization of the team is to carefully specify the responsibilities of each member of the team, and the expected standards of performance.

Using tools from coaching programs I've participated in plus feedback from an industrial psychologist, was how I created "Client Relations Manager: Job Description, Responsibilities and Guidelines for Evaluation." Minimum required standards of performance and metrics for evaluation are clearly indicated as a 23 item matrix. It would have been impossible with no outside help.

You may wonder about the efficacy of developing a complex set of criteria for jobs in your organization. The primary reason good people leave organizations isn't about pay, it's about job dissatisfaction. More specifically, they leave because they don't have a clear enough sense of their future role in the firm, how they will be evaluated and promoted, or doubts about management. You may not be looking for a faster car, but be careful: your best employees are looking for that turbo-charged ride—maybe somewhere else!

I recommend you look at every job your firm has and get five things down on paper: **job responsibilities/tasks; required professional experience; formal education/certifications; on the job training requirements; and evaluation standards.** Don't know where to start? Use the Moss Adams/SEI annual survey which has descriptions of practically every job imaginable at a financial planning or wealth management firm. Get your people excited about their turbo-charged future with your organization.

Speaking of jobs, as our firm size increases job responsibilities have become more specific. Simply liking the way someone interviews with us, hiring them and hoping they work out is no longer financially or organizationally acceptable. All candidates now take DISC and Kolbe tests and are interviewed by an industrial psychologist. (You can find more about these tests at (www.kolbe.com and www.nielsongroup.com/hiringforfit/TrimetrixTTIvalidity.pdf). Testing does not cost much, and has helped avoid placing a candidate in a job not suited to their aptitude, personal skills, task preferences or motivational style.

For current staff, your knowing what they can and cannot do well is critical to your business success. Business case studies, whether successful or massive failures, are almost always based on the attributes of the people involved and how they behave. Current management thinking is to key in on the strongest attributes of each staff, rather than attempt to fix perceived weaknesses. Doing

the former assures the highest possible performance; doing the latter pretty much guarantees mediocrity.

For me, it was impossible to quantify the attributes necessary for each job until I knew what the job responsibilities were. More importantly, I really didn't know how to assess each staff member's strengths. We started to use a third test to assess personal strengths. (available via the book: *Now, Discover Your Strengths*, Marcus Buckingham and Donald Clifton) This identifies and allows us to use each individual's five strongest personal strengths relative to their job. Not surprisingly, occasionally there are mis-matches. We have responded by re-assigning them to a different job, re-designed their job, or in a couple of cases, helped them find a job in another firm which better fit their abilities.

Coaching and the Mastermind TEAM for owners, a critical team for success

If you want high performance, you need a coach. If you can't afford a live coach, Napoleon Hill remains one of the greatest personal coaches of all time. I recommend you get and read Hill's classic *Think and Grow Rich*, first published in 1937, and *Keys to Success*, published by the Napoleon Hill Foundation after his death in 1970. Have every key person in your firm read and re-read these books often.

The mastermind alliance is one of Hill's ideas. The older I get, the more I realize I don't have the experience, training or knowledge necessary to be a success at every level and in every area of my business. I have been able to overcome challenges by using the power tools I've described above, plus my alliance with some of the best and brightest minds in the business. Fortunately, I was invited to join a business consortium called the Zero Alpha Group ("ZAG"), comprised of eight domestic and two international firms with discretion over \$7 billion in assets. The combined experience and knowledge of the principals of these firms far out-strips my limited talents. ZAG is like the turbochargers on my plane. With them, I can get to high altitudes; my ZAG partners are helping me take my firm to a level I can't get to by myself.

Not part of a mastermind alliance yet? Read Hill's books and you'll have a blueprint on how to form or find the right one for you.

One last thought on “NIH”, Not Invented Here

People sometimes laugh when they read about companies being affected by the “not invented here” syndrome, saying to themselves, “That doesn’t apply to me. After all, I’m seeking out new stuff to use in my practice. I’ve got a completely open mind!” Having said that, I confess; I’ve got NIH tendencies and you probably do too if you think about it. I continue to see the NIH syndrome in conversations with the leading firms in the country.

It’s not surprising. If you’re like most firms, you’ve got time and money invested in hardware, software programs, administration, filing and storage, new client intake, planning and business procedures, and the like. Yet, every year you go to conferences, seminars and read countless magazines (like this one), reports and books searching for nuggets of wisdom to extract and use in your business.

