A Guide to Developing a Workflow System for Your Financial Advisory Firm

A financial advisory firm cannot deliver a high level of service to its clients efficiently and profitably without a workflow system in place. A workflow system consists of a series of written procedures, with supporting checklists and templates, that document and systematize every aspect of how a firm operates and delivers client services. Each person in the firm is provided with a step-by-step guide on how to specifically complete the particular tasks for which they are responsible. Whether you are a solo practitioner, an ensemble firm or a large firm with many advisors, using a workflow system for task management and tracking can drastically improve the day-to-day operations of your practice.

Having trained and coached hundreds of financial advisors over the years, I was shocked to find that only a small percentage had a documented workflow system in place. In fact, I would estimate as little as 1% or 2% were actually using any type of comprehensive one. As a financial planning firm, we came to the realization that a workflow system would help us address issues that had become problematic. After much research, we implemented a system that not only addressed those issues, but also has allowed us to grow our firm in an organized, effective way. I know how valuable and revolutionary a workflow system can be as we utilize it on a day-to-day basis.

In an effort to help others, I’ve written this guide to help you create a workflow system for your firm that will achieve two primary objectives: 1) Significantly improve a firm’s efficiency and profitability. 2) Provide the mechanism for all staff members to work together harmoniously and provide a high level of client services seamlessly.

Here are some additional benefits to creating and integrating a workflow system into your practice.

- **Enables you to consistently deliver excellent client services.** By systematizing your client services you can place your clients on a smooth, predetermined pathway. Your clients will feel well cared for due to an organized and thorough client process that is well documented and consistently delivered.

- **Allows you and your staff to concentrate on working in your areas of strength.** Each staff member will be more productive when they focus on tasks that come naturally easy to them. Hopefully, these also are the tasks they enjoy performing, which will lead to increased job satisfaction.

- **Builds accountability into your practice.** With documented procedures and tasks assigned to each member of your staff, you are able to track their productivity, what point they are at in a process at any given time, and how effectively they are handling their responsibilities.

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- **Enables you to deliver more sophisticated or comprehensive services to your clients.** With all aspects of your client services clearly defined, systematized and assigned to the appropriate members of your staff, you can upgrade the level of service you provide to your clients. The more client services you are able to provide, the more irreplaceable you become.

- **Allows you to easily and systematically outsource various tasks you choose not to do in-house.** Every practice has services or tasks that should not be performed in-house due to the lack of expertise and resources, because it is not profitable to do so or, perhaps, no one in the firm desires to be responsible for that area. Some examples of outsourced tasks include tax or estate planning advice, or investment management. Other possibilities might be bookkeeping, preparation of financial plans, or certain administrative duties. With documented procedures, it is easier to incorporate outside consultants or professionals into your firm’s operations.

- **Assists you in managing compliance and regulatory issues.** By standardizing and incorporating compliance best practices into your written procedures, you will create a built-in compliance system that can be more easily tracked. When regulations change, you can amend the procedures so your firm will continue to be compliant.

- **Prevents a member of your staff from holding you hostage.** If you need to replace a person on your staff, you will have complete documentation of that person’s daily tasks. This makes it much easier to replace that person and train the new person. You will never be in the position of thinking a person is irreplaceable.

- **Adds significant value to your firm if you decide to sell it at some point.** Firms with written policies, procedures, and fully systematized client services are more valuable to buyers than those that lack these features. Many buyers will pay a premium for such a practice.

When we first put our system in place, it was challenging because we had no guidance on how to approach the project. We knew what we wanted to accomplish, but we weren’t able to find any models we thought would work for us. The few examples we did find were too unwieldy or confining. We didn’t want to just create a workflow system – we wanted to create a system that we would actually use on a daily basis. That meant it had to be simple to understand and easy to use.

A lot of the examples we found from the financial services industry were made up of complicated flow charts containing many branches of “decision trees.” Just looking at them made our eyes glaze over, and left us feeling like we could never incorporate this type of system into our daily operations. The whole process just seemed too laborious and complicated.

