

# The Efficient Practice

Newsletter for  
Financial and Business Professionals

## Project Management and the Financial Practice

Considering the custom nature of services provided by financial advisors, one question that could emerge is whether a project management process is a viable concept in firms that provide financial services to their clients. The answer is an unqualified yes. But, before we expand on that answer, a quick review of what project management and how it can be used should be explored. Project management is a term applied to the process of performing a series of steps and managing resources to bring about accomplishment of a particular project or goal. To be effective, the process should be outlined with goals, objectives, steps, assign-

ments, accountabilities and timelines. Along the way, a look at potential obstacles and ways to overcome those obstacles should also be woven into the process.

It is a clear objective of project management to ensure the project is completed on time and on budget. Therefore, timelines and financial considerations should be part of the process as well. The problem with all of these variables is that, without a process template or checklist to follow, the project could easily be derailed, delayed or simply fail. So, one step that can ensure

success is to have an effective platform to accomplish the project within stated guidelines.

Let's take a look at a potential use of project management within a financial practice. For this example, let us choose the development of an informational seminar as the project. The goal of the project might be defined as generating new business. One objective might be to define how much new business, measured by new client acquisition. With those parameters in place, it becomes necessary to develop the ...

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## Financial Planning Updates: Creating an Efficient Process

Most financial advisory practices that offer advice to their clients for a fee are faced with the challenge of how to efficiently deliver that advice on an on-going basis. It is one thing to purchase a financial planning software program, collect data from the client and produce a document that addresses that client's financial situation and needs. It is quite another to

use that program effectively on an on-going basis and be able to integrate other information sources such as current investment information.

What often results are a patchwork of client information, statements and printouts from a variety of different sources all jammed together in some fashion. Some financial

advisors have asked if there is a better way to produce such a resource for the client. The answer is a qualified yes. However, depending on the size of your practice, the specific needs of your clients and how much information you want to integrate into an on-going update document, the specific solutions could be quite different.

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Special points of interest:

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- > Financial Planning Updates
- > Tools for Efficient Business
- > Commentary

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### Financial Planning Updates: Creating an Efficient Process (cont'd from Page One)

Consider a case in point: Mark K. owns a small financial advisory practice. He offers financial planning for a fee and charges the client an on-going retainer fee for advice. He also manages assets for his clients and charges separate fees for that service. But, because he has segmented his fees to specifically include an on-going advice fee, he feels that he needs to update his clients on their progress toward their financial goals on at least a quarterly basis.

Therefore, Mark has created an update binder. The binder consists of some net worth and cash flow statements culled from the original financial plan and updated to reflect current conditions. He also prints out quarterly statements from his portfolio management software (dbCams, in this example). To add value to the binder, he may include additional information on specific investments such as Morningstar reports, or similar information printed out from separate sources.

He then takes all these different pieces of information and loads them into the three-ring binder. Not a bad approach when viewed at first glance except that each section of the binder is separately paginated, each section may have different fonts, character spacing and

paragraph formatting. And graphics such as charts, or other illustrations, might look entirely different from one section to another. In short, the binder lacks a professional, integrated appearance.

If your practice is looking to improve on the financial planning update process, similar to the example above, there are systems and techniques available to help you. But, before you rush out and buy new software or other expensive options, you may want to take the time to think through what it is that you want to produce (and for that matter, what it is that your clients will most benefit from). Whether you are shooting to “redo” the whole financial plan every three months or to just provide a forum for discussion of goals and current results, consider what your goal for an update report (plan) is.

Most practitioners would agree that a financial plan, once completed, is virtually obsolete.

Due to the time sensitive nature of information related to investments, the financial plan stands as a picture of a client’s financial situation and needs based on a point in time. To translate that into an on-going monitoring and review process entails using current information and being able to provide comparisons to the original data. This is

tougher than it might seem. Few financial planning software packages exist that can handle on-going coordination of data and comparisons to older (or original input data).

Financial planning software that is configured to import data from a portfolio management software program, account aggregator or that is a part of a suite of products that share data would seem to have the edge in this area. Examples might include MoneyGuidePro, Naviplan, Schwab’s new Relationship Manager and Advisor’s Assistant to name a few.

