The Efficient Practice

Newsletter for
Financial and Business Professionals

Is the One-Person Firm Still Viable?

Given the pressures of the economy, declining revenues from investments and increased demands of clients, the question is whether a one-person firm can survive in today's competitive business environment, much less thrive. The larger firms, with multiple producers and presumably larger budgets can take full advantage of the economies of scale. Yet, what about the small firm? Are they doomed to accept lower profits and less success? Past studies, by such groups as Moss-Adams who point to the ideal growth of a firm into what they term a 'Market Dominator', might suggest that the fate of the one-person shop is accept defeat, or, at best, lesser profitability. Yet, there are one-person firms that have found ways to

compete with the big boys by taking innovative approaches, creating unique market deliverables, scaling back or outsourcing operational elements and/or specializing in narrow, highly defined areas of the financial profession.
One of the great leveling areas of financial practices is the website. The website of a one-person shop can be made to look as polished and sophisticated as that of a much larger financial firm. For this reason, the one-person shop can appear to be so much more than what it is.

Another area of a practice that can make a smaller firm appear larger is the creative use of outsource partners. There are multi-

ple areas of a financial practice that can be outsourced to provide a higher level of service, wider selection of products or simply more efficient operations, freeing the financial advisor to do what they do best. Let's take a look at some of these:
Virtual office: In this outsource arrangement, you might decide to work out of your home for in-office work, but meet with clients elsewhere. If not in the their home or place of business, there is an outsource solution called the virtual office, offered by executive office suite locations that permit the use of meeting room facilities (for instance) on a 'use-as-you-go-basis'. Such facilities frequently offer additional services such as **(Continued on pg 4)**

Two 'Gadget' Softwares

While spending large amounts of time downloading and installing small 'gadget' softwares often can be more damaging than rewarding, the fact is that every once in a while you run across something of value. Being selective in what is actually loaded onto your computer or laptop is a key skill to avoiding problems in the future. Many so-called freeware or shareware products come with potentially damaging entries into your operating system reg-

istry, entries that at best might slow down the performance of your computer and, at worst, could shut it down altogether. That being said, there are times when a software of real value is found. Such was the case recently where two such 'finds' were tested.

The first is TimeDriver (www.timedriver.com). TimeDriver is a personal scheduler. It's a system whereby you can get your clients to self-schedule

their appointments with you, avoiding the back and forth of emails that happens when you're trying to arrange appointments and, of course, the time spent doing this. You simply give your clients/colleagues the special link that's generated by TimeDriver and they are able to see your availability (which you have predetermined) and therefore schedule accordingly with you. It works with both Outlook and Google calendars.

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Special points of interest:

> One-Person Firm

> Two Gadget Softwares

> Organize Your Thoughts

> Tools for Efficient Business

> Commentary

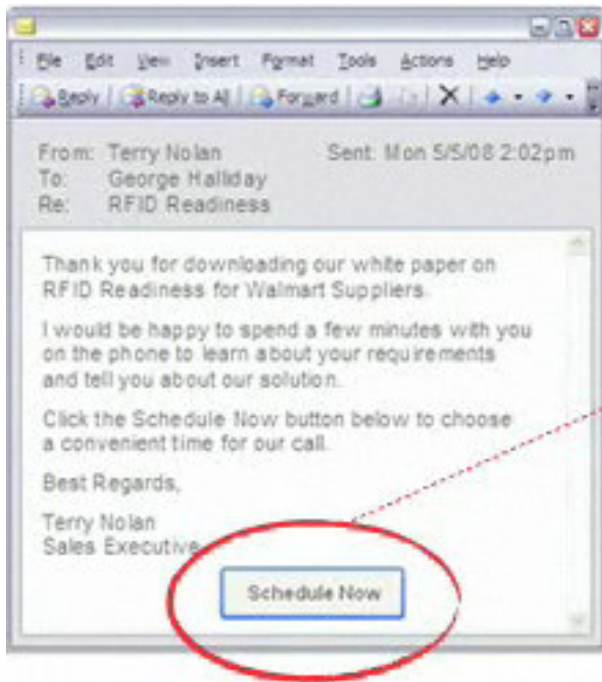**Visit Efficient Practice.com**
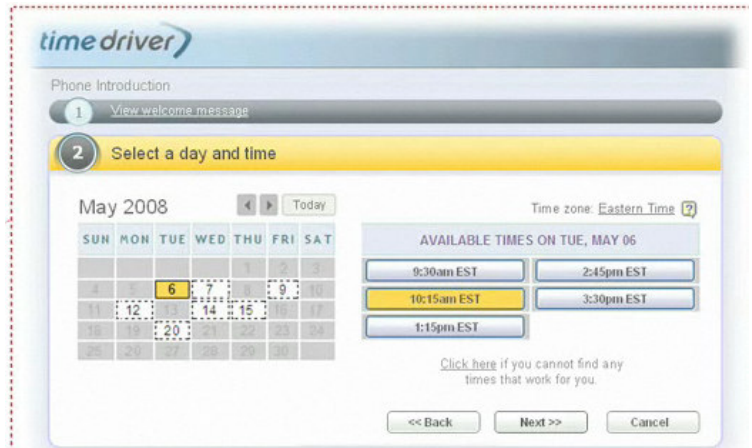
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Two 'Gadget' Softwares (cont'd from Page One)

It also works with Salesforce.com.

The scheduling is done in essentially four steps. In the first step, your client is sent an email that looks like this:

When they press the 'Schedule Now' button, The first thing they see is a welcome message that helps personalize the transaction.

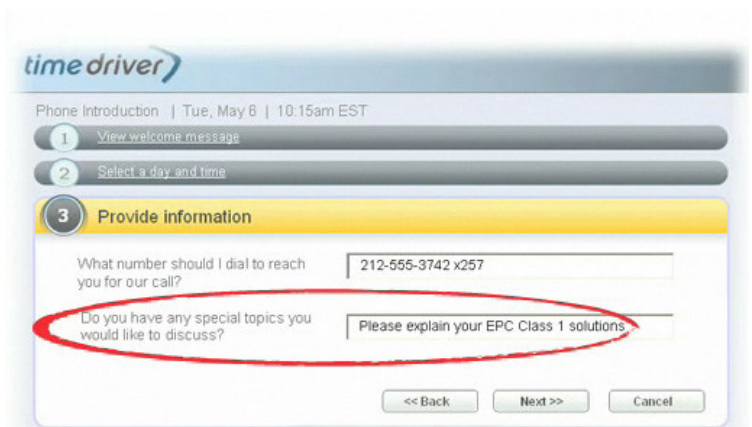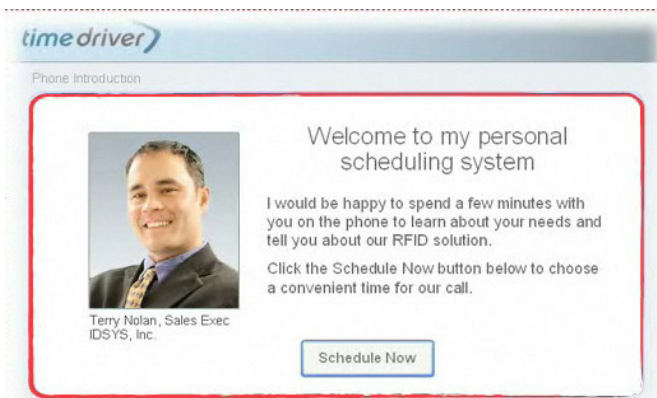After viewing the optional welcome message, invitees move to step two where they can select a

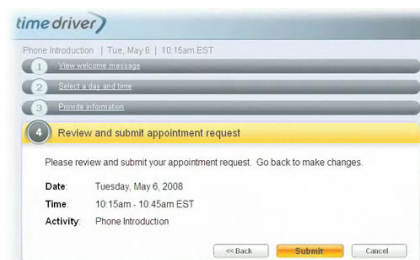day and time, based on preselected times that you have chosen:

The scheduler automatically adjusts for different time zones. In step three, invitees can provide answers to questions that help set the stage for the appointment.

