Building High-Performing Teams: Design

Establishing Your Organizational Structure and Team
About This Series:

Building a high-performing team is critical to creating a successful advisory practice. For most advisory firms, people-related costs account for 73% of a firm’s expenses.1 Unfortunately, many Registered Investment Advisors (RIAs) don’t have a clear methodology for managing human capital and building a high-performing team, making it far more difficult to find, nurture and retain valued team members. According to TD Ameritrade Institutional’s Advisor Index Survey, advisors cite better organization as a manager, delegation and communication as their top three challenges as people managers. In addition, 82% of advisors spend less than five hours per week on staff management and human-capital-related tasks.2

Conversely, top-performing firms achieve greater productivity from managing staff with a growth-oriented mentality, remaining lean, and hiring to support growth and profitability. Top-performing firms on average experience 78% higher revenues than their peers.3

<table>
<thead>
<tr>
<th></th>
<th>Top Human Capital Firms3</th>
<th>All Other Firms3</th>
<th>% Difference (Top vs. All Others)3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients</td>
<td>273</td>
<td>208</td>
<td>+31.2%</td>
</tr>
<tr>
<td>AUM</td>
<td>$220.0M</td>
<td>$142.5M</td>
<td>+54.4%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2.0M</td>
<td>$1.1M</td>
<td>+78.8%</td>
</tr>
<tr>
<td>Revenue/Professional</td>
<td>$507.5K</td>
<td>$435.5K</td>
<td>+16.5%</td>
</tr>
<tr>
<td>Revenue/Total Staff</td>
<td>$194.3K</td>
<td>$183.6K</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Pre-Tax Owner Income</td>
<td>$350.1K</td>
<td>$235.7K</td>
<td>+48.5%</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>14.8%</td>
<td>12.9%</td>
<td>+14.6%</td>
</tr>
</tbody>
</table>

When you invest time in finding the right people and provide them with resources that can help them succeed, you’ll be on your way to creating a firm that is positioned to thrive.

Building High-Performing Teams, developed in collaboration with Paragon Resources, is a series of modules and resources designed to help you assess, design, build and lead your human capital resources to maximize your productivity and achieve your business vision.

The series components are as follows:

1. **Assess.** The Assess guidebook focuses on helping you review your current team, take stock of your business and evaluate key considerations for expansion, including determining whether adding a new team member is warranted, and if so, giving you greater clarity regarding the role they would fill.

2. **Design.** The Design guidebook offers tips on making decisions about organizational structure, defining roles, crafting job descriptions, assessing current team members and, if appropriate, beginning the hiring process.

3. **Build.** The Build guidebook provides guidance on developing and maximizing your team’s human capital by presenting strategies for sourcing talent, onboarding and positioning the new team with clients.

4. **Lead.** The Lead guidebook presents tools you can use to enhance your management and leadership skills, helping to increase the engagement and retention of staff, streamline business operations, manage performance and implement effective team communication.

By reviewing the tools and resources in each of the four guidebooks in this series—Assess, Design, Build and Lead—you’ll be able to move through each step of the process in a straightforward, logical fashion. With this strategic approach to building a high-performing team, you’ll be able to make sure that you have the right people in the right roles engaging in the right activities, so that your business can reach its greatest potential.

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2 TD Ameritrade Institutional Advisor Index Survey, Q2 2012.
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Introduction

This guidebook, the second in the Building High-Performing Teams series, aims to provide insight into your organization and the roles and responsibilities of your human capital resources, along with strategies for evaluating your current team. This guidebook is designed for firms that want to refine their team members’ responsibilities to ensure alignment to their roles, or those who are looking to expand their team and need an understanding of who they should hire. It can also be informative for advisors who have not yet formed a team and need insight on properly structuring it from the beginning.

In the Design phase of Building High-Performing Teams, you will focus on:

- Creating Your Organizational Chart
- Role Definition and Job Descriptions
- Evaluating Your Current Talent Pool

Creating Your Organizational Chart

According to TD Ameritrade Institutional's Advisor Index Survey, advisors indicate that the top area that they can improve upon as a manager is organization. There are a number of ways to structure a team; there is no “one size fits all” approach. Only 14% of advisory firms surveyed have developed a plan for how their organizational structure will change as they grow. To help ensure success, it is vital that you perform some self-analysis and take a look at your personality style, strengths and areas for improvement, and business objectives in order to build the ideal team structure for you and your business. In the Assess guidebook, of the Building High-Performing Teams series, you may access exercises to help you better understand the type of leader you are and the type of organization that might be right for you. To access the full series, visit Veo>Resource Center>Practice Management>Human Capital. Having completed the exercises in the Assess guidebook can be helpful as you review the different team formation models in use today by advisory firms.

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5 The 2011 FA Insight Study of Advisory Firms: People and Pay.
Vertical Approach to Team Structure

Vertical teams are most appropriate for the advisor who knows he or she needs to be the lead and have sole control in decision making. Many advisors also have a hard time feeling comfortable with joint equity ownership in their practice. Entering a 50/50 partnership doesn’t often work for these individuals; a vertical team structure is more appropriate. Vertical teams are typically easier to manage and there is no question as to leadership. They do, however, make succession planning more challenging, which reiterates the need for you to first identify your reasons and goals for establishing a team. For assistance with establishing your reasons to expand your team, access the *Building High Performing Teams: Assess* guidebook on Veo>Resource Center>Practice Management>Human Capital.

<table>
<thead>
<tr>
<th>VERTICAL TEAM APPROACH</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One person retains at least 90% equity</td>
<td>All decisions, good or bad, fall on one person</td>
</tr>
<tr>
<td></td>
<td>Less complex management of business</td>
<td>No one to share thoughts and ideas with</td>
</tr>
<tr>
<td></td>
<td>Minimal conflicts or misunderstandings</td>
<td>Succession planning more challenging</td>
</tr>
<tr>
<td></td>
<td>Clear decision making and leadership of team</td>
<td>More time spent on managing the business and less on sales and marketing activities</td>
</tr>
</tbody>
</table>

![Vertical Team Structure Diagram]
Horizontal Approach to Team Structure

For advisors who have a collaborative leadership style and are comfortable sharing responsibility, decision making and equity of the business, a horizontal or partnership structure may work well. Multiple advisors can free up time and/or add capacity. Depending on individual talents and how roles are established, multiple advisors could allow for more clientele, provide more support, provide deepened expertise in certain wealth management areas or enhance the relationship management side of the business.

Regardless of the structure chosen, it is vital that all team members communicate frequently and understand their individual roles, responsibilities and priorities. However, horizontal teams often have an increased potential for misunderstandings. If all of the financial advisors are not on the same page, it creates further difficulty for support members as to whom they should be listening to and where their priorities reside. Finally, it is clearly important to think through equity ownership in horizontal structures as challenges can often arise.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Synergy when right partner(s) are identified</td>
<td>- Must share equity, which can lead to “keeping score” mentality</td>
</tr>
<tr>
<td>- Emotional and intellectual sharing among decision makers</td>
<td>- More challenging for support members when advisors do not agree on vision</td>
</tr>
<tr>
<td>- Succession planning easier</td>
<td>- Greater potential for conflicts or misunderstandings</td>
</tr>
<tr>
<td>- Shared responsibilities but can allow members to focus on passions and talents</td>
<td>- More difficult to manage</td>
</tr>
</tbody>
</table>
Strategic Approach to Team Structure

The strategic team structure uses both horizontal and vertical approaches. These types of teams are more complex due to the number of moving parts, and of course, finding the right people to fill each role is often more time consuming. However, for those advisors looking to create a holistic wealth management offering, this is becoming a more popular model. The client experiences a total solution that encompasses all of their needs, and this structure also allows each individual to spend the majority of their time in areas for which they have both a talent and a passion.

<table>
<thead>
<tr>
<th>STRATEGIC TEAM APPROACH</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Disadvantages</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Client usually experiences a total solution</td>
<td>▪ Many moving parts increases complexity in managing business</td>
<td></td>
</tr>
<tr>
<td>▪ Allows each person to do what he/she does best or enjoys</td>
<td>▪ Challenging to source the right internal/external best people to fit business needs</td>
<td></td>
</tr>
<tr>
<td>▪ Professional image where people consider you more comprehensive provider</td>
<td>▪ Usually slower decision making due to greater a more comprehensive provider</td>
<td></td>
</tr>
<tr>
<td>▪ If the business offers holistic solutions, creates congruency in the promises made and actions delivered on</td>
<td>▪ Increase in the need for coordination, communication and general HR tasks</td>
<td></td>
</tr>
</tbody>
</table>

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Diagram of team structure with roles and support:

- **Financial Advisor**
  - **Business Manager**
    - **Service Manager**
    - **Admin/Operations**
    - **Other Support**
      - Custodian
      - Peers
  - **Internal Partners**
    - Financial Planner
    - Inv. Specialist
    - Insurance Specialist
    - Trust Specialist
  - **External Partners**
    - Financial Planner
    - Inv. Specialist
    - Insurance Specialist
    - Trust Specialist
    - Attorneys
    - CPA/Accountants
    - Wholesalers
    - Private Banking
    - Comm. Banking
    - Mortgage Specialist
    - Business Coach
    - Advisory Board
    - Other Centers of Influence

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Naturally, there are numerous ways to build out a team, both horizontally and vertically, depending on your specific needs, styles and client base. You need to think through the pros and cons for each model so that you choose one that is going to work for your business. Forcing yourself into a standardized team box may appear to make sense from a short-term perspective, but may become a hindrance in the long-term.

