

The Efficient Practice

Newsletter and Archive Service for
Financial and Business Professionals

The Disgruntled Employee: A Cancer on Your Firm

Many firms have had the unfortunate experience of dealing with an employee who, for whatever reasons, is unhappy in their current position or who exhibits bad attitude and/or behavior on and around the job.

The real question is how to handle these types of employees. Do you simply give up on them and let them go or do you find other ways to turn them into productive members of your team? The one thing that you cannot do is nothing. Letting the

situation continue without some action is like ignoring a festering sore. It only gets worse and eventually becomes cancerous. And, this is a cancer that can easily spread to other members of your team.

In attempting to diagnose the problem, it may become known that outside forces are creating it. It may not be anything to do with the firm or its leadership. It could be that problems in that employee's personal life is affecting

the attitude and behavior. It could also be that there are problems with the leadership of this person or that they are simply placed in the wrong job for their skill set and motivation.

Whatever the circumstances may be, it is imperative to determine what those circumstances are and take appropriate action to remedy the situation as quickly as possible.

One place to start is..

Continued on Page 4

IAS Solution 360: A New Rebalancing Feature

Solution 360's new Rebalancing module allows you to rebalance portfolios against a user-defined target model allocation. The tool automatically generates the most tax efficient and lowest cost transactions to accomplish the rebalancing goal. Leveraging this optimized

rebalancing enables you to:

- Combine qualified and non-qualified accounts together in the same portfolio and rebalance accordingly
- Lower back-office labor costs
- Accelerate growth by attracting higher-

- end clients
- Review and edit before the export file is sent to custodians for execution

Increase returns for clients

The advantage of using an integrated software product suite such as IAS is the use of one ...
(Continued on Page Two).

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Special points of interest:

- > The Disgruntled Employee
- > Taking Notes
- > IAS Rebalancing
- > The Straight Skinny on Laptop Batteries
- > Kindle 2

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Inside this issue:

The Disgruntled Employee: A Cancer On Your Firm	1
IAS: A new Rebalancing Feature	1
IAS: A new Rebalancing Feature (cont'd)	2
How do you take notes?	3
The Small Office: Laptop Batteries	5
Kindle 2	6
Commentary	7
Resources	8

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IAS Solution 360: A New Rebalancing Feature (cont'd from Page One)

The rebalancing feature has been enhanced to provide even greater functionality in a simple, yet intuitive interface. The tool will generate the most tax efficient and lowest cost transactions.

Visit
www.iassoftware.com

Database. But more than that is the tools, such as portfolio management, rebalancing, CRM and financial planning are all integrated through workflow features that permits highly efficient task completion with a minimum of key-strokes.

The rebalancing feature has been enhanced to provide even greater functionality in a simple, yet intuitive interface. The tool will generate the most tax efficient and lowest cost transactions to accomplish the rebalancing goal. IAS' unique tax modules allow users to combine both qualified and non-qualified accounts together in the same portfolio and rebalance accordingly. A review and edit process is presented prior to the creation of an export

file available to be sent to custodians for execution. Final reconciliation can then be processed on these executed trades the following day.

To say that this is a lesser product than such rivals as iRebal or Tamarac would be to ignore the wealth of features offered. Features include:

Across Account Rebalancing

- Tax Lot Sell Order Preferences
- Flexibility of Account Grouping (Portfolio Models)
- Flexibility of Selecting Portfolio for Rebalancing
- Ability to set Tolerances for Frequent Looking and only Rebalancing when needed or Forcing a Rebalance for Compliance Purposes
- Restricted Securities

- Flexible Ordering of Trades for Reviewing
 - Trades can be Modified
 - Approvals for Trades are Controlled by Security Module
 - Automatically Calculate Fees and Hold Cash over to cover them
 - Manual Cash Set Aside per Account
 - Multiple Methods of Specifying Security Preferences for an Asset Class
- Even more impressive are the list of factors considered in the rebalancing process:
- Asset Class Tolerances and Asset Targets
 - Tax Loss Harvesting
 - Loss Carry Forward
 - Trading Costs
 - Redemption Costs and Restrictions
 - Minimum Buys and Sells
 - Sell Preferences
 - Asset Location
 - Preferred Buys
 - Wash Sales (available soon)
 - Client Specific Constraints (security exclusion)
 - Tradeoffs between Gains, Costs and Out of Balance
 - Cash Requirements
 - RMD when Unified with Planning
 - Tax and Billing Fees when Unified with Planning

John & Mary's A Retirement Portfolio — Moderately Aggressive
Portfolio Value: \$910,654.80



Model By: Investment Category Asset Class

Group By: Account Show All Products

Ignore Negative Cash Balances

Account/Position	Current Units	Last Price	Current Value	Order Type	Order Action	Quantity	Taxes & Fees	✓
Cash Equivalents — repositioned to 5.2%, target is 5.2%								
Fidelity Cash Core Money Market Fund	29,571.680000	\$1.00	\$29,571.68					
Fidelity Cash Core Money Market Fund	89.160000	\$1.00	\$89.16					
JT Fidelity (12567892) - cash balance*			\$17,687.94					
John IRA (468166153) - cash balance*			-\$10.73					
Mary SEP IRA (248461112) - cash balance*			\$0.00					
			22.22					

In short, This is a great lower cost new offering from IAS.