In the fourth step, the appointment is confirmed:

Two 'Gadget' Softwares (cont'd from Page Two)

For online meetings, a financial advisor could invite a group of clients to an online webinar or other presentation and do it with one set of steps. Because your clients are doing all the entries, it cuts down on staff time in booking appointments and all of the back and forth emails and/or phone calls to arrange such meetings. Time Driver comes with a generous, free **90 -day** evaluation. To purchase, it is only $29.95/year.

Another area of interest is online storage. Using web-based backup and restore solutions are definitely an efficient way to perform daily/weekly backups of files and data on your office computers. However, for everyday use, they are slow and generally unusable as an active storage and retrieval source. As a profession, financial services software vendors have produced a type of solution called a client portal. This is a location where files that are intended to be shared with clients can be securely placed and retrieved by either the financial advisor or the client. And while these are valuable tools, the cost factors can sometimes be daunting, especially for smaller practices. For them, there is a more reasonable tool available that may address some of the needs. DropBox (www.dropbox.com) is a web-based and local computer sync'd storage solution that is quite remarkable in its simplicity and use. DropBox allows you to sync your files online and across your computers automatically.

- 2 GB of online storage for free, with up to 100GB available to paying customers.
- Sync files of any size or type.
- Sync Windows, Mac and Linux computers.
- Automatically syncs when new files or changes are detected.
- Work on files in your DropBox even if you're offline. Your

changes sync once your computer has an Internet connection again.
- DropBox transfers will correctly resume where they left off if the connection drops.
- Efficient sync - only the pieces of a file that changed (not the whole file) are synced. This saves you time.

Doesn't hog your Internet connection. You can manually set bandwidth limits.
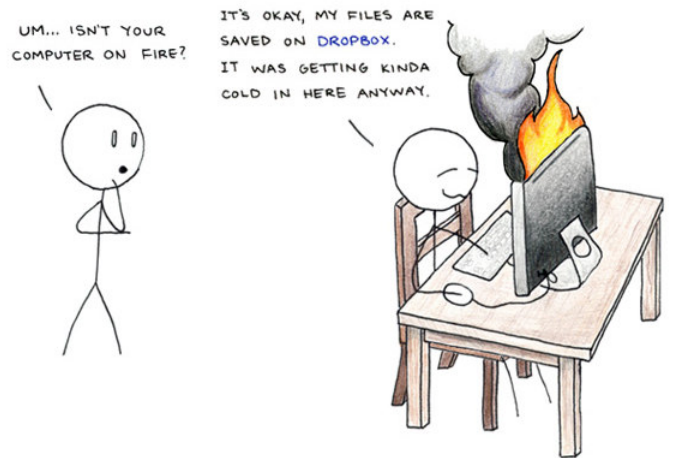
Sharing files is simple and easy to set up:
- Shared folders allow several people to collaborate on a set of files
- You can see other people's changes instantly
- A 'public' folder can be used that let you link directly to files in your DropBox You can control who is able to access shared folders

DropBox backs up your files online without you having to think about it. A copy of your files are stored on DropBox's secure servers. This lets you access them from any computer or mobile device. And all files are stored on DropBox servers using AES-256 encryption and password protected.
To put a real life spin on the use of DropBox, let's say you have a desktop computer with files you access pretty much every day, but you also have a laptop that you use when you are out of the office. Syncing up the files between the two computers can be slow and inefficient unless there is a system like DropBox. DropBox can be added to your laptop and automatically sync with your desktop through the internet. In fact, it is nearly instantaneous. The icon that

appears in the system tray of your computer's operating system will display whether or not your DropBox folder is up to date. And, because your DropBox folder is located on your hard drive (My Drop-Box), adding files to or retrieve from the DropBox folder is the same as any other folder on your computer.