Appendix A: Structural Formation Tool

In Appendix A, you will find a number of questions on leadership style, talents and structure. The answers to these questions, along with the rest of that activity, will help in defining the right team formation and create the structure that is most suitable to your style and your business needs.

Role Definition and Job Descriptions

Prior to Finding the Who, You Must Define the What

Smaller advisory firms, including those that are just getting started, often have individuals wearing multiple hats, meaning taking on multiple roles and responsibilities within a firm. While resources may be limited, structuring your business this way leads to inefficiency, creates unnecessary stress for team members and limits growth, reducing the business’s ability to reach its potential. Clearly defining each person’s roles and responsibilities and then matching the right person to those roles is critical to the long-term success of your firm.

Aligning Your Compensation Strategy to Your Organizational Design

Compensation is a central pillar of managing teams, and when compensation is thought about strategically, and aligned with your organizational structure and team definition, it can help attract and retain talent, as well as boost financial and operating performance.


One of the most frequently made mistakes in the hiring process is neglecting to define the actual work that needs to be done. Only 56% of advisors have formal written job descriptions for each role in their organization. This is an important, tactical exercise because antiquated or standard job descriptions do not lead to identifying the right person for the position. You must understand all of the work (the what) to be done in your business prior to bringing on the actual people (the who) to perform the work. You need to look at all aspects of your business so that you are acutely aware of what it takes to optimally run your firm and the subsequent human capital needed to achieve your goals. This begins with identifying and defining your business functions.

To help get you started, the following is a sample of core business functions. You should make sure that you adapt and customize these to your specific firm. Be sure to add functions that may not be included below, but are critical to your particular business.

<table>
<thead>
<tr>
<th>BUSINESS FUNCTION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Acquisition</td>
<td>All activities related to identifying new ideal clients, bringing in additional assets and generating new revenue.</td>
</tr>
<tr>
<td>Products and Services</td>
<td>All activities that relate to the line of solutions that you provide to your clientele.</td>
</tr>
<tr>
<td>Client Service</td>
<td>All activities that address both the reactive and proactive service that you provide in your business.</td>
</tr>
<tr>
<td>Administration Operations</td>
<td>All activities that relate to paperwork, proposal generation, workflow, internal correspondence, etc.</td>
</tr>
<tr>
<td>Business Management</td>
<td>All activities that relate to proactively managing your business, such as business planning, segmentation, professional development, budgeting, etc.</td>
</tr>
</tbody>
</table>

**Defining and Evaluating the Work**

With an understanding of your business functions at a high level, it is time to create a task or activity list for each function. For an in-depth view of each of your business functions and each associated area of opportunity, access the Practice Assessment Tool in the *Building High-Performing Teams: Assess* guidebook on Veo>Resource Center>Practice Management>Human Capital. For each business function, you should commit to writing all of the activities that are currently done within this function and all of the activities that should be done within this function based on your goals for your *ideal* business.

The next step is to define your core building blocks and evaluate the work. Identify the core functions required to make your business run as well as those that enable you to deliver a superior client experience. Once you identify the what you can begin to evaluate and determine the skill set, credentials and experience required for these activities and this role (see Appendix B for detailed exercises on defining these items for each role type). You then have the information necessary to create an accurate job description.

The following are the typical building blocks for a financial advisory practice. Think of these as the predominant areas of your organization that must exist for your business to function. Be sure to consider adding or deleting areas based on your specific business.
MY BUILDING BLOCKS:

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Define the Activities
Here you should consider both current activities and ultimately what should be done in each area to exceed client expectations and accomplish the vision of your future.

Define the Skill Set
You want to be sure to define the specific skills and talents required. When you are in the hiring process, you will have established the groundwork to identify the right type of person for the role. You will be able to clearly articulate the specific behavior needed to do the job and look for these qualities during your interviews.

Define the Credentials
Credentials may include specific licenses, accreditations and education to fulfill the role. Remember that as you evolve your business towards a holistic wealth model, Subject Matter Experts (SMEs), become more important and credentialed individuals elevate the status of your team in the eyes of your clients and prospects.

Identify Experience Required
Experience may include years in the industry or specific background in a specialist area. Again, SMEs are often required as you expand your business. On the other hand, there may be some areas where you can use interns from local universities and colleges; therefore, the importance of defining the work prior to finding the who is critical to making a good hiring decision.

Categorize as Current or New Team Member
Identify whether this role and associated activities can be covered by a current team member or if a new hire is required.

As you think through each core building block, define the what (the work) that has to be done in each area.
Defining Specific Roles

According to CareerBuilder, more than two-thirds of employers said they were affected by a bad hire in the past year (2011) and this percentage is on par with 2010. A bad hire can significantly affect your bottom line. 41% of companies that made a bad hire estimate that it cost them more than $25,000 and one in four said it cost them more than $50,000. How can your firm avoid this common mistake? Take the time now to clearly define the specific roles in your firm so you are able to align the right people with these roles.

THE COST OF A BAD HIRE
Problems That Companies Report

Generic job descriptions are often void of details, which leads to ambiguity and leaves room for individual interpretation. By identifying the specific activities that the individual will be required to execute, you can establish both a functional job overview as well as a more detailed description of responsibilities leading to success in the position. Adding in the essential qualities and attributes for success in that position, along with any educational requirements and the compensation for the role, will help you complete a job description that can help lead to finding the right person for the required role. You can then add in the full benefits that your firm will offer the individual. This may include vacation time, sick time, health, vision and dental benefits, retirement offerings, etc.

Role Definition Consists of:
- Role name
- Responsibilities
- Qualities needed
- Educational, experience and credential requirements
- Compensation range

Some of these points are easier to define than others. One where advisors often struggle is on the qualities needed. It can be easy to identify the necessary education and experience but more difficult to list out attributes that will lead to success.

7 CareerBuilder Survey, 2011.
Right Job Fit

In each position or role, you must look at the job and define what specific attributes are needed to do the job well and then look to the people to fill it. Remember, you don't just want to get a warm body in the seat; you want to get the right person who fits the role and is energized by their job. When advisors define roles and responsibilities, they should consider the three main areas of a job: qualifications, behavior and motivation. The job should “speak,” providing complete details on what is needed to perform the position well. Define all of these characteristics of the job before filling the roles with people:

- First, you should look at the qualifications; these are the skills, education and/or experience needed to effectively do the job. Research shows that job fit matters. In a survey conducted by the Investment Management Executive Council, investment professionals that are characterized as being a good cultural fit expect to stay with the firm about four years longer than those characterized as a poor fit.⁸
- Next, you want to define the behavioral traits needed. For instance, does the job call for strong verbal skills, detail orientation, extroversion, follow through, problem solving or listening? You should define as many qualities as possible for a person to succeed in the position.
- The final element to look at when defining the job are the values that will be rewarded in the position. For instance, who will be satisfied or feel fulfilled working in your environment? Do you need someone who is giving in nature, wants to learn and is inquisitive, is disciplined, works in an organization with a strong mission, or has an internal drive to compete?

If you can find the right people who are energized to do the work and who enjoy the environment they are in, you can always train them to do the job and achieve the qualifications needed for the position. Of course, for many positions there will be basic skills required, but how someone behaves and the motivation of why they do what they do cannot be taught. These are characteristics that are hardwired and part of a person's DNA.

Please remember that you may not need people directly on your team conducting all the firm's work. You can possibly outsource some activities or identify strategic alliances to fill a void.

Appendix B: Core Building Blocks—Role Definition and Job Descriptions

Appendix B will help you detail the skills, credentials and experience level for each specific role, and also provides sample job descriptions.