However, you screen most nuggets by how they would fit with existing systems, procedures, software, etc. In some cases, your ability to use a new “power tool” means you have to get rid of something. For example, you can’t use two different client management systems; you really can’t use two different employee evaluation systems. It made no sense to go paperless in our office and keep paper backups.

What price are you willing to pay for progress? Not sure? Try this: evaluate new ideas using the “Ben Franklin” technique: a pros/cons item by item comparison, and a complete cost-benefit analysis. We use it for all proposed major projects or systems, and repeat the analysis for things like administrative jobs and software on an annual basis.

If you’re interested in finding and keeping talented people on teams, insuring growth and having a higher chance of success in business, use all the powerful management tools you can. Consider four key areas to focus on:

- Well thought out job descriptions and performance metrics
- Professional testing and evaluation for new hires
- Personal coaching, either live or using the best classic techniques available

- A career track, with an eye to evolving organizational changes and job responsibilities

ADDENDUM TO DISCUSSION

The purpose of this document is to provide clear and concise information and guidance regarding the Client Relations Manager (“CRM”) position. It contains the following:

- **A DESCRIPTION OF JOB RESPONSIBILITIES AS A CRM**
- **REQUIREMENTS FOR THE MONITOR GROUP, INC. (OR PREVIOUS COMPANY) PRACTICAL EXPERIENCE TO BE ACCOMPLISHED PRIOR TO BECOMING A CRM**
- **REQUIREMENTS OF PROFESSIONAL TRAINING TO BE COMPLETED PRIOR TO BECOMING A CRM**
- **REQUIREMENTS OF FORMAL EDUCATION TO BE COMPLETED PRIOR TO BECOMING A CRM**
- **MINIMUM REQUIRED STANDARDS OF PERFORMANCE AND METRICS FOR EVALUATION**

In developing the job description and guidelines for evaluation, the firm has used several sources, including the firm’s Career Path Program, employment memorandums, outside consultants and patented evaluation processes.

This document is subject to revision and updating from time to time as we improve our skills and knowledge with the continuing goal of being the best CRMs in our profession.

DESCRIPTION OF JOB RESPONSIBILITIES AS A CRM

CRM responsibilities can be divided in several different but related areas of activity. Underlying all CRM activities is the firm's overarching goal: to keep the firm's clients satisfied and financially secure. This will result in high rates of retention and referrals to qualified potential clients.

Client Service (applicable to all clients for whom the CRM and team are responsible)

1. Correct, accurate and timely delivery of the firm's standard wealth management processes and services to each client for whom the CRM's team is responsible.
2. Coordination with the Business Development team to complete new client data collection on a timely basis. This includes the responsibility to assure as complete as possible data records have been compiled within one year of the original contract date.
3. Management (this term includes personal work by the CRM and supervision of work by others) of data compilation and performing all planning analyses and wealth management services. Wealth management services include investment and portfolio design, financial independence analysis and planning, initial and advanced estate planning, charitable giving, risk management, tax planning (and preparation as appropriate), and any other approved program or service provided to a client on an individual basis.
4. Management of the preparation of all conclusions, recommendations and reports for presentation to the client, with the exception of legal documents and other papers normally prepared by outside professionals.
5. Delivery of all presentations, recommendations and reports to clients as a result of providing the firm's standard wealth management services. "Delivery" includes other professionals involved in family matters such as attorneys or accountants, family members or those designated as trustees or other official representatives.
6. Responsibility for all matters pertaining to the implementation of planning recommendations, including portfolio investment and management.
7. All presentations and communication which may occur as a result of implementation, plan modification or as a result of changes to internal analyses.
8. Continuous regular monitoring of clients' situations, and identification of issues, problems or potential problems. This includes regular written and verbal communication with the clients, including adherence to specific communication programs based on client size and firm policy.
9. Responsibility for initiation of action to solve issues, problems, potential problems and resolve and answer all clients' questions.
10. Development of new or updated plans, such as financial independence, initial and advanced estate plans for all clients and any other service offerings approved by the firm for a client.
11. Interfacing with other professionals such as attorneys, accountants, insurance brokers, lenders and others for the preparation of estate documents, outside investments, insurance, loans, tax returns and any other matter which could have a financial impact on the client.