How do you take notes?

If you are like most busy professionals, taking a quick note while talking on the phone, typing an email or other task can be a haphazard experience. Some people use pads of paper, others use post-it notes and still others use whatever they can find (including the back of their own business cards) to take notes on the fly. The reality is that these notes can be critical information and yet handled so sloppy that they are easily lost.

There is one solution from a likely source, Post-it. Post-it offers a digital version of their famous pads of paper. New Post-it Digital Notes are easy, intuitive and packed with features to get you organized and keep you that way. You can assemble lists, reminders, keycode them with colors and photos, sort them by category and even set alarms to remind yourself of projects and appointments.

Post-it Digital Notes lets you color-code and design your messages, then post them on a virtual memo-board. You can maintain multiple memo-boards, tabbed to sort notes by tasks, key dates or appointments along with any other categories that suit your fancy.

For details or to purchase, visit www.3m.com/us/office/postit/digital/digital_notes.html

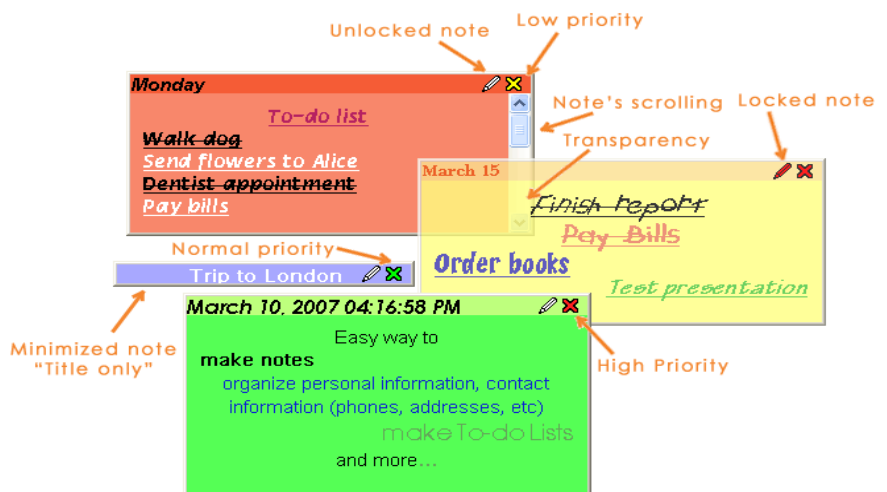
Another solution is Note Scribe. While initially designed for students, NoteScribe is actually an

effective note taking tool for business use as well. The same note taking software which helps students bring home "A's" will make your home, home office or business more efficient as well. Whether you are organizing recipes, bills or critical client information, NoteScribe will transform your notes into usable information! This handy tool is an ideal way to organize information as you plan a party, or prepare a presentation. NoteScribe does it all! At \$21 for the basic version, it is a bargain. Visit www.notescribe.net for details.

Yet, a third player in this note taking software world is sticky-notes (www.sticky-notes.net). You can create sticky notes and send them to your co-workers, friends or family over a LAN or the internet. The Sticky Note will appear on their desktop just as it was on yours. You can even send them via email. The best news of all is that the lite version of the software is free.

With Post-it Digital Notes you can set alarms and remind yourself of anything you want, from appointments to phone call reminders or other. The ringing alarm will sound at the pre-set time and display the related note with all your details.

NoteScribe will transform your notes into usable information!



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The Disgruntled Employee: A Cancer on Your Firm (continued from Page 1)

Often, the employee is asked to do tasks that are beyond their readiness level



You, the employer, must recognize that with most employees, they may have R4 readiness levels in one task, while showing R1 or R2 in others.

would be to talk with the employee in question. Not just a casual conversation where others can hear, but a private conversation in which you cite specifics and ask for a reaction. Some of the questions to ask might be:

- 1.) Tell me what you like about what you are doing here. What things do you not enjoy or find challenging?
- 2.) Are there roadblocks that you see are preventing you from being more productive?
- 3.) What do you really think are your career goals here in the firm?
- 4.) While I do not need to know what they may be, are there personal issues affecting your work right now?
- 5.) How long do you see yourself working here?