DropBox comes with a free version (Basic) that can store up to 2 GB. For a larger storage (50 GB), the cost is $9.99 per month, for an even larger storage (100 GB), the cost is $19.99 per month. While DropBox cannot compare with the larger and more complex client portals, for targeted and limited use, it is an excellent and efficient tool.

UM... ISN'T YOUR COMPUTER ON FIRE?

IT'S OKAY, MY FILES ARE SAVED ON DROPBOX. IT WAS GETTING KINDA COLD IN HERE ANYWAY.

With Dropbox, your files are always in sync.

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secretarial, mail handling, and recep-tionist duties as well.

In another twist on the virtual office theme, some advisors use online re-sources for meeting with clients. Use of video conferencing services has grown in popularity in recent years and is a cost-effective alternative to face-to-face meetings. Some might argue that this is not practical for every meeting with a client, but for those clients who live in outlying areas or who might prefer such meetings, it cuts down on the advisor's travel time and can be performed almost anywhere there is an internet connection. Services such as Go To Meeting (www.GoToMeeting.com), Adobe Con-nect (www.Adobe.com/connect) and Skype (www.skpe.com) offer varying levels of services (skpe.com is a free service, but with less features than the others).

Examples of the use of video conferenc-ing might be found with those advisors who have pockets of clients in geo-graphically diverse areas. An advisor, for instance, who has a group of clients in his/her hometown but also developed a 'nest' of clients in another community might find the video conferencing ser-vice advantageous.

Back Office Operations: This outsourc-ing opportunity comes in many sizes and shapes. One of the key questions in con-sidering outsource solutions is to deter-mine what it is you want to outsource. This could be elements of your practice that you do not know how to do, do not like to do or simply do not want to do. Outsourcing back office operations could fall into one of those categories. Backofficeadvisor.com offers a host of services to fit this need. Additionally, companies such as Focus Point Solutions (www.focuspointsolutions.com), Finan-cial Services Outsourcing solutions (www.myfsos.com), Consider It Done (www.consideritdonecompany.com), Back Office Solutions (www.backofficesolutions.net) and

many others offer an array of differ-ent services designed to free the smaller practices from the burden of back office duties.

Technology: Certainly one of the most recognizable outsource solu-tions is technology. It tends to be the most visible, given the amount of advertising, attention by the media and focus by financial advisors. Out-sourcing technology solutions is of-ten difficult, not because it is hard to find, but because there is so much from which to choose. One relatively new area is web-based data storage and not just for back-up purposes, but utilizing a web service in place of an on-site computer server. Many of the most popular software programs for financial advisors already are hosted on the web with web-based storage.

Everything from client relationship management to portfolio manage-ment to financial planning can be hosted on the web with files stored virtually 'in the cloud'. However, there is a relatively new breed of services that offer actual hard drive styles of storage solutions without the need of a local server or even desktop computer. Services such as Box.net (www.box.net), Sugar Sync (www.sugarsync.com) or DropBox (www.dropbox.com) offer online storage at reasonable prices.

The advantage of such services is the accessibility. You can access those files anywhere there is an internet connection. For the one-person of-fice, having access to your entire files through a laptop or even a Smartphone is huge. In the case of DropBox and Sugar Sync, they have the unique feature of dually storing the files on the web and on your local computer and auto-syncing those files each time the computer is linked to the web. Sugar Sync recently

added the ability to use its services with the new Apple IPad.

Most of these services offer file shar-ing features that permit a user to share a file or set of files with a col-laboration partner (for example) or a client. And, most of these services offer high levels of encryption and password technology to protect those files.

Differentiation: The one-person office, in order to compete with lar-ger practices, may need to explore their unique offering; that is, to what extent does what they do provide a compelling service or product that is sufficiently different from all the rest. To this end, specializing in unique areas of financial services can make a big difference, not only in how the firm is perceived but in how success-ful they may be. The end result could be that the one-person firm becomes its own outsourcing service, offering its unique services to other financial advisory firms.