Available Job Descriptions:
- Client Service Associate
- Chief Operations Officer (COO)/Business Manager
- Chief Compliance Officer
- Junior Advisor
- Chief Investment Officer
- Senior Financial Advisor and Rainmaker
- Paraplanner

⁸ Applying Behavioral Attributes to Talent Management: How to Hire and Retain Best-Fit Advisors, The VIP Forum 2012.
Crafting the Job Description

Generic job descriptions are often vague and broad in scope. By identifying the specific activities that the individual will be required to execute, you can establish both a functional job overview as well as a more detailed description of responsibilities leading to success in the position. You may also want to add in the full benefits that your firm will be offering this individual. This may include vacation time, sick time, health, vision or dental benefits, or retirement offerings.

The following is a template to help you craft an effective job description for a specific role on your team, including a sample for a Junior Advisor.

<table>
<thead>
<tr>
<th>JOB DESCRIPTION TEMPLATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview:</strong> Include the basics of this role:</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
| **Qualities:** Insert qualities needed for this role:
  - |
  - |
  - |
| **Functional Responsibilities:** Insert functional responsibilities needed for this role:
  - |
  - |
  - |
| **Educational and Experience Requirements:** Insert any specific requirements or preferences:
  - Years in industry: |
  - Licenses and credentials: |
  - Education: |
  - Technology: |
JOB DESCRIPTION TEMPLATE

Compensation Range:

- Salary: $
- Bonus Potential:

Benefits: Include vacation/sick time, retirement benefits, etc., based on your firm offerings:

SAMPLE JOB DESCRIPTION—JUNIOR ADVISOR (INVESTMENT STRATEGY IMPLEMENTATION)

Overview: The Junior Advisor position is defined as a support role to the principal financial advisor and business owner. This individual will be primarily responsible for behind-the-scenes portfolio analysis and research with minimal client-facing and marketing activities. This position requires an individual who has a thorough knowledge of the financial services business and who is committed to being part of a team that delivers a comprehensive client solution. This individual will assist with the daily functions of a fast-paced, multi-priority area. They must be reliable, organized and deadline driven. A qualified applicant must be dedicated, goal oriented, and able to work well in a self-directed and collaborative environment.

Qualities

- Knowledge of key financial concepts in financial and risk management
- Possesses a passion to help team and clients
- Possesses strong analysis and numbers skills
- Reliable, follows through on commitments
- Systematic approach to tasks
- Ability to see big picture and handle details
- Excellent computer skills (Word, Excel, PowerPoint, Internet); the ability to learn in-house programs and tools
- Skilled in basic statistics and quantitative products portfolio theory
- Able to prioritize; deadline and detail sensitive
- Comfortable with some presentation and telephone conversations
- Can assure people and put them at ease
- Takes direction and executes a plan
- Excellent listener
- Keen interest in developing a career within the financial services industry

Functional Responsibilities

Support the Senior Financial Advisor on the Following

- Research: Conduct research on economy, financial markets, individual securities, mutual funds, annuities, third-party money managers, alternative investments, etc.

- Portfolio analysis and monitoring:
  - Compile and analyze client data to develop long-term strategic plans
  - Simulation modeling using Monte Carlo and other statistical techniques
- Passive/active management analysis
- Asset allocation strategies including alternatives
- Tax gain/loss analysis
- Formulation of investment policy for each client
- Coordinate ongoing monitoring of portfolio strategies and performance report generation

- Portfolio Structure: Assist in the development of complex and highly customized financial portfolios for high-net-worth individuals
- Recommendations: Assist with investment recommendations based on research including rebalancing and asset allocation
- Trading and selling: Conduct trading responsibilities:
  - Daily processing trade executions and follow up
  - Daily review and revision of specified accounts
  - Act as liaison with trading desk as required
- Proposal Generation: Assembly of customized proposals for clients and prospective clients
- Prospecting: Ability to articulate the story of the practice and identify ideal qualified prospects to speak with advisor
- Pipeline: Assist in building, tracking and maintaining pipeline and prospect touch plan. Provide call lists as needed
- Prospect/Client fact finding: Perform ongoing fact finding to uncover organic growth opportunities, multi-generational opportunities, cross-selling and important personal information
- Insurance Related: Provide insurance quotes
- Meet with private account managers on an ongoing basis

Liaise with Other Team Members to Include
- Liaise with financial planner on analysis of client portfolios
- Work with office manager on client documentation, client meeting preparation and process
- Participate in team daily, weekly and monthly meetings
- Participate in annual business planning strategy session as requested
- Integration into team’s organizational process including calendar, communication plan, CRM system, etc.

Administrative/Operational Responsibilities
- Data Input:
  - Input portfolio transaction data into portfolio analysis and/or performance measurement software (if applicable)
  - Entering client data (from the investment questionnaire)
- Organize and monitor workflow required to service client portfolios
- Systematize all areas of research and trading
- Maintain and document processes for all client analysis, research and trading activities
- Manage and maintain segmentation of clientele
- Report generation as requested
- Develop and maintain standardized proposals, presentations, resource library, etc.
Assist with phone coverage when needed

Filing and miscellaneous correspondence as needed

Ensure that all investment management programs are updated (and upgraded) on a timely basis (this would include asset allocation and spreadsheet software, manager databases, etc.)

Client Interactions

Meet, greet and provide concierge service for visiting clients/prospects (as needed)

 Participate in the communication of ongoing client review and service needs:
  - Respond to client calls regarding account activity
  - Make outgoing client courtesy calls
  - Query clients for updated information pending annual and semiannual reviews
  - Intake of applications and forms as needed
  - Coordinate portfolio reviews
  - Participate in client meetings with lead advisor/business owner

Miscellaneous

Assist in development, coordination, and maximization of vendor and external resource providers

Projects and practice management needs as assigned

Assist any member of the team when the need arises

Maintain strong compliance documentation related to research and trading

Full utilization of all technological systems

Educational and Experience Requirements and Preferences

Background and experience in the financial services industry

Licenses and credentials: Series 7, 63, 66, Life and Health Insurance

Knowledge of Microsoft Office applications in a Windows XP/VISTA/7 environment is required

An undergraduate degree in business, economics, or equivalent work experience with background in the financial services industry is required

Compensation Range

Base Salary: $XX–XX. Salary range based on experience

Potential for commission element to this position’s compensation plan

Bonus Potential: $XX–XX

Salary increases are performance based

Equity considered after 5 years of demonstrated performance

Full Benefits Package

4 weeks vacation

12 sick days

401(k) plan

Health, vision and dental plans available
Evaluating Your Current Talent Pool

From Understanding the What to Assigning the Who

With the ideal work of your firm defined and roles established, you can begin to evaluate your current team members for a fit. In some cases, existing human capital may be a good match for their current role; in other cases, adjustments may need to be made. Where there is no match, you may need to seek additional human capital.

As you invest in the human capital side of your business, keep in mind the specific goals that you are looking to achieve. Of course, you want to maximize each person’s time, talent and strengths. In addition, you may want to:

- Increase productivity and efficiency
- Increase client satisfaction
- Create a culture of positive chemistry, morale and mutual respect
- Encourage your team members to flex their abilities by allowing them to experience different roles throughout the firm so they can further enhance their skill set and cross training

So how do you build a team that can drive growth and deliver a superior client experience in this challenging world? Two expressions that come to mind: **birds of a feather flock together** and **opposites attract**. These expressions seemingly sound contrary to each other. However, in finding the right human capital for your business, they can both apply.

As you pursue your desired level of success, you must position people around you who complement you and who bring different behavioral strengths to the table. This is to ensure you have all the necessary skill sets to achieve your business goals and serve your clients (opposites attract). Additionally, you should seek to build a team with a strong chemistry, where all members enjoy working with one another and value similar interests (birds of a feather flock together).

This translates into two critical elements that you need to understand about your human capital:

- **MOTIVATORS** put the thoughts in a person’s mind and compel them to action. Motivators help determine *WHY* people do what they do.
- **BEHAVIOR** is the action a person takes to carry out those thoughts. Behaviors help determine *HOW* people do what they do so that you understand what comes naturally to them.

Let’s look at behaviors first—opposites attract. Individuals have varying skill sets and talents. Some are introverted, methodical, analytical and process-driven, while others are extroverted, proactive, outgoing and big-picture thinkers. Some have strong verbal skills, are outgoing and are people-oriented. Others are creative problem solvers,
Building High-Performing Teams: Design
detail- and task-oriented, and like to follow through. Certainly you can see from these very different adjectives how important it is to understand each person’s style—who they really are—in ensuring that you make the right hiring choice for each role required within your business. You want to understand how someone responds to challenges and problems, and how they interact with other people and influence them to their point of view. You want to understand how they deal with pace and change within an environment and how they respond to rules, procedures and processes set by others.