CRM Team Supervision

12. Supervision of any employee on the CRM's planning team with regard to their responsibilities for all planning engagements.
13. Training for any member of the CRM's team involved in the planning process with regard to their responsibilities, to the extent directed by approved training manuals, procedures or initiatives.
14. Conducting regular professional assessment of all employees on the CRM's team involved in the planning process with regard to their responsibilities.
15. Responsibility for professional development of all team members in accordance with MBO's and other production targets as set by the President or VP of Planning.

Company and Professional Responsibilities

16. Participation on the TMG Tax Team, including responsibility for production of specific tax returns. Participation excludes supervision of other professionals on the CRM's team who are involved in tax preparation.
17. Participation in TMG events which may include client seminars, social functions and client meetings outside of the TMG office.
18. Participation in the Financial Planning Association of the National Capital Area, including active involvement on a standing committee.
19. Participation in TMG meetings, whether at the firm or acting as a representative of the firm in other locations where TMG is participating, for planning, firm policy, personnel matters or other purposes directed by the President or VP of Planning.

REQUIREMENTS FOR PRIOR EXPERIENCE

1. The CRM must have worked and qualified as a Planning Associate and Operations Associate, as defined and described in TMG documentation, for a minimum of one year in each position, and a minimum of three years with the firm.
2. Related experience in another wealth management firm may, based on the decision of the President, be substituted for the requirements in Item 1 above. However, no amount of professional training or experience in other financial positions or firms will automatically fulfill this requirement.
3. The CRM will have mastered the majority of individual portfolio operation activities, and all those necessary for regular contact and support of all client relationships.
4. “Mastery” is defined as completion of all Operations Training Program Modules, with successful formal training reviews by the Director of Operations on all aspects of the Operations Assistant training program.
5. In a similar fashion, the CRM must have been involved in all facets of financial planning, including the collection, recording, compiling, and analysis of data and information. The CRM will have demonstrated mastery in all aspects of the position, by demonstrating the successful delivery of all wealth management services under the supervision of his or her team leader.

REQUIREMENTS FOR PROFESSIONAL TRAINING AND CERTIFICATION

1. CRM candidates will have obtained their CFP designation as a practitioner, without reservation.
2. CRM candidates will have attended a CFP Residency Program upon the approval of the VP of Planning.
3. CRM candidates will have obtained a Masters degree, or be in an accredited education program leading to a Masters degree, in accounting, business, finance, taxation or financial planning. A list of currently accredited schools can be found at: <http://www.utexas.edu/world/univ/state/>
4. CRMs will keep all licenses and certifications pertaining to the CRM designation current and active, including all required continuing education.
5. CRMs will supervise the professional and experience development of all members of their team, including education, experience and training goals for all team members.

MINIMUM REQUIRED STANDARDS OF PERFORMANCE AND METRICS FOR EVALUATION

Before we lay out the de minimis performance standards for a CRM, it is necessary to add some important caveats. There are many areas where the CRM is expected to perform—and thus be measured. These include individual work demonstrating judgment, skill, preparation and productivity; individual and team creativity; individual professional growth; working with other individuals in the firm, including the CRM team, tax team and other staff in the firm; supervision and development of team members; and the development and management of relationships, including staff, clients and external professionals.

We recognize every professional will exhibit different strengths and skills at various points in their career. As such, we recognize CRMs will not perform “perfectly” in every professional category at every moment. Knowing that, one of the rewards of a professional career as a CRM is the ability to grow in many dimensions throughout your career, and to evolve and improve your own work and service to clients through creativity and innovation.

Thus, these minimum standards in each area are just that—minimum standards. The firm fully expects every CRM will perform well above the minimum in most, if not all areas at all times. Less than minimum performance in any area will result in efforts by the firm to correct the deficiency. Improvement is expected. Continued less than minimum performance may result in reassignment. Performance beyond the minimums will be rewarded by way of increased compensation and management opportunity, and an opportunity for company stock ownership. We fully expect every CRM to be in this category.

Having said all this, what you are reading is the latest version of what, we are sure, planning professionals at the firm will have a hand at improving in the coming years. The management of The Monitor Group, Inc. looks forward to your professional and personal contributions to the firm, our clients and the industry.