Often, if the employee is asked to do tasks that are beyond their readiness level, a certain amount of lowered motivation may occur. They may be reluctant to admit they do not fully understand the task or they may simply try to bluff their way through it and let

their frustration and/or anger build up inside. Recognizing the readiness levels of your employees is another positive step toward turning a disgruntled employee into a valued one.

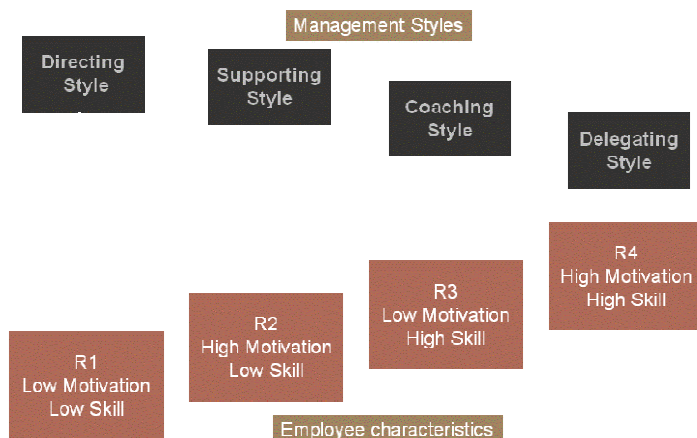
In essence, there are four readiness levels, R1, which is characterized by Low skill and low motivation; R2—Some skill, but higher motivation; R3—high skills, but low motivation and; R4—high skills and high motivation.

You, the employer, must recognize that with most employees, they may have R4 readiness levels in one task, while showing R1 or R2 in others. Readiness is never universal. No one employee can have high skills

and high motivation in all areas of tasks they may be asked to perform. Therefore, it is critical for the manager to recognize the varying skill levels and assign tasks appropriately or provide the appropriate level of support. Managerial support is also divided into four levels, S1—Is a directing style. S2—is a supporting style; S3—is a coaching style and S4—is a delegating style (see below).

When you successfully match up readiness level with management style, you will see productivity soar, employee satisfaction rise and you may even see a more harmonious workplace.

Readiness Levels



The Small Office: The straight skinny on Laptop Batteries

For those of us who rely on laptops for our work, especially when on the go, travelling or at remote locations, there is a simple reality; laptop batteries eventually wear out. Clearly one of the most frustrating aspects of laptop ownership is having to find a location to plug in because your battery no longer holds a charge.

For most laptops, this is caused by repetitive charging of batteries rated to successfully recharge only a set number of times before degradation. This is clearly true with laptops that use more power, such as those with larger screens or that use older, more juice hungry hard drives. And, it is also a reality of lithium ion batteries. Many of these types of batteries can only withstand 300–500 recharges before the battery begins to degrade, causing a shorter power on span. If you have a laptop and plug in the charger frequently, you may begin to notice that the time remaining on the charge progressively gets shorter. For some manufacturers, this may be potentially reversed (temporarily) by bringing the battery charge all the way down to zero and then fully recharging the battery. Some experts have suggested pulling the battery out and using paper clips and a low voltage light bulb to completely exhaust the battery prior to a full recharge. However, this could be potentially dangerous.

The simple fact is, that once you have charged and recharged a laptop battery 300 or more times, you will see performance start to drop off. And, the only sure remedy is to replace the battery. However, this is where it is not so simple. These batteries can cost a lot, upwards of \$200 in some cases. One solution is to look at alternative manufacturers of these batteries in an effort to get the price down. Another is to find coupons somewhere. One source is techbar-gains.com. Often, they list coupons, second source battery suppliers, etc.

However the choice may be, it is likely to be less expensive than purchasing a new laptop. But, be warned that, with new operating systems that demand greater memory, speed and resources, it is very difficult these days to keep a laptop running effectively for more than 3 –4 years. So, if your battery troubles are occurring at the end of this period, you may wish to consider the wisdom of a new laptop. If it is less, buying a new battery may make sense.

Many of these types of batteries can only withstand 300–500 recharges before the battery begins to degrade