Next, let’s go deeper and look at motivators—birds of a feather flock together. Every day, people are faced with situations that call for thought, opinion, decision and action. How they react to these situations is based on their life experiences. If you understand what people believe and value in their life, then you can understand what motivates them at work. People can be driven by very different motivating factors. For some, it is gaining a return on investment; they have an interest in utility in money, time and resources. For others, it is about helping people unconditionally; still others may be driven by ongoing learning and acquiring new knowledge, or they may be motivated by power, influence or being number one. Some seek form and harmony in an aesthetically pleasing environment, while others are primarily driven by upholding traditions and following their specific system for living.

From a hiring perspective, it is important to understand these drivers prior to hiring. From a management perspective, it is important to building a rewarding culture for staff. You want behaviors to differ so all required skill sets are covered, and with motivators, you need to see similarity among your human capital for their enjoyment in the environment.

Tip: Remember, you may not need people directly on your team performing all of your advisory firm’s day-to-day functions. You may consider outsourcing particular tasks such as reporting, statement generation or administrative support. From a professional services standpoint, you may choose to develop strategic alliances to enhance your solutions set with accountants or estate planners.

Each firm is unique, but the tools within this Design guidebook can assist you in identifying your needs and finding the right solution to achieve your desired business vision.

Assessment Tools
In today’s environment, many people will say whatever they think you want to hear in an interview in order to get the job. So, a wise investment for your practice is to use self-discovery assessments. Most assessments prove to be a great tool as they help a person understand who they are and what makes them tick. They help you, as the leader of the RIA, better use each person’s talents and, when seeking new potential team members, provide objectivity in the selection process.

If you have been working with someone for a long time, you probably have already picked up on what type of role within your firm they are best suited for. If you want to bring objectivity to the situation and speed up the learning curve, assessments are great resources and can provide the science behind the art of reading people.
TYPES OF ASSESSMENTS

The first basic assessment or test that you might consider is a skills test. Assessing what level of adeptness a person has in the vital characteristics of the position is key to helping you understand the level of training that you will need to provide. Skills tests come in all subject areas such as computer proficiency, written and verbal communication, technical expertise, customer service, sales, financial knowledge, etc. Skills tests are most effective when you completely define the specific activities that the person will need to perform on a daily basis.

A more specific assessment that can help you identify the right person for a role uncovers the natural work behavior tendencies that energize a person. This helps you gain insight and validation as to who is best at doing what in your firm. You will most likely need to define roles more broadly, requiring a number of behavior tendencies to be successful. If, however, you are able to design roles that allow the individuals filling the role to spend at least 60% of their time in their natural, preferred area, then you can gain leverage and better maximize your human capital resources. Anything less than 60% of time spent in a natural or preferred area of focus and you run the risk of having individuals becoming disengaged from the position or even worse, experiencing an increased level of unnecessary stress.

To ensure that the team works well together and enjoys their work environment, consider using an assessment tool that uncovers their motivators and helps you understand what they need for fulfillment in the workplace. What makes them tick? What are they passionate about? What motivates them to get up every morning and go to work? What do they enjoy? What don't they enjoy? If you want to breed a team who gets along well, respects each other and has fun together, then you must uncover this vital information. Thus, using a second assessment that helps identify their motivators is critical. You want people working together who see the world the same way and are motivated by similar things so you can “gel” and have a foundation of trust with one another. This is all about compatibility, company culture and chemistry, which so many don’t think of when putting their human capital resources together. You may find the right person for a job, but they may not fit in your culture or enjoy the work environment you offer.

Assessment Resources

There are numerous assessment resources you can leverage to help you better understand your team members and dynamics. The following are a few you may consider:

- **Myers Briggs**: A psychometric questionnaire designed to measure psychological preferences in how people perceive the world and make decisions.
- **Kolbe**: Uses four Action Modes to measure an individual’s creative instincts and problem-solving style to describe the natural tendencies for “how you do what you do.”
- **Financial DNA**: Leveraging their Business DNA solution, business leaders and their teams can navigate the human differences in their business by discovering and aligning the different communication styles, behaviors and solution preferences of their diverse employees.
- **DISC**: Uses four dimensions—Dominance, Influencing, Steadiness, and Compliance—to measure observable behavior and emotions to describe the natural tendencies for “how you do what you do.”
Summary

As your firm evolves into a high-performance team and business, you must have a strong commitment to success. Your clients are relying on you to provide them with high-end financial advice and service. Your team members want to work in a warm and friendly environment and feel both personal and professional achievement. And you are obviously looking to grow your business and team to achieve greater profitability and personal reward. With an ongoing focus on people and process, increased performance generally follows.

This guidebook provides guidance and resources for creating your organizational chart and structure, defining roles, responsibilities and job descriptions, and assessing your team for both talent and chemistry. Establishing high-performing teams takes time, dedication and hard work, but when done well, it can lead to great rewards. It is better to take the time to hire the right person for both the job and your business than it is to accelerate the process only to find that you need to refill a position shortly thereafter because of a less than optimal fit. As you look to source new talent and redefine the roles for your current organization, use the Team Formation and Design Checklists, below, to help you through team formation and design.

The next guidebook in this series, Build, will focus on helping you expand your business by adding people to increase capacity and fill the specific talent gaps within your business. Sourcing talent and the interview process become critical at this stage, in addition to the onboarding process. To access the full Building High-Performing Teams series, visit Veo>Resource Center>Practice Management>Human Capital.

Team Formation Checklist

- Review your organizational chart.
- Spend time identifying and quantifying all of the work—the “what” within each of your business functions.
- Determine the requirements for each position; what skill set, behaviors and motivators are needed for each role.
- Assess your current team members and reassign positions to capitalize on the strengths of your people.

Design Checklist:

- How will building a vertical, horizontal or strategic organizational structure fulfill your reasons for teaming and close the gaps in your vision for the organization?
- What are the core building blocks of your business and how do you define each?
- After you have developed your new job descriptions, is everyone clear on their responsibilities?
- Have you assessed all of your current team members so that you can better capitalize on their abilities?
- Did you uncover any reasons for adding a team member or partner to your practice so that all of the work can be accomplished? If so, who do you need?
- Do you need to reassign anyone’s position?
Appendix A: Structural Formation Tool

Instructions

In the Structural Formation Tool, you will find a number of questions and exercises to help you further define the right team structure for your firm based on your style, talents and needs. It’s important to set aside a block of time to work through this tool in its entirety to yield the desired results.

1. Reference the following exercises from the Assess guidebook (available on Veo>Resource Center>Practice Management>Human Capital).
   a. Personal Discovery Questionnaire
   b. Practice Assessment Tool
   c. Define and Prioritize Your Reasons to Expand

   If you have not previously completed these items, you should do so before moving forward.

2. Review the questions and statements in this document to further develop your thoughts in each of these areas. They were designed to specifically address defining the proper structure for your business.

3. Take action.
   - Decide on the right structure for you
   - Define your functional needs
   - Create your organizational chart

4. Brainstorm. Based on your structure and organizational chart, brainstorm names of internal and external individuals who may make a good fit for your new organization.
Review Reasons for Expanding

Be sure to review your worksheet as your reasons for expanding can dramatically affect the type of structure that may best suit you.

<table>
<thead>
<tr>
<th>IF YOUR REASON FOR EXPANSION IS:</th>
<th>CONSIDER SEEKING A(N):</th>
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<tbody>
<tr>
<td>Identifying a successor</td>
<td>Associate Advisor, Financial Planner or Paraplanner</td>
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<tr>
<td>Enhancing service</td>
<td>Client Service Manager, Client Relationship Manager</td>
</tr>
<tr>
<td>Managing your time more effectively</td>
<td>Varies depending on which activities the advisor is looking to reassign</td>
</tr>
<tr>
<td>An expanded solution set</td>
<td>Insurance Agent, Financial Planner, Estate Planner or Accountant</td>
</tr>
<tr>
<td>Increasing operational efficiencies</td>
<td>Business Manager, Chief Operations Officer</td>
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<tr>
<td>Delegating compliance-related responsibilities</td>
<td>Chief Compliance Officer</td>
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Personal Discovery Questionnaire

How you answer the questions in the section regarding leadership style, talents and structure will dramatically affect the structure that may best fit.

For example:

- If you answer “YES” to needing to be the sole decision maker, a vertical team may be more appropriate for your firm.
- If you wish to retain at least 90% of the equity, a vertical team may be more appropriate for you.
- If you are more amenable to collaborative leadership and do not want all of the pressure of decision making resting on your shoulders, then a horizontal or strategic structure may work best.

**Note:** To access the full Personal Discovery Questionnaire featured in the *Building High-Performing Teams: Assess* guidebook, visit Veo>Resource Center>Practice Management>Human Capital.