At that point we decided to research examples from other industries to see if they could provide us with a better idea on how we should proceed. As we ventured out into the “workflow wilderness,” we ultimately decided to create a system that was based on the sequential numbering of steps and used color codes to label various components of the processes. The methodology we developed to document our procedures is surprisingly simple, yet proved to be extremely effective.

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Because you are investing the time to read this document, I’ll assume you find the possibility of having a fully documented and systematized practice appealing. But let’s face it – Worthwhile projects take time and it’s definitely a chore and challenge to carve out the time from your practice to document each step of every critical task every staff member in your office performs. It can be overwhelming and appear to be too big of a project to tackle. This alone prevents many advisors from even attempting to create a workflow system.

I highly recommend making the decision to just get started! You can do this by breaking the project into a series of smaller steps and implement your new system over a period of time. This will allow you to focus on building and implementing the workflow process for specific areas of your practice at any given time, without completely disrupting the day-to-day operations of your practice. Make sure everyone on your staff is committed to doing their part to create the system you have all envisioned, no matter how long it takes. Don’t begin with unrealistic expectations that can cause everyone to become frustrated or impatient along the way. The writing process is a marathon, not a 50-yard dash.

Here are a few points for consideration as you begin developing your workflow system:

- **During staff meetings, review all the benefits you will receive by incorporating a workflow system.** This will provide motivation for continuing the task at hand. If you keep your vision front and center, fresh ideas will be generated. This helps every staff member continue to make the project a priority and focus on documenting everything they do. It also provides an opportunity to discuss and develop specific workflow steps to alleviate problem areas in your firm as they arise.

- **The development of workflow steps can eliminate or help you cope with a particular challenge in your firm.** It can provide a dose of some much-needed immediate gratification and serve as yet another source of motivation for you and your staff to continue moving forward with the development of the project.

- **If everyone involved invests the time and energy into completing your firm’s workflow system and applies it to your firm’s daily activities, you’ll be rewarded many times over for your efforts.** In fact, I’m confident you will look back and wonder how you ever operated without it.

Have I convinced you that a workflow system should be a core component of your firm? If so, let’s examine the steps required to build your own workflow system.

**Step One: Create the vision of your “perfect practice.”** Steven Covey, author of *The Seven Habits of Highly Effective People*, emphasized the importance of the first habit discussed in his book: “Begin with the End in Mind.” How can you create a fully documented, systematized practice without a clear picture of what you are trying to create? Imagine attempting to build an office building without a set of blueprints. It would be impossible.

Yet the vast majority of financial advisors try to build and run their practice without a blueprint and literally “wing it” everyday by working *reactively*. Their daily activities are usually dictated by reacting to whatever comes up -- “putting out fires.” Can you relate? Instead you need to work *proactively* with a set of pre-determined, documented tasks, that will keep your practice running smoothly (and which significantly minimizes the number of “fires” that
start). You can begin to work proactively by clearly designing upfront how your practice should run each day, including the type of experience you want your clients to receive.

**Step Two: Have an online area available as a storage place for those who will use the workflow system.** Create a central online area for easy access to the workflow system. Make sure you only create one master copy of the system (that is backed up) to ensure staff members are always working off the most current version of your workflow procedures. Your storage place can be an internal Virtual Private Network (VPN) you maintain, or you can subscribe to a secure third-party online application that enables multiple people to work on the same documents.

**Step Three: Get all staff members involved in the process.** Include your staff in building your vision. They can provide additional ideas and perspectives, and they will be more willing to assist in setting up the workflow system if their input has been recognized and valued.

It is important to have everyone on your staff “buy in” to the project, since each is responsible for different tasks and their input is vital to creating the most effective workflow system. You may find that certain people may be less enthusiastic about embarking on this journey. However, if you take the time explain to them that the system will enable each person to do their work more efficiently, and that the goal is to have each person work primarily in the areas they are, both, good at and enjoy doing, they will be more likely to “climb on board.”

Here’s how I explained it to my staff, “My personal goal is to use this project to help position each of you so you can experience as much job satisfaction as possible and to have everyone interacting as harmoniously as possible.”