On the following page are the evaluation areas of performance as a CRM, and the maximum/minimum acceptable scores for each criteria. This chart is followed by an expanded commentary on each criteria, with descriptions and examples of how the CRM should think about his or her activity in each area, and how the evaluator may determine relative performance.

		Maximum	Minimum	Percent
1	100% completion of client review meetings/year	20	19	95%
2	100% completion of FEPA I/FEPA II meetings/year	15	12	80%
3	100% completion of new client portfolio implementation	12	12	100%
4	100% completion of financial independence planning	10	9	90%
5	100% completion of personal MBOs.	21	16	76%
6	Personal leadership attributes	15	12	80%
7	Develops goals for team members: MBO and advancement	17	14	82%
8	All team members hit training targets.	10	9	90%
9	All team members hit advancement/MBO targets.	10	8	80%
10	Satisfied clients. None leave firm.	20	19	95%
11	15 qualified referrals from clients/year.	15	8	53%
12	100% tax return completion on time.	18	16	89%
13	100% approval of tax returns by tax manager.	15	12	80%
14	Contributes to new client service offerings.	10	5	50%
15	Contributes to investment committee meetings	5	4	80%

	Conducts team members performance			
16	reviews	5	5	100%
17	Develops/reviews team training materials.	5	3	60%
	FPA NCA meeting			
18	participation	4	3	75%
19	FPA NCA board service	4	1	25%
20	FPA training.	3	3	100%
21	Outside training.	3	2	67%
22	Assigned reading.	3	2	67%
	Interviews/screens new CFP			
23	hires.	2	2	100%
	Totals	242	196	81%

Different weights have been assigned to each area in conjunction with relative importance to the overall job and professional growth of the CRM. Individual minimums can be seen as points, in terms of relative importance to the overall job, and as percentages, in terms of completion or success.

Specific completion targets must be established in each area, each year, with approval by the VP of Planning or President. In addition, the overall score will be evaluated and used in consideration for additional compensation, management responsibility and company ownership.

1. Completion of all planned review meetings is a core responsibility of the CRM and team. Less than a 95% completion rate is unacceptable, with successful outcomes for each meeting. A successful outcome will include accomplishing all established goals, setting new goals for the following year and completion of any additional analyses as required by the client or the engagement. This also includes management of work of the entire CRM team. Non-completion of work by a team member does not relieve the CRM of the responsibility for the successful completion of all planned review meetings.
2. Completion of all planned FEPA I and FEPA II meetings each year is another core responsibility of the CRM and team, especially for larger clients. The same responsibilities and caveats given in Item 1 apply here. The minimum acceptable completion rate is 90%, due in large part to lack of compliance on the client's part, but FEPAs are still an extremely important priority for the CRM to complete.
3. Portfolio implementation is a natural consequence of the client engagement. It's the primary reason the majority of clients hire TMG. Anything less than 100% completion simply makes no sense.
4. Completion of all planned financial independence analyses and presentations meetings each year is another core responsibility of the CRM and team. The same responsibilities and caveats given in Item 1 apply here. The minimum acceptable completion rate is 90%, due to the same lack of compliance on the client's part, but, as with FEPAs, the financial independence analyses are a very important priority for the CRM to complete.
5. MBOs are seen to provide development for each professional in the firm, by stretching them to accomplish things not in the job description. For this reason, the 21 points given for MBOs are the highest individual job responsibility for each CRM, accounting for nearly 10% of the point total. Completing MBOs takes extra energy, creativity, balancing of priorities and often, working with others at the firm or outside the firm. As such, there is a direct financial reward for completion of each MBO. Management sees MBO completion as a necessary part of continued personal and professional development, with the requirement of completion of 71% percent each year. This relatively low percentage is an acknowledgement of the relative difficulty in completing some MBOs based on working with others and other factors which the CRM may not be able to control.
6. A team leader is a leader by example, in mentoring and monitoring, encouraging and motivating, supporting, listening and learning, and espousing appropriate values, choices and behavior. The following is a list of values and characteristics all leaders need to have and exhibit on a daily basis:
 - a. Honesty
 - b. Confidence
 - c. Industriousness
 - d. Integrity
 - e. Wisdom
 - f. Selflessness
 - g. Decisiveness
 - h. Desire for responsibility
 - i. Desire to win
 - j. Respect
 - k. Creativity
 - l. Cooperation