**PERSONAL DISCOVERY QUESTIONNAIRE**

**Leadership Style, Talents and Structure**

☐ Do you enjoy working with others?
☐ Do you want to be the sole decision maker with or without others’ input?
☐ Do you enjoy collaborating with others and making shared decisions?
☐ Can you share control?
☐ Do you want your clients to see you as the lead advisor and expert?
☐ Are you comfortable sharing your clients with another advisor?
☐ Are you comfortable sharing revenues with another advisor?
☐ Are you looking to provide direction for the business but have someone else run the day-to-day operations?
☐ What are your strengths in the business?
☐ What activities and areas do you most enjoy in the business?
☐ What are your least enjoyable activities?
☐ Where are your challenges/weaknesses in the business?

**Notes**

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Practice Assessment

Think about items for improvement within your practice, specifically areas where you may need new resources to close gaps or add new capabilities. If you have completed the Practice Assessment Tool accessible via *Building High-Performing Teams: Assess* guidebook, specifically review the column where you may have indicated “Proposed New Role” in the “Closing the Gaps” section. This will help make sure that you are taking into consideration those inventory items that you designated as important to have as part of your model but delegated to another individual.

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<thead>
<tr>
<th>Item for Improvement</th>
<th>Current Status</th>
<th>Ownership</th>
<th>Priority</th>
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<tbody>
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<td>☐ Complete</td>
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<td>☐ Current Member</td>
<td>☐ High</td>
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<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
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<td>☐ In Progress</td>
<td>☐ Current Member</td>
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<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
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<td>☐ Complete</td>
<td>☐ In Progress</td>
<td>☐ Current Member</td>
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<tr>
<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
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<td>☐ Current Member</td>
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<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
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<td>☐ Current Member</td>
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<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
<td>☐ Medium</td>
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<tr>
<td>☐ Complete</td>
<td>☐ In Progress</td>
<td>☐ Current Member</td>
<td>☐ High</td>
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<tr>
<td>☐ In Progress</td>
<td>☐ Proposed New Role</td>
<td>☐ Medium</td>
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<tr>
<td>☐ Needed</td>
<td></td>
<td>☐ Low</td>
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</tbody>
</table>
Review all of the products and services that you identified as wanting to have as part of your “Business Vision.” This will ensure that you have addressed each area you deemed important as you build out your structure.

<table>
<thead>
<tr>
<th>PRODUCT/SERVICE</th>
<th>CURRENT OFFERING</th>
<th>FUTURE OFFERING</th>
<th>NO LONGER WISH TO OFFER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Planning</td>
<td></td>
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<tr>
<td>Equities</td>
<td></td>
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<td></td>
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<tr>
<td>Fixed Income Products</td>
<td></td>
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<tr>
<td>Mutual Funds</td>
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<tr>
<td>Annuities</td>
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<tr>
<td>Managed Money</td>
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### Review Sample Organizational Charts

Review the diagrams provided in the Sample Organizational Charts earlier in this Guidebook on pages 3-5. In thinking about your personal style and your needs, pay special attention to the advantages and disadvantages of each structure as you determine the best fit for your firm.

#### TEAM APPROACH MODEL COMPARISON

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vertical Team Approach</strong></td>
<td></td>
</tr>
<tr>
<td>One person retains at least 90% equity</td>
<td>All decisions, good or bad, fall on one person</td>
</tr>
<tr>
<td>Less complex management of business</td>
<td>No one to share thoughts and ideas with</td>
</tr>
<tr>
<td>Minimal conflicts or misunderstandings</td>
<td>Succession planning more challenging</td>
</tr>
<tr>
<td>Clear decision making and leadership of team</td>
<td>More time spent on managing the business and less on sales and marketing activities</td>
</tr>
<tr>
<td><strong>Horizontal Team Approach</strong></td>
<td></td>
</tr>
<tr>
<td>Synergy when right partner(s) are identified</td>
<td>Must share equity, which can lead to “keeping score” mentality</td>
</tr>
<tr>
<td>Emotional and intellectual sharing among decision makers</td>
<td>More challenging for support members when advisors do not agree on vision</td>
</tr>
<tr>
<td>Succession planning easier</td>
<td>Greater potential for conflicts or misunderstandings</td>
</tr>
<tr>
<td>Shared responsibilities but can allow members to focus on passions and talents</td>
<td>More difficult to manage</td>
</tr>
<tr>
<td><strong>Strategic Team Approach</strong></td>
<td></td>
</tr>
<tr>
<td>Client usually experiences a total solution</td>
<td>Many moving parts increases complexity in managing business</td>
</tr>
<tr>
<td>Allows each person to do what he/she does or enjoys</td>
<td>Challenging to source the right internal/external people to fit business needs</td>
</tr>
<tr>
<td>Professional image where people consider you more comprehensive provider</td>
<td>Usually slower decision making due to greater a number of people involved</td>
</tr>
<tr>
<td>If the business offers holistic solutions, creates congruency in the promises made and actions delivered on</td>
<td>Increase in the need for coordination, communication and general HR tasks</td>
</tr>
</tbody>
</table>
Take Action

Taking all of this information into consideration, begin to build the right structure for you. First, select a team structure. Next, complete the functional needs that you desire for your business vision, noting whether you would like the functional positions as part of your internal team or you would prefer to build a consortium of external centers of influence to fill any roles. Finally, draft your organizational chart.

A. My Team Structure: Select which structure is right for you

☐ Vertical    ☐ Horizontal    ☐ Strategic

B. My Functional Needs:

<table>
<thead>
<tr>
<th>FUNCTIONAL ROLE</th>
<th>INTERNAL TEAM MEMBER</th>
<th>EXTERNAL COI</th>
<th>NOT REQUIRED</th>
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</thead>
<tbody>
<tr>
<td>☐ Advisor: Rainmaker</td>
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<tr>
<td>☐ Advisor: Associate/Jr. Producer</td>
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<tr>
<td>☐ Advisor: Relationship Manager</td>
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<tr>
<td>☐ Business Manager: COO/HR</td>
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<tr>
<td>☐ Service Manager</td>
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<tr>
<td>☐ Service Assistant</td>
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<tr>
<td>☐ Operational Assistant</td>
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<tr>
<td>☐ Administrative Assistant</td>
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<tr>
<td>☐ Administrator</td>
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<tr>
<td>☐ Specialist: Financial Planner</td>
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<tr>
<td>☐ Specialist: Investments</td>
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<tr>
<td>☐ Specialist: Retirement Plans</td>
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<td>☐ Specialist: Insurance</td>
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<tr>
<td>☐ Specialist: Trust</td>
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<tr>
<td>☐ Specialist: Estate Planning Attorney</td>
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<tr>
<td>☐ Specialist: Additional Specialist Attorney</td>
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<tr>
<td>☐ Specialist: CPA/Accountant</td>
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<tr>
<td>☐ Specialist: Commercial Banking</td>
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<td>☐ Specialist: Mortgage</td>
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<tr>
<td>☐ Business Development and Recruiter</td>
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<tr>
<td>☐ Business Coach</td>
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</table>
C. My Organizational Chart: Use the space below to draft your organizational chart.
**Begin to Brainstorm**

With your needs defined and your organizational chart in mind, begin to think through the individuals who may fit your current voids. Consider the following questions and create a list of internal and external people resources.

- Can you commit to writing your role and the functional areas and activities for which you want ownership?
- Can you commit to identifying tasks and responsibilities you are currently responsible for that you would like to assign to others?
- What current relationships (internal or external to practice) do you have to fill the role(s)?
- Who do you know in your personal and professional life who might be a good fit?
- Have you attended any training events where someone with potential has caught your eye?
- Are there any roles that could be filled by a student intern from a local university?
- Are there potential candidates in other locations where it may make sense to have a satellite office?

<table>
<thead>
<tr>
<th>NAME</th>
<th>INTERNAL</th>
<th>EXTERNAL</th>
<th>NOTES &amp; CONTACT INFO</th>
</tr>
</thead>
<tbody>
<tr>
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</table>
Appendix B: Core Building Blocks—Role Definition and Job Descriptions

Introduction

Before finding the right people for your team’s expansion, you must be sure that you clearly understand all of the work that needs to be done in every area of your organization. Defining what work needs to be done before determining who should do it is critical to proper role definition. To do this, first delve deeply into articulating the core building blocks, discussed on page 8, for your business to properly function. Then, with the critical areas defined, you can think through the skill set, credentials and experience required for each role on the team.

Define the Work That Needs to Be Done

1. Review the questions provided and commit to writing the work that needs to be completed for each area to function at its highest productivity (see Role Definition spreadsheets on pages 30–32).