If you export data to (or import from) an outside program, such as Morningstar’s Advisor Workstation for portfolio monitoring, you are faced with the challenge of integrating output reports with other sources of information. For this purpose, you will need a document assembly process. Fortunately, there are choices available.

There is a powerful software package called **Assemblege**, available through Trumpet, Inc. ([www.trumpetinc.com](http://www.trumpetinc.com)), that collates, assembles and files large documents such as investment performance reports, and integrates those reports with output from such sources as Microsoft Word, MS Access, your billing software and/or your

## Financial Planning Updates: Creating an Efficient Process (cont'd from Page Two)

contact management software. If you are looking for a stand-alone solution to build your update documents faster, easier and with potential for fewer errors, Assemblege might be right for your practice. Attorneys have been using document assembly software for years.

Products such as Assemblege are only now being re-tooled to fit the needs of other professions such as financial advisory firms.

If your practice does not necessarily need the integration with a contact manager or billing systems but still wants to find a way to combine various output sources into a single document, one simple approach is to use a software product such as Adobe Acrobat. ([www.adobe.com](http://www.adobe.com)).

Adobe® Acrobat® 9 Pro software builds on the foundational feature set of Acrobat 9 Standard to provide business and creative professionals with additional capabilities, including enhanced security features, high-end print production support, and easy-to-manage electronic document reviews.

### Deliver polished, professional documents

Quickly integrate content, insert company logos, define navigation, and add polish to your PDF Portfolio using one of many customizable templates.

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form design tool — to create, customize, and automate dynamic forms.

### Collaborate and share with virtually anyone, anywhere

Gain the input you need — in real time — through interactive, shared document reviews that help participants see and build on each other's comments.

Another great feature of Adobe Acrobat 9 Professional is its automatic forms creation. It can take any document convert it to PDF format and then automatically create fillable fields within the form. For insurance, investment or other applications that are not available as pre-fillable PDFs, this is an invaluable feature that can save you or your staff hours of time.

The new Acrobat 9.0 Professional touts document assembly features such as being able to create a single Adobe PDF document from multiple sources — including portions of Web pages and previously combined Adobe PDF documents. In addition, you can print, extract, or delete the subdocuments. You can also organize the combined document in any order you want to create the right flow of information. Even more, you can add enhanced headers, footers (yes, even common paginating for all sections of your update report) and watermarks. But, at \$449.00 (suggested retail, new or \$159.00 for the upgrade version), the cost might prove daunting to practitioners of smaller firms.

A lower cost alternative to Adobe Acrobat is **Pdf995 Suite**, which includes three products; **Pdf995** – a PDF document generator using a PDF format print driver, **PdfEdit995** – which permits combining

multiple PDF documents into a single document and other editing functions and **Signature995** – which offers state of the art security and encryption for PDF documents. All three are separately offered for free for downloading from their website ([www.pdf995.com](http://www.pdf995.com)). But, an annoying sponsor page pops up each time you use it. To get rid of the sponsor page, you can purchase a suite key for \$19.95. Though the suite of three programs may not be as robust as the Adobe product, the cost is certainly attractive. You may decide to test it out using the free version first, switching over to the paid version when the pop-up pages have annoyed you enough.

Although your goal may not be to simply produce a pretty document, having systems and procedures in place to produce an update report that is professional looking, accurate, efficiently produced and meets the needs of your client(s) without placing an undo burden on your staff or you is worth considering.



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steps in the process. In this case, the following steps might apply:

1. Develop the seminar presentation
2. Develop a seminar invitation letter
3. Purchase or acquire a list of prospects to send the letter to
4. Set up a seminar meeting location (perhaps a restaurant or conference location)
5. Arrange for refreshments, hors d'ouvres, etc.
6. Send out the seminar invitation letter
7. Do follow-up phone calls to respondents
8. Do the seminar
9. Follow-up with attendees and solicit initial consultations
10. Review the success of the project (evaluate new client acquisition)