- m. Quality
- n. Forcefulness, as necessary
- o. Patience
- p. Knowledge
- q. Trustworthiness
- r. High ethical standards
- s. Compliance with rules and regulations
- t. High moral standards
- u. Ability to take calculated risks
- v. Passion
- w. Commitment
- x. Competence
- y. Courage
- z. Sacrifice
- aa. Neatness
- bb. Loyalty
- cc. Dedication
- dd. Fortitude
- ee. Compassion
- ff. Humility
- gg. Ability to admit errors
- hh. Fairness
- ii. Forthrightness
- jj. Forgiveness and grace
- kk. Courtesy
- ll. Control of ego
- mm. Positive attitude
- nn. Perseverance
- oo. Praise for others
- pp. Encouragement of others
- qq. Ability to teamwork
- rr. Fortitude

The CRMs leadership capabilities and effectiveness will be evaluated on the aforementioned characteristics and traits, as well as his or her effectiveness in career development of all team members via mentoring, monitoring, supporting and motivating. Personal leadership is considered to be a “work-in-progress” for every member of the staff.

7. The result of leadership, or proof, as it were, is in the progress of all the individuals for whom the CRM is responsible. Thus, just as for every CRM, completion of MBOs by members of the CRMs team is vitally important for professional development. This has a high point total because of its importance in the overall career development.
8. Part of the mentoring and monitoring process is required company training for individual team members, and encouragement to complete the training based on the deadlines and goals established with each team member. Training in company procedures is important, and the 90% minimum signifies this is a priority for the firm.
9. This is a result of the CRM’s effort to set, monitor and manage reasonable MBOs with team members.

10. This is a core responsibility of the CRM, and for every employee of the firm. Every effort should be made to detect and correct any issues which would cause a client to consider leaving the firm voluntarily. The 20 point value and 95% minimum signifies this as one of the key responsibilities for every CRM.
11. Continued growth in our client base assures continued employment for all TMG employees. More significantly, referrals from clients indicate we are creating and maintaining “raving fans.” Because this is important it has been given a 15 point value, but the 53% minimum is set fairly low because the CRM must depend on client relationships and timing for referrals, which are not always under his or her control.
12. Knowledge, experience, judgment and skill are the key ingredients to mastery of tax return preparation. 89% is the minimum because tax preparation must remain a core competency of every CRM.
13. The speed of preparation must be combined with accuracy in the preparation of tax returns, as well as with all other analyses the CRM is involved in. The CRM is graded on the accuracy of return completion, as measured by the Tax Manager, with an 83% minimum.
14. Creativity is important in the firm. As we strive to maintain our cutting edge services, we look to every CRM to provide insights and thoughts into new client service offerings. This can take place on an ad hoc basis, or during formal meetings to review existing procedures and offerings or during discussions about new offerings.
15. This is another part of our service to clients—the development, design and management of their investment portfolios. What we think is state-of-the-art will, within a relatively few years, be passé. As a result, active participation in the Investment Committee’s deliberations about specific investments, portfolio design and other consideration is required by all CRMs. The evaluation is done by the Chairman of the Investment Committee.
16. This responsibility to evaluate team members is straightforward. 100% compliance is expected.
17. Developing and reviewing training materials is a requirement for all CRMs. No matter how well we perform all of our processes and procedures, and no matter how state-of-the-art our software and hardware is, everything will evolve and change. To retain our competitive position, CRMs must continuously consider education and training for all team members, including themselves.
18. Participation in the FPA NCA is expected, including going to a majority of meetings. The 75% minimum is in recognition of occasional conflicts, but signifies the majority of meetings must be attended.
19. FPA Board service is desirable to round out industry-wide experience for every CRM. While there is a very low minimum of 25%, we expect all CRMs will seek positions of responsibility within the FPA NCA organization.
20. Required CFP training, with the intent to maintain licensure, is expected. Training beyond the bare minimum to retain the certification is expected.
21. Appropriate training not conducted by the FPA (outside), will be expected based on the needs of the firm and the professional development and other certifications, if any, of each CRM.
22. Assigned reading is expected to be completed.
23. CRMs are expected to be involved in the hire of new team members by way of conducting interviews, with appropriate input to management. The ultimate hiring authority will continue to reside with the President.