2. Define the role(s) to fill the gaps within your business, including responsibilities, qualities, educational requirements and compensation structure.

3. Create a job description for each role by grouping similar activities (see Crafting the Job Description on pages 12–15).
Step 1: Create a Spreadsheet (See Samples Below) with Columns to Answer the Following Questions for Each Building Block

- What activities are done in...?
- What activities should be done in...?
- What skills are needed in...?
- What credentials are needed in...?
- What experience is needed in...?

1. New Client Acquisition Sample

<table>
<thead>
<tr>
<th>The Work: Define the Activities</th>
<th>Define the Skill Set</th>
<th>Define the Credentials</th>
<th>Define the Experience</th>
<th>Current or New Team Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Acquisition</td>
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<td>Client Attraction Process</td>
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<td>Qualifying</td>
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<td>Fact-Finding</td>
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<tr>
<td>Lead Generation</td>
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<td>Referrals</td>
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<td>Organic Growth</td>
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<tr>
<td>Traditional Marketing</td>
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<tr>
<td>Positioning Tools</td>
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<tr>
<td>Marketing/Compliance Approvals</td>
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<tr>
<td>Pipeline Tracking &amp; Reporting (CRM)</td>
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<tr>
<td>Pipeline Communication</td>
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<tr>
<td>Closing</td>
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</table>

2. Products and Services Sample

<table>
<thead>
<tr>
<th>The Work: Define the Activities</th>
<th>Define the Skill Set</th>
<th>Define the Credentials</th>
<th>Define the Experience</th>
<th>Current or New Team Member</th>
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<tbody>
<tr>
<td>Products &amp; Services</td>
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<tr>
<td>Investments (SME)</td>
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<tr>
<td>Mutual Funds (SME)</td>
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<tr>
<td>Banking (SME)</td>
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<tr>
<td>Insurance (SME)</td>
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<tr>
<td>Annuities (SME)</td>
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<tr>
<td>Financial Planning (SME)</td>
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<tr>
<td>Educational Planning (SME)</td>
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<tr>
<td>Retirement Planning (SME)</td>
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<tr>
<td>Estate Planning (SME)</td>
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<tr>
<td>Financial Plans [i.e. 401(k); 403(b)s, etc.] (SME)</td>
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<tr>
<td>Financial Strategy Process</td>
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<tr>
<td>Portfolio Design &amp; Construction</td>
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<tr>
<td>Stock/Investment Recommendations</td>
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<tr>
<td>Proposal Generation</td>
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<tr>
<td>Risk Management</td>
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<tr>
<td>Due-Diligence Meetings</td>
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<tr>
<td>Research</td>
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<tr>
<td>Illustrations: Morningstar Principias</td>
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<tr>
<td>Illustrations: Life</td>
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</tbody>
</table>
## 3. Client Service Sample

<table>
<thead>
<tr>
<th>The Work: Define the Activities</th>
<th>Define the Skill Set</th>
<th>Define the Credentials</th>
<th>Define the Experience</th>
<th>Current or New Team Member</th>
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</thead>
<tbody>
<tr>
<td><strong>Client Service</strong></td>
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<tr>
<td>Client Onboarding</td>
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<tr>
<td>Receiving Visitors</td>
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<tr>
<td>Client Communication Plan</td>
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<tr>
<td>Courtesy Calls</td>
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<tr>
<td>Newsletter List: Maintain &amp; Distribute</td>
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<tr>
<td>Client Education (seminars, articles of interest, webcasts, etc.)</td>
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<tr>
<td>Ongoing Client Fact-Finding</td>
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<tr>
<td>Client Meeting Preparation</td>
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<tr>
<td>Client Meeting Execution</td>
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<tr>
<td>Client Meeting Follow Up</td>
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<tr>
<td>Appreciation Plan</td>
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<tr>
<td>Birthday List (order &amp; distribute)</td>
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<tr>
<td>Holiday Cards (order &amp; distribute)</td>
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<tr>
<td>Client Appreciation Events</td>
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<tr>
<td>Gift Tracking</td>
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<tr>
<td>Client Feedback Process: Verbal/Written</td>
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<tr>
<td>CRM Updates</td>
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</tbody>
</table>

## 4. Administration and Operations Sample

<table>
<thead>
<tr>
<th>The Work: Define the Activities</th>
<th>Define the Skill Set</th>
<th>Define the Credentials</th>
<th>Define the Experience</th>
<th>Current or New Team Member</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administration &amp; Operations</strong></td>
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<tr>
<td>New Account Paperwork Preparation</td>
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<tr>
<td>Collection &amp; Processing</td>
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<tr>
<td>Insurance Applications (DI, LTC, Life)</td>
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<tr>
<td>Annuity Applications &amp; Administration</td>
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<tr>
<td>Check Requests, ACH, Systematic Distributions</td>
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<tr>
<td>Wires</td>
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<tr>
<td>ACA-Is-Incoming &amp; Outgoing</td>
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<tr>
<td>Delinquent Paperwork</td>
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<tr>
<td>Insufficient Funds for Distributions</td>
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<tr>
<td>Stock Certificate Paperwork</td>
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<td>LOAs (letters of authorization)</td>
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<td>Change for Beneficiary</td>
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<td>Required Minimum Distributions</td>
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<td>Client Address Updates</td>
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<tr>
<td>Rep &amp; Broker/Dealer Changes or Record</td>
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<tr>
<td>Year-End Paperwork</td>
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<tr>
<td>Filing &amp; Record Retention &amp; Retrieval</td>
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<tr>
<td>Document Scanning</td>
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</table>
5. Business Management Sample

<table>
<thead>
<tr>
<th>The Work: Define the Activities</th>
<th>Define the Skill Set</th>
<th>Define the Credentials</th>
<th>Define the Experience</th>
<th>Current or New Team Member</th>
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<tbody>
<tr>
<td>Business Management</td>
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<tr>
<td>Team Communication Plan</td>
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<td>Team Calendar</td>
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<td>Business Strategy/Planning</td>
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<tr>
<td>Fiscal Management</td>
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<tr>
<td>Budgeting/Expense Tracking Process</td>
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<tr>
<td>Hiring/Recruiting &amp; Selection</td>
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<tr>
<td>New Associate Onboarding Process</td>
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<tr>
<td>Individual Performance Reviews</td>
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<tr>
<td>Continuing Education &amp; Licensing</td>
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<td>Professional Development</td>
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<tr>
<td>Segmentation/Migration Plan</td>
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<tr>
<td>External Partnerships: COIs, Strategic Alliances &amp; Third-Party Relationships</td>
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<tr>
<td>Technology Needs &amp; Maintenance</td>
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<tr>
<td>Time and Task Management Process</td>
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<tr>
<td>Office Supplies (printer/copier/etc.)</td>
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<tr>
<td>Office Procedures (phone, mail, email, scheduling)</td>
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<tr>
<td>Website</td>
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</table>

Step 2: Defining the Roles

Reflecting on the previous two steps, you can now fully define the role(s) to fill the gaps within your business. You should include the items listed below at a minimum.

Role Definition Inclusions:

- Role name
- Responsibilities
- Qualities needed
- Educational, experience and credential requirements
- Compensation range
Step 3: Craft the Job Description

Leverage the following examples as you look to create job descriptions based on the unique needs of your firm.

SAMPLE JOB DESCRIPTION—CLIENT SERVICE ASSOCIATE

Overview: Work with entire team to coordinate all client service activities with a focus on delivering the ultimate client experience. This position is critical to building client advocacy and ensuring continued profitability of the practice through identifying organic growth and referral opportunities. This individual spends almost all of his or her time in client-facing activities so that the advisors can focus efforts on growing the practice through marketing and sales activities.