Tools for Efficient Business: Kindle 2

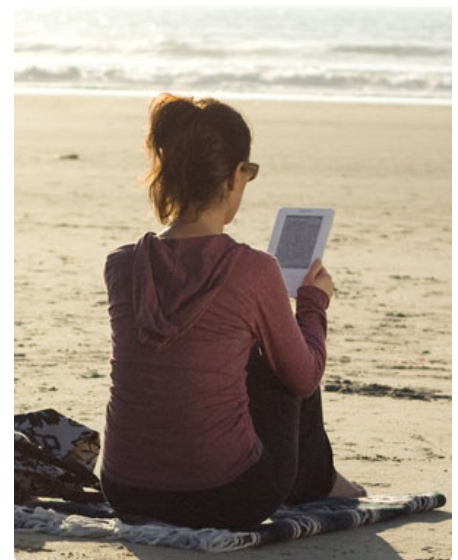
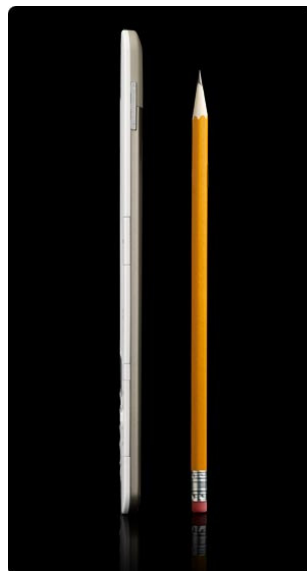
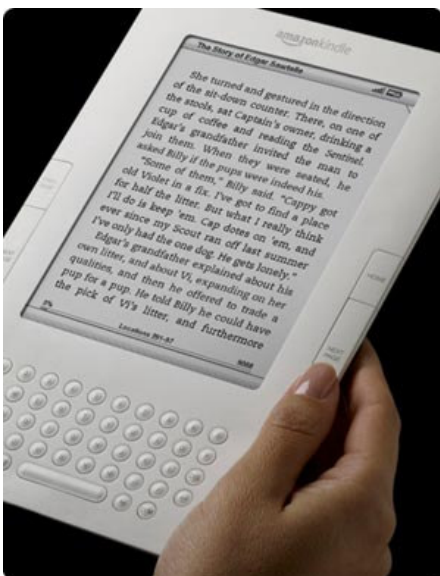
Amazon.com has introduced its newest version of Kindle, digital book reader that is simply awesome. At just over 1/3 of an inch thick, the Kindle 2 is a lightweight and incredibly flexible device for reading. For starters, it holds over 1,500 books. The new text-to-speech feature allows the device to read newspapers, magazines, blogs and books out loud.

With Amazon, you can select from over 250,000 books to add to your collection. In business, as in most professions, finding time to read, much less lugging around heavy books, can be challenging. With Kindle 2, you can have it all with none of the headaches. Because it has wireless 3g embedded, you do not require a pc to download. You can read for up to 4 days on a single battery charge. And, you can charge from your computer or laptop with an included USB cable.

Order a book and get it in less than 60 seconds. Amazon pays for the wireless connection so all you do is pay for the book, and it is at a discounted price over paper versions. The screen actually looks like paper. It is sharp and natural with no distracting backlight. With this new technology you can read a book in bright sunlight, while lying on the beach (unheard of with laptops or PDAs).

Adjustable text size is a snap with a one button adjustment. Using Kindle's new five-way controller, you can read newspapers, flip through articles and even clip and save parts of or entire articles for later viewing.

For details,
visit
www.amazon.com



Commentary: Looking up from the bottom

Much of what has transpired this year has left financial advisors with a feeling that the bottom had dropped out of the well. Yet, in recent days, some glimmer of hope has emerged moving some to speculate on whether the bottom of economic woes has indeed been reached. Could we be looking at the possibility of a turn in the markets? Some would say yes. And, it is more than just hopeful thinking. Positive signs in home buying and the banking industry have begun to overshadow some darker news from the auto industry.

So, should we all start dancing in the streets and spending money like there is no tomorrow? I think not. In fact, there is likely to be many more months of uncertainty, particularly in the investment world. Key economic reports due out this month could deliver another blow to the hopes of those seeking speedy recovery. Also, the government bailout money has yet to have any effect at all as much of it has still to be dispersed. We also must pay attention to alarming deficit spending numbers by the government in financing this recovery at the expense of our future generations.

Inevitably, the money has to come from somewhere. Either we increase taxes or decrease services. With huge numbers of baby boomers reaching retirement age, it is not a small leap of conclusion to assume that Medicare, social security and other government programs for retirees will suffer. Adding additional tax burdens on these citizens is the equivalent of adding insult to injury. In other words, let's make them pay more for healthcare and then give them less money to pay for it.

If all this sounds overly pessimistic, it is only because this scenario has happened in America before. Several times, in fact! Ultimately, the markets will largely recover on their own if given the opportunity to do so. History has proven this. Lest you think that the great depression, for instance, was solved by FDR's alphabet soup of agencies and government projects. The real truth is that military spending during World War 2 is what brought us out of those dark times. And, when the economy was tanking in the late 70s, CD rates were at 16—18% and inflation was close behind, it was not Reaganomics that solved the problem, but a massive military buildup in response to the Soviet Union by President Reagan that pushed the economy back into the black. Despite both of these historical events and others, had there been enough time, the economy would have turned itself around, without government intervention and...without deficit spending, higher taxes or more bureaucracy.

The simple fact is, right now we are at the bottom of the well, but we may well be looking up.

-David L. Lawrence

...there is likely to be many more months of uncertainty, particularly in the investment world.



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