An example of this might be where a one-person firm develops a specialty in working with something like com-plex college funding issues or health-care issues. It could offer those kinds of analyses or services through other advisors on a fee-sharing arrange-ment (assuming this is permissible). Further, writing on the subject could establish the firm as an expert to be sought out by other advisors or the public. Using the media (in inter-views or advertising) to talk about those services could further enhance success.

Ultimately, in order for the one-person firm to not only survive but thrive, it may need to explore all of the above areas to minimize opera-tional costs and to maximize effi-ciency and profitability.

Organize Your Thoughts (IPhone Users)

iThoughts is a mind mapping tool.

It enables you to 'see the big picture' - freeing you to concentrate on how your thoughts and ideas relate to each other.

Highlights:

Extensive support for desktop formats (FreeMind, Nova mind, MindManager, XMind, iMindmap and OPML)
Relationships (links between topics)
Map recovery (resurrecting old versions of maps)
Supports TextExpander touch snippet expansion (custom auto complete)
Wirelessly upload/download mind maps from your Mac, Windows or Linux system using your favorite web browser.
Icons and colored topics.
Multiple topic shapes.
Folding topics.
Cut, copy, paste, move and merge the topics.
Zoom and scroll
Edit in landscape and portrait mode.
Multi-line topics.
Download maps directly from the Internet.
Support for larger maps (with a canvas that is 1000x the standard screen size)
Attach notes to topics - with hyperlinks to phone numbers, web sites, e-mail addresses and other iThoughts maps.
Email maps as attachments (in all supported formats including PNG images)
Share maps with friends and colleagues via Flash enabled browser.
Auto align and arrange topics relative to each other - automatically if desired.
Task Management (due date, percent complete.)
Integrated with box.net online collaboration service.

IPhone Account Required, Price is $7.99

Tools for Efficient Business: The Paper Tiger

The Paper Tiger (**www.thepapertiger.com**) **Document Management and Filing System software** is a complete solution (the kit includes powerful filing software, a multimedia tutorial, time saving pre-printed file folder tabs and excellent customer/technical support) to help you solve your problems with filing and managing the paper in your business and personal life. Customers around the world use The Paper Tiger Filing System Software. When you purchase The Paper Tiger Document Management and Filing System software you will have everything you need to solve your paper filing problems once and for all!
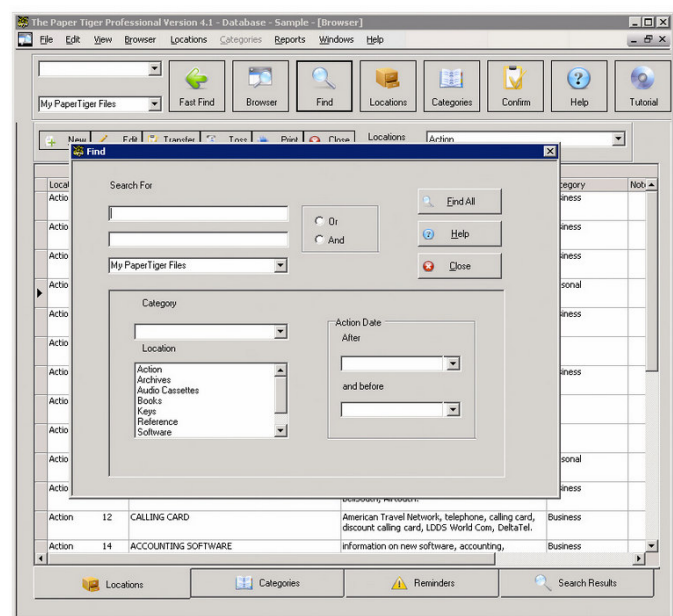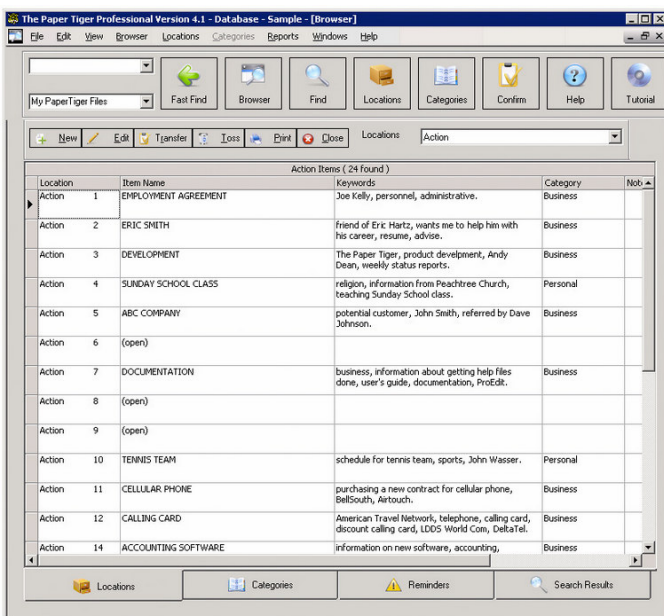
The Paper Tiger filing system software is a powerful paper filing system that uses the power of your computer to help you get your file cabinets organized and stay organized. Office filing does not need to overwhelm your staff and cause frustration. Tens of thousands of companies (Partial Customer List) have discovered this file cabinet organizing system - they use the power of their computer to solve their problems with managing paper and sharing paper documents.