Qualities

- Possesses a passion to help team and clients
- Reliable, follows through on commitments
- Patient and methodical approach to work
- Detail-oriented
- Strong organization and communication skills
- Can take direction and execute a plan
- Flexible and accommodating
- Dedicated and loyal to trusted people
- Balances people and task responsibilities
- Exceptional listening skills
- Able to prioritize tasks
- Seeks stability and security
- Prefers a conflict-free environment
- Can assure people and put them at ease

Functional Responsibilities

- Coordinate service activities and delegate appropriate tasks to team members
- Manage relationships with clients and internal and external resource providers
- Ownership of Client Service Menu and Ultimate Client Experience
- Generate and manage client communications and strategies by telephone, mail and Internet
- Organize all client appreciation events
- Fulfill client requests and deal with service-related issues
- Generate call lists of clients and prospects for Advisors
- Participate in all team meetings and attend training events

Educational and Experience Requirements and Preferences

- Years in financial services industry: Minimum of 5
- Licenses and credentials: Series 7, 63, 66, Life and Health
- Technology: Knowledge of Microsoft Office and CRM systems are preferred
- Education: An undergraduate degree in business or economics is preferred

Compensation Range

- Base salary: $XX–$XX
- Bonus potential: $XX or X% (based on individual and business performance)

Full Benefits Package

- 2 weeks vacation
- 10 sick days
- 401(k) plan
- Health, vision and dental plans available
SAMPLE JOB DESCRIPTION—CHIEF OPERATIONS OFFICER (COO)/BUSINESS MANAGER

Position Overview: An experienced Chief Operating Officer (COO)/Business Manager will oversee the design/enhancement, implementation, reporting and oversight of the firm’s day-to-day back office financial, information, customer service, human resources, compliance, training, and client reporting processes and systems. Reporting to the CEO and working as a key member of ________ (insert firm name) leadership team, the COO will take a leadership role in building, implementing and overseeing all of the firm’s systems, processes, workflows and procedures. In addition, the COO will play a critical role in making certain that the firm is meeting its financial and service commitments to its clients, employees and shareholders in a manner that is efficient, economical, motivating and compliant with all applicable rules and policies. The COO will also play a critical role in helping to shape and guide the future growth and development of the organization.

Qualities
- Possesses a passion to help team and clients
- Ability to see big picture and plan out details
- Direct in communications
- Detail-oriented, specifically with numbers
- Reliable, follows through on commitments
- Strong process and planning orientation
- Leadership and management abilities to oversee practice
- Goal-oriented, task-driven
- Enjoys being part of a team
- Designs efficient systems, seeks productivity
- Balances team’s needs with goals of practice
- Ability to delegate to right team members

Functional Responsibilities
- Create business plan in conjunction with owner(s)
- Work with advisors to create and manage the budget (including bill payment)
- Manage all resources required for business (technology/people)
- Performance reviews and professional development plans for team
- Role management and selection of new team members
- Work with home office associates when necessary to handle challenges or implement improvements
- Manage relationships with external resource providers
- Lead all tactical and strategic team meetings
- Ownership of segmentation/migration plan for business profitability
- Ensure that all team members are looking for ways to systematize the business to increase efficiency
- Ownership of master project list and assign special projects as needed

Educational and Experience Requirements and Preferences
- Years in financial services industry: 5 preferred, 3 in a leadership role
- Licenses and credentials: Series 7, 63, 66
- Technology: Microsoft Office and CRM systems are preferred
- Education: An undergraduate degree in business is preferred
Compensation Range
- Base salary: $XX–$XX
- Bonus potential: Equity considered after 5 years of demonstrated performance

Full Benefits Package
- 3 weeks vacation
- 12 sick days
- 401(k) plan
- Health, vision and dental plans available

SAMPLE JOB DESCRIPTION—CHIEF COMPLIANCE OFFICER (CCO)

Overview: The CCO role will be responsible for developing and orchestrating all enterprise-wide compliance efforts. This includes designing, maintaining, and enhancing the RIA’s compliance policies, procedures, and systems, and sustaining a culture of compliance. The CCO and his or her team will need to proactively prevent, detect and resolve any and all compliance issues. In addition, the CCO is responsible for collaborating with advisors, senior leadership, legal representation and regulatory agencies to ensure timely identification, mitigation, resolution, and reporting or escalation of existing and emerging regulatory risks and issues. The CCO oversees licensing and compliance training and education for all employees. This position reports to the CEO.

Qualities
- Highly organized
- Ability to delegate to the right team members
- Strong problem-solving skills
- Strong arbitration skills
- Focused attention to detail
- Design detailed instructions and systems
- Reliable, follows through on commitments and holds others to high standards
- Cautious to ensure proper implementation of self/procedures
- Work effectively with others at all levels including regulators
- Manage multiple activities in a fast-paced, dynamic environment
- Strong leadership and management abilities
- Mediate issues based on facts, not emotions
- Clear and precise communications
- Strong process and planning orientation

Functional Responsibilities
- Design and implement robust and effective internal controls, policies and procedures to assure compliance with all applicable regulations
- Exercise responsibility for ongoing monitoring of all compliance policies and procedures
- Coordinate both internal and external audits:
  - Manage internal compliance audits, inform management of the results and implement corrective actions
  - Manage external audits and investigations from regulatory bodies
  - Ensure timely reporting and escalation of regulatory risk issues from internal/external audits
- Liaise with, and provide timely and appropriate responses to:
  - Requests and inquiries for information from regulatory bodies
  - Customer/client complaints
  - Executive management
  - Third-party vendors
  - Legal representation

- Prepare FINRA and regulatory filings

- Lead and manage industry regulatory relationships

- Licensing and education:
  - Develop, monitor and administer all compliance training/education programs including: CE requirements, money laundering, firm element, etc.
  - Manage all licensing for sales force
  - Promote awareness of applicable regulatory standards, risks and best practices

- Business development:
  - Review and approve all marketing and advertising materials
  - Partner with Marketing to design policies, standards and marketing materials that meet regulatory requirements
  - Oversee compliance advice and sign-off on new business initiatives, new products and services, and process changes

- Review, approve and monitor:
  - Required trading and allocation activities
  - Client records and operations records
  - All public and client communications

- Communication:
  - Collaborate across firm to synthesize and communicate a comprehensive view of regulatory risk
  - Execute communication and consultation strategy with all levels of the organization, from senior management to individual advisors
  - Provide ongoing communication to firm on upcoming rules, changes and industry practices
  - Report quarterly “State of Compliance” to Executive Management
  - Participate in risk strategy meetings providing regulatory advice and updates on regulatory developments
  - Foster a risk management and compliance culture across the organization

- Compliance team:
  - Lead, motivate, supervise and develop compliance staff (including compliance officers, supervisory officers, internal auditors and administrative staff)
  - Assess and escalate resourcing needs, recruit and make hiring recommendations
  - Complete performance evaluations and lead talent management for team
Building High-Performing Teams: Design

- Stay current with all changes to applicable laws, rules and regulations
- Serve on senior leadership team, providing ongoing advice and updates to current or impending issues
- Manage enterprise risk to the businesses

Educational and Experience Requirements and Preferences

- Years in financial services industry: 10+ preferred in compliance, risk, audit or regulatory role
- Prior experience working with regulatory agencies
- Licenses and credentials: Series 7, 24, 53, 63, 65, 66
- Strong working knowledge of FINRA/SEC/state regulations including the ’33 Act, ’34 Act and Investment Adviser’s Act of 1940
- Technologically proficient
- Education: Bachelor’s degree required, preferably with an emphasis in business, economics or finance

Compensation Range

- Base salary: $XX–$XX
- Bonus potential: $XX–$XX
- Equity considered after 5 years of demonstrated performance

Full Benefits Package

- 4 weeks vacation
- 12 sick days
- 401(k) plan
- Health, vision and dental plans available

SAMPLE JOB DESCRIPTION—CHIEF INVESTMENT OFFICER (CIO)

Overview: The CIO role provides executive leadership and serves as the senior investment expert to the firm. This position is charged with coordinating all activities relating to investment decisions and the investment process. This includes the research, due diligence, analysis, strategic and tactical decision making, and monitoring of those investment decisions. This could include individual equity, fixed income and alternative investment choices, development and management of investment models, and oversight of preferred third-party money manager partners. Goal of position is to provide advisors/sales force with investment strategies that will fulfill all their varying clients’ needs and objectives including capital preservation, income and growth, capital appreciation, current income, long-term growth, and/or aggressive growth.

