

Countdown to Succession – Business Audit

People



1. We have the right people sitting in the right seats (People Analyser)
2. All team members are regularly reminded on the direction the Firm is heading
3. When work is delegated to any team member they not only do the task required, but they do one or two extras that we didn't know needed doing
4. Work doesn't bounce back to the owners/directors desks when delegated
5. Appropriate training and development plans are in writing and being adhered to for all team members
6. We have an external HR person who manages the process of team reviews and recommends actions for improvement
7. All team members have a written job description
8. There is an Accountability Chart for the Firm in writing
9. All team members understand who is accountable for what
10. All team members know their top five accountabilities
11. Communication flows freely across the business
12. All team members are happy and fulfilled in their roles (evidenced from feedback)
13. We know the strengths of each team member and have designed all roles to ensure everyone is working to their strengths
14. We include any outsourced suppliers in communication about strategy and direction
15. The owners/directors feel they do the work that only they can do
16. Adviser, paraplanners and administrators work effectively as teams to deliver a slick and efficient process to clients
17. We outsource all non-core tasks that an external person can do better than any of the internal team (and have turned it into an hourly cost)
18. The owners/directors don't handle their own email, or manage their own diaries
19. All team members work at the top of their skill set
20. There is a documented recruitment process for all new hiring (which is followed and run by our HR person)
21. Talent is identified and fast tracked to bring potential leaders and future owners through as fast as possible

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Process



1. The three key processes are documented (in writing or in a workflow system) - i.e. new client engagement, ongoing review, and marketing/lead generation
2. The office environment is calm and efficient
3. The back office team control the process and can tell the advisers what to do (not the other way around)
4. All team members follow the agreed processes (including the owners/directors)
5. No one makes jokes about some people not following the process
6. All clients move through the business's existing processes
7. The Productivity Ratios are healthy and improving year on year
8. All team members are trained and skilled in using the office technology
9. Work flows easily through the business
10. There are no significant backlogs of work anywhere
11. The team meets regularly to discuss process issues and finds its own solutions
12. All advisers follow a similar first meeting process and all clients receive a similar client experience
13. All team members are focused on simplicity as a core value of how we do business

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Culture (values)



1. All team members know our top 5 core values
2. We tell stories about our core values at all team meetings to reinforce them
3. The owners/directors lead by example on the core values
4. Any breach of core values is dealt with immediately (remedially or terminally)
5. All clients know our top 5 core values
6. Team members are formally reminded of core values regularly (at least quarterly)
7. Clients are formally reminded of our core values (at least annually)
8. We look for positive examples of team members living our values and share them with the rest of the team whenever they occur
9. All new hires are assessed for fit based on our core values

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Business Management



1. We have a business plan that captures our long term vision as well as our 12 month operational plan
2. All owners/directors are clear on the direction the business is heading
3. We set and manage between 3 and 7 business goals per quarter
4. We hold weekly leadership team meetings to discuss and resolve issues within the business
5. All to-dos from the weekly meeting are completed by the next meeting
6. We have a business scorecard/dashboard that we refer to weekly to ensure the business is healthy and on track (and to identify any issues early)
7. We collect insightful management information (MI) which we review and use to make decisions at least quarterly
8. We review our business plan and progress to our objectives formally once every quarter
9. Different teams within the business also hold their own meetings to resolve their own issues (e.g. Administration, Payroll)
10. The business has a general manager/operations manager in place
11. The owners/directors take their leadership roles seriously and act as role models for the next generation of leaders coming through
12. Future leaders have been identified and have formal development plans to allow them to seamlessly take over running of the business at a specified date
13. The owners/directors set good leadership examples

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Financials



1. The three key business ratios are collected and reviewed at least quarterly (Profitability Ratios, Productivity Ratios and Client Selection Ratios)
2. All owners/directors know and understand key aspects of the Profitability Ratios (i.e. Direct Expenses, Gross Profit, Total Overhead and Net Profit)
3. The business receives regular monthly Financial reporting and knows where it is in relation to turnover and profitability targets
4. All owners/directors are paid a Fair market rate for their day to day work within the business
5. Direct Expenses don't exceed 40% of turnover
6. Gross Profit is not less than 60% of turnover
7. Total Overhead is not more than 35% of turnover
8. The business generates a net profit of 25% or more of turnover (after every one gets paid a Fair market rate for their day-to-day roles)
9. The owners/directors understand what drives net profitability within the business
10. All team members are regularly briefed on the need for a commercial return on the business's activities and understand their role in delivering it
11. Any incentive schemes reward the whole team for excellent performance (recognising that it takes a team to deliver it)

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Client Selection



1. Client quality is increasing year on year
2. All team members know what acceptable minimum standards are for new clients and enforce those standards
3. All team members know the definitions of 'A', 'B' and 'C' class clients
4. There are effective marketing and lead generation processes operating within the business and lead flow is always strong
5. There is at least one rainmaker within the firm who is prolific at lead generation, OR there is a systemised marketing process that guarantees enough lead flow of the right quality
6. All advisers and key staff are trained in how to identify and cultivate new prospective clients for the business
7. Stories are shared with the team regularly (at least monthly) of the amazing work the business has done for a client
8. There are strategies in place to grease the wheels of client referral (e.g. client events, content marketing)
9. We only work with clients we love
10. We only take on new clients that are a great fit for the business
11. We have a niche that everyone in the business can clearly define and explain

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