The prior ten steps must then be fleshed out in terms of what tasks are associated with each step, who is responsible for what and what are the accountabilities. There must also be a timeline established to control and monitor the timeliness of the project. And, there may also be a need to train employees in the tasks associated with the project, tying their efforts to the overall goal of the project. Perhaps most important, and often lacking from Financial advisor's projects, is a cost/benefit study to determine the cost of such a project weighted against the benefit in dollars. As an example, if on the one hand after all the dust settled, the cost of the seminar program came to \$2,500 (for instance), but the benefit resulted in one client purchasing a product (such as a commission generating

product) that earned the firm \$1,500 on a one-time only basis, it could be concluded that the results did not match the expectations, calling into question the viability of the project or its parts. If, on the other hand, the project resulted in several profitable clients generating continuing fee and/or other revenue, it could be concluded that the project was a great success. Either way, wouldn't the financial advisor need to know this going forward? Even if the project resulted in less than stellar profits, it might compel that advisor to address components of the project, such as the seminar topic or quality of the invitation list, etc.

Other examples of projects that might be beneficial to financial service firms could include:

- **Document management system** – developing an electronic document storage and retrieval system to complement or replace your existing paper-based files. This is a project that could conceivably take several months or longer to implement and one the chief concerns is to successfully implement such a system while keeping costs down and minimizing staff interference with their daily activities.
- **Office relocation** – Accounting for all the steps and costs associated with an office move, including timelines, employee responsibilities, etc.
- **New employee hiring process** – Includes steps such as advertising, interviews, background checks and psychometric, specific skills or other

testing

### **Plus many other examples**

Very important to such projects is keeping track of the all the steps in the process. For this you may wish to consider a project management software program. The obvious choice in this instance might be Microsoft Project. It is generally regarded as the standard among project management software programs. However, for limited projects, requiring simpler, more focused project management steps with less complexity, MS Project may be too much (or too expensive with the standard version priced at \$549.99, professional \$949.00). Developing a spreadsheet with a checklist of items is another choice. With a Microsoft Excel spreadsheet, one can develop the steps with details and links to progress charts, etc. The process becomes more visual and can be replicated with other projects in the future. What might be lacking with this choice is the interactivity with other, divergent softwares such as your client relationship management software.

Redtail Technology

([www.redtailtechnology.com](http://www.redtailtechnology.com)), a web-based platform for Client Relationship Management, offers an integrated checklist that could be used for simpler project management. This effective tool does integrate with the larger, client database and can be monitored by management, integrated with the calendar, etc. While not a workflow management feature (Redtail also offers workflow management), for use in keeping track of

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projects and the steps involved in successful accomplishment of a project with an eye toward staff accountabilities, this is a simple, yet efficient tool.

Another viable choice is a software program called Project KickStart ([www.projectkickstart.com](http://www.projectkickstart.com)). Project KickStart Pro, Version 5 is a terrific product that offers all the features needed by financial advisors (and other businesses) without the complexity or cost associated with Microsoft Project (Project KickStart - Version 5 is priced at \$299.00). The software offers a quick, intuitive interface that can be learned in about 30 minutes or less.

You can be up and running with the software right away. Interestingly, there is an export feature that permits you to export to MS Project, if needed. Of greater interest, though, is the export feature that creates a PowerPoint slide show instantly from your completed project setup. For training purposes, this is a very powerful feature that requires no effort or extra expertise on your part to create a set of slides that fully illustrate your project and all of its parameters. KickStart offers several other export capabilities to popular software programs such as Excel, MindManager, ACT and others.

Beyond just setting up goals, objectives tasks and assignments, the software also creates a fully adjustable Gantt chart for time-line monitoring. It can be viewed under a number of different ways (weeks, months, quarters, etc) depending on the length and needs of the project. And, you can save the projects to be used as a template for different projects in the future, cutting down on keystrokes and development time. In short, Project KickStart saves you time and money while providing an efficient platform to set up and monitor your firm's projects.

**PROJECT KICKSTART™**  
Project KickStart - name your project.

**Name your project**  
Each project has a name. To start planning your project, give it a short, descriptive name. Type and advice are always available by clicking the "Advice" button. Click the "Next" button to continue.

Type a name for your project:  
Project KickStart Product Development Project

**Type the names of the people working on your project**  
List the individuals or groups who might provide resources for your project. Remember to include yourself. You can store resources in the People Library, and then drag them to your list. ACT! and Outlook users can import contacts into the Library.