Qualities

- Possesses a passion to help clients
- Strong analytical background and skills
- Direct and thorough in all communications
- Reliable, follows through on commitments
- Leadership and management abilities to oversee investment decisions
- Goal-oriented, task-driven
- Detail-oriented, specifically with numbers
- Designs efficient systems, seeks productivity
- Delegates activities to analysts and staff
- Objective, fact-based decision making
Functional Responsibilities

Specific Investment Related

- Design, implement, administer, and manage the investment program and process
- Research and due diligence of individual companies
- Analysis and selection of investments including equities, fixed income, alternatives, etc.
- Direct ongoing research, review and oversight of modern portfolio theory and its application
- Maintain awareness of domestic and international trends and events impacting the investment process
- Tactical decisions based on understanding of economy, interest rates, gold, etc.
- Implement decisions on deploying capital across the varying asset classes
- Monitoring and managing recommendations including buy, hold and sell lists
- Evaluate and review asset allocation, risk, investment strategy and other investment decisions on an ongoing basis to ensure optimal performance
- Assign investment team to ensure primary and secondary coverage is designated for all major asset classes; delegate appropriate activities to team and analysts
- Research, due diligence, analysis and selection of third-party money managers, fund companies, etc.
- Develop, maintain and manage preferred partner relationships
- Oversee investment manager performance

General

- Provide leadership and direction to ensure sound implementation of the firm’s Investment Policy
- Tracking and reporting of all appropriate performance
- Liaise with investment operations
- Maintain awareness of all regulatory requirements affecting investment strategy
- Hiring, supervision and leadership of investment team members including analysts, admin, etc.
- Execution of Investment Team development including performance reviews and professional development plans for internal team (analysts, admin, etc.)
- Communications:
  - Effectively communicate all investment ideas, strategies, etc. to sales force/advisors
  - Serve and represent investment department through speaking engagements
  - Respond to media requests for investment comments
  - Lead all tactical and strategic investment team meetings
  - Assign ownership and maintenance of investment area of internal and external websites
- Guide leadership team in establishing investment policies consistent with standards and regulations
- Fiscal management including developing and managing detailed budget requirements for the investment division
- Serve on senior leadership team
Educational and Experience Requirements and Preferences
- Years in financial services industry: 10 preferred, 5 in an investment leadership role
- Licenses and credentials: Series 7, 63, 66, 9, 10, CFA
- Education: An undergraduate degree in finance and economics; MBA in business

Compensation Range
- Base salary: $XX–$XX
- Bonus potential: $XX–$XX
- Equity considered after 5 years of demonstrated performance

Full Benefits Package
- 3 weeks vacation
- 12 sick days
- 401(k) plan
- Health, vision and dental plans available

SAMPLE JOB DESCRIPTION—SENIOR FINANCIAL ADVISOR AND RAINMAKER

Overview: The Senior Financial Advisor will lead our new client expansion effort, with day-to-day responsibilities to include generating and servicing new clients as well as servicing existing high-valued clients. Ideal candidates will have experience in business development and account management within the financial services sector, and be deeply interested in providing objective, unbiased financial advice to a diverse mix of clients.

Qualities
- Goal and results-oriented
- Must be highly ethical, self-motivated with an outgoing personality that works well within a team setting
- Outstanding communication, active listening, relationship-building and negotiating skills
- Must be self-motivated and client-service oriented
- Must be able to prioritize tasks and work well under pressure while remaining focused
- The ability to work independently with a high degree of quality and discipline
- Deep understanding of RIA channel and independent financial advice delivery channel

Functional Responsibilities
- Ability to create a sales and marketing strategy for new high-net-worth client relationships
- Full knowledge of investment management philosophies, products and providers
- Develop and cultivate your own client base/prospect and service clients' business
- Build client relationships based upon developing strategies tailored to their financial goals through the use of firm's wealth management models
- Analyze investment opportunities and client needs, and recommend appropriate strategies
- Cross-sell firm services and deepen existing client relationships
- Leverage local centers of influence to extend referral network
- Capable of quickly building rapport with clients, assessing their needs, and presenting relevant features and benefits of company’s products and services
- Prepare and deliver presentations/seminars to clients and prospects for business development purposes
- Attend Financial Advisor meetings and continuing education sessions to stay current about products, services and policies
- Comply with all industry rules and regulations

**Education and Experience Requirements and Preferences**
- CFP® certification preferred. CFA, CPA or CIMA also desirable
- Bachelor’s degree required, graduate degree preferred (MBA, JD)
- Series 7, 66 or 63/65 securities registrations and insurance licensure preferred
- 5−7+ years of experience in a financial service sales or equivalent position with track record of success
- Minimum production $100,000/year in commission or fee revenue
- Proficiency with Microsoft Office suite

**Compensation Range**
- Base salary: $XX–$XX
- Bonus potential: $XX–$XX
- Equity considered after 5 years of demonstrated performance

**Full Benefits Package**
- 4 weeks paid vacation
- 12 sick days
- 401(k) plan
- Health, vision and dental plan available

**SAMPLE JOB DESCRIPTION—PARAPLANNER**

**Overview:** The role of Paraplanner supports the firm’s financial advisors and financial planning process by conducting client research, preparing for client meetings, and providing ongoing service/maintenance to clients. The Paraplanner will serve as an in-house expert on financial-planning-related client issues.

**Qualities**
- Attention to detail and organization
- Effective communication with clients and other advisors/staff
- Effective and efficient time management
- Polite and clear phone manner
- Ability to multi-task
- Strong prioritization skills
- Ability to prioritize tasks and work in a deadline-driven environment
Functional Responsibilities

- Input client data, as well as prepare preliminary financial planning recommendations and initial product solutions for advisor review and use in client meetings
- Prepare charts, graphs, tables and other visual aids to be used in implementation meetings with clients
- Understanding of major financial planning components, including but limited to:
  - The financial planning process
  - Financial statements and cash flow management
  - The time value of money
  - Investment principles and mutual funds
- Support lead financial advisor in delivery of financial plan to client and follow work
- Ability to adhere to rules and regulations as stated and required by advisor, SEC and FINRA
- Ability to support and provide guidance for compliance within the advisor’s practice
- Positive attitude and sincere willingness to constantly learn and grow
- Knowledge of financial planning software systems
- Knowledge of client relationship management (CRM) systems
- Retirement planning
  - Introduction to insurance
  - Life and health insurance
  - Estate planning
- Develop portfolio/robust product solution recommendations that will fit the client’s risk tolerance and time frame as well as develop appropriate product deliverables

Educational and Experience Requirements and Preferences

- Bachelor’s degree required
- 3 years of financial planning/investment experience
- Series 7, 66 or 63/65 securities registrations and insurance licensure preferred
- Coursework towards Registered Paraplanner (RP) or CERTIFIED FINANCIAL PLANNER™ (CFP®) designation
- Proficiency with Microsoft Office suite, especially Excel

Compensation Range

- Base salary: $XX–$XX
- Bonus potential: $XX–$XX

Full Benefits Package

- 3 weeks vacation
- 0 sick days
- 401(k) plan
- Health, vision and dental plans available
Appendix C: Resources

TD Ameritrade Institutional offers additional resources to help you uncover potential opportunities to service your clients and exceed their expectations.

- **Dedicated Strategic Relationship Consultants:** These focused professionals understand your business and can deliver personalized solutions to meet your unique needs and goals. Call on their innovative thinking to help you create an action plan designed to move your business forward.

- **Roadmap:** Whatever your business needs, our Strategic Relationship Consultants are ready to help you take your business to the next level. We use an innovative online planning tool called Roadmap to translate your high-level business objectives into action plans.

- **Affinity Services Program:** We have established relationships with more than 100 renowned third-party service providers to bring you third-party solutions to help run your business, manage your clients’ wealth and maximize your business—all at preferred rates.

Please work with your TD Ameritrade Institutional Strategic Relationship Consultant to help uncover opportunities and learn how you can help take your business to the next level.
Appendix D: About the Authors

About Paragon Resources and Know No Bounds

Paragon Resources and Know No Bounds are training and consulting firms providing proven practice management solutions exclusively to Investment Professionals. Whether an internal corporate business development department, product solutions provider or a practicing advisory team, our resources are designed to capitalize on people’s talents and optimize productivity through efficient processes. This is the foundation of our People + Process = Performance™ methodology.

Having a keen awareness of the true root cause of an investment advisory team’s issues is vital to remaining competitive in this evolving industry. We provide a powerful and unique suite of diagnostic tools designed to:

- Identify the potential performance barriers that are hindering the ultimate success of an advisory team
- Facilitate key decisions that need to be made for the future growth of the practice
- Provide a roadmap for specific action

By looking at three critical Performance Drivers—PEOPLE, TEAM DYNAMICS and the BUSINESS MODEL—our resources and services help advisory teams transcend their current success to attain their ultimate performance potential. Organizations increase their business, optimize their practices, and subsequently make an impact on their lives and those of their clients.

For additional information, please visit our websites at www.ParagonResources.com or www.KnowNoBounds.com.

About TD Ameritrade Institutional

At TD Ameritrade Institutional, we never forget that it’s your business. We are here to support you in making it thrive. When you work with us, you will get the dedicated commitment of our people, access to a range of resources and a strategic relationship—all designed to increase your potential and help you achieve your business vision. Our offering is part of what differentiates us. We deliver smart operational solutions, innovative technology, customized practice management and flexible investment solutions, all with one goal in mind—impeccable service.

We share your belief that being a fiduciary is one of the best ways to serve your clients. As steadfast advocates for independent advisors, we continually speak out to ensure that your needs and the needs of investors are always considered within the regulatory environment. We consistently place your needs at the foundation of our business decisions. You can count on TD Ameritrade Institutional to put you first, so you can do the same for your clients. When you choose to work with us, you’ll see how deeply we are committed to your success.
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