If **office organization**, **time management**, **records management** or **document management** is a challenge for your company, this product can make your life much easier. Difficulties with getting**organized**, **filing systems** and **paper management** can cause you or your employees to waste up to 150 hours per year!

The Paper Tiger filing system software is so simple - the concept is brilliant. You use the power of the computer to index the hanging file folders in your file cabinet. Nothing could be easier - once you use the filing system, you will wonder why you did not do it this way all along. The filing system indexing method seems strange at first, but once you try it, you will see how powerful it is. Now you can download and try this amazing filing system software in its latest version absolutely FREE for 10 days.

Commentary:

I believe that, although there is much improvement still to be realized, the worst is over for our two-year long journey through the so-called 'Great Recession.' Having said that, we may find that the profession of financial services has and will fundamentally change on several levels. The push to enact uniform regulations on ethics and fiduciary standards coupled with the current efforts by Congress to pass sweeping financial reform will undoubtedly change the way we work in the future.

It appears though, that efforts to enact legislation that will level the playing field with respect to how regulations would be observed by broker/dealer firms versus independent practitioners may well fall short of the mark, due in large part to the enormous influence of those large firms on political forces controlling the outcome.

However, what does loom large is the eventual need to document everything you do with clients and to provide full disclosure on virtually every aspect of your engagement with those clients. Firms will need to go the extra mile to protect both themselves and their clients.

This is inevitably lead to financial pressure on smaller firms who are ill-equipped to handle additional costs associated with even more regulation and compliance initiatives. Ultimately, this will lead those firms to either merge with other firms to create the needed scale or find more efficient ways to operate on a smaller level. For me, this means taking better advantage of efficient systems and processes. It also means making an investment in technology and consulting to streamline and make more efficient those systems and processes that are used each and every day by practitioners and/or their staffs.

-David L. Lawrence

> Firms will need to go the extra mile to protect both themselves and their clients.

We assist our clients in realizing additional profits through a thorough analysis of your business operations from a variety of tactical perspectives that stress the efficient use of resources. We have identified **four broad areas of operational efficiency** which form the basis of our evaluative process. We do this by taking the time to learn everything we can about your business and then offer recommendations based on where you want to take it. And we offer on-going support and coaching to ensure that your path to increased profit continues unabated.

The Efficient Practice

Consulting and Resources for Financial Service and Business Professionals

Note: No software, service, product or company mentioned in this newsletter paid for such mention. This newsletter remains totally independent.

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David L. Lawrence, President

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