**Adjust your project schedule in the Gantt chart**  
First, set the project start date, and edit how many days each task will take. You can link and unlink tasks. To shorten the project, you can make tasks concurrent. If you stretch or move a task, linked tasks will adjust automatically. For more information, see the Advice.

**Project Planning** | **Project Management**

Name | Phases | Goals | People | Obstacles | Tasks | Assign | Gantt Schedule

**Reporting**  
Standard Reports  
- Print or Email Reports  
- Create your own report from selected fields  
- Task  
- Assignments  
- Start  
- Finish  
- Predecessor  
- Successor  
- % Done  
- Cost

**Solutions**  
Project KickStart connects with:  
- Microsoft Office (Word, Excel, PowerPoint)  
- Microsoft Outlook  
- Microsoft Project  
- ACT!  
- WBS Chart  
- MindManager  
**Industry Solutions**  
- Business  
- Personal  
- Government  
- Non-Profit  
- Education

## Tools for Efficient Business: Files Anywhere

Last month, I wrote about a service called DropBox ([www.dropbox.com](http://www.dropbox.com)). The concept is an internet based file storage with auto sync between one or many computers. Similar to an office server with a public hard drive, the DropBox concept is to have files available for use, on any machine and to even have the files resident on those machines as well as the web. The article also mentioned Box.net as a similar service. Since that article came out, I have learned of yet another service called files anywhere. There are interesting comparisons with these three services that are worth mentioning. Here are a few:

	DropBox	Box.net	FilesAnywhere.com
Free Storage	2 GB	1 GB	1 GB
Largest capacity	100 GB	Unlimited	Unlimited
Auto Sync	Yes	Yes	Yes
Work Offline	Yes	No	Yes
Cost for 50 GB	\$9.99/mo	\$49.75/mo Approx (10 GB per User at this price)	Pricing varies from 2.99—\$99/mo based on features not Storage
Cost for 100 GB	\$19.99/mo	\$15/mo for 15 GB	See above
Available above 100 GB	No	Yes	Yes
Encryption Level	AES-256	AES-256 (for unlimited only)	128-bit SSL Encryption
Files Limitations	None	1 GB	500 GB (download file size limitation)
Can handle Windows/Mac/Linux?	Yes	??	
Mobile Device Access	iPhone, iPad, Android, Blalckberry and others	iPhone, iPad, Android, Blalckberry and others	iPhone, iPad, Android, Blalckberry and others
Notes:	Dropbox has a great interface, but is limited only by the storage size.	Box.net offers unlimited Web storage (call for \$\$)	Files Anywhere bases its pricing on Features not storage size. So, it is difficult to do a true comparison



## Commentary: A New Era is Dawning

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With the passage of comprehensive financial reforms in the United States, the playing field in financial services is being leveled like never before. Gone will be a free pass for the large organizations (such as Goldman Sachs, Lehman Brothers and others) and accountability dressed in the cloak of increased regulation will be imposed.

The interesting part of all this lies in the true impact to the financial advisors who either are or are not associated with broker dealer (B/D) organizations. The so-called captive groups, such as Ameriprise, Merrill Lynch and others will have a new layer of compliance and regulatory hoop-jumping to go through in order to fully address the increased scrutiny created by the reform package. But, will this ultimately 'kill off' the captive groups, forcing advisors to flee in terror to find a new home? Quite the opposite is likely the case. With such increased regulation, it will be difficult for independent Registered investment advisors to keep up, forcing some (particularly smaller practitioners) to reconsider their affiliations. The independent B/D is likely to grow substantially in the near future and the prevailing wisdom suggests that the captive groups will hold their own in the long run, owing to the capability of maintaining a high profile and offered increased levels of support to their advisors.

So what, if anything is in peril following this historic legislation? Surprisingly, it could be the old wirehouse broker model. While many would disagree, with the emphasis on fiduciary standards, and the work associated with a fiduciary process, wire brokers, accustomed to the quick sale, may find themselves on the outside looking in. A hint that this is likely the case lies in the number of such brokers who have already 'broken away' and found homes elsewhere. Literally thousands have already fled the wirehouses in search of a more stable income platform.

**With such increased regulation, it will be difficult for independent Registered investment advisors to keep up, forcing some (particularly smaller practitioners) to reconsider their affiliations.**

*-David L. Lawrence*

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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.

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

## The Efficient Practice

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