**Step Four: Creating your workflow system framework.** Your framework is a critical piece of your workflow system. The framework is comprised of all the areas of your practice that should be included in your system. This includes areas such as how potential clients or newly engaged clients are handled, processes for opening new accounts, managing office inventories, investment management or various other areas of financial planning, for example.

Get everyone together for a collaborative meeting where they will identify and list each area of the business that a person is responsible for. Don’t worry about organizing the areas at first; instead, it is more important to try to identify as many areas as possible. Have each person make their own list to share with the group, and then see if anyone can think of additional areas that were missed. You may find it helpful to use a whiteboard or a large sketch (easel) pad to list everyone’s information.

Ken Golding, lead software developer for the client relationship manager, Junxure told me he had his staff use different colors of sticky pads to write down all the tasks for which they were responsible. As each person finished writing down their information, they were instructed to stick their individual sticky sheet on the white board. Within a few minutes, the board was filled with dozens of critical tasks that were routinely performed in the office. Next, they moved each sticky sheet on the board so the tasks were in order. In about 20 minutes they had their initial framework built.

Once you have an organized list of the procedures that need to be developed, you can assign each procedure to the person who is responsible for writing the specific steps.

**Step Five: Setting your project schedule.** If you want to succeed in completing your project, it is essential that your staff members block “uninterrupted” time on their calendars to devote to the project. This is a crucial piece to
the project’s success. We found that if we just tried to work on writing our procedures “when we had time,” we never got around to it. After seeing that we weren’t making much progress, we made it a requirement to block off at least a couple of hours of time on specific days each month. This ensured we were consistently moving forward.

We also prioritized the procedures each staff member was to work on. By doing this, we were able to identify the areas of our practice that needed the most attention first. It also allowed us to break down a huge project into manageable, bite-size pieces. This prevented the projects from becoming overwhelming. Make sure you first focus on the areas of your practice that are in the most disarray.

**Step Six: Writing your workflows and procedures.** Do some preparation before the writing begins. The overall goal for any workflow or corresponding procedure document is to design it to be simple, consistent, and user friendly. There also should be a consistent format between documents. Templates and writing methodologies should be developed before anyone begins writing procedures. Create a sample workflow procedure document in the desired format for everyone to use as an example.

The actual writing of the workflow system can be a bit intimidating at first, especially to those who have never documented a procedure. Recognize that the first drafts will not be perfect. Let your staff know that you don’t expect them to create the perfect document at first crack.

In addition, there are certain personality types that are better suited to writing procedures. Staff members who are naturally analytical and approach their work in a logical and sequential manner tend to have the easiest time and are the most proficient at writing procedures. Staff members that exhibit these characteristics can be instrumental in helping to standardize and “clean up” procedures that have been written by those who don’t find this style of writing easy.

**Step Seven: Testing and tweaking your documented workflows and procedures.** Once a specific procedure is written, it needs to be tested to make sure all the steps have been documented and that the process is as effective and efficient as possible. It is not unusual to have to edit a process a number of times until it is deemed to be satisfactory. Have more than one staff member test each procedure out before it is given a stamp of approval.

**Step Eight: Updating and improving your workflow system.** A workflow system should always be a work in progress. Your practice will evolve and grow, technology will change, employees will leave and new ones will be hired, and regulations and compliance of the profession will change. Accordingly, your workflow system will need to continually evolve and be updated. Review your system at least a couple times each year to determine if amendments need to be made to any of the components. Have staff members do the same. Make sure you come up with a specific process and schedule to ensure this happens.

All users should regularly try to come up with new ideas on how the existing system can be improved. Instruct your staff to speak up if they notice any areas that have become outdated. Considering how important the workflow system is to ensuring your firm runs smoothly, efficiently and more profitably, workflow system improvements should be a regular topic of discussion at staff meetings.

By following the eight steps above, you will be well on your way to incorporating a workflow system that will transform your firm into one of the elite in our profession. Having a fully documented and systematized practice can eliminate the inefficiencies in your firm, create a harmonious working environment in your office and ensure that your vision of a perfect practice becomes a reality.

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Creating our firm’s workflow system was by far the most powerful and impactful initiative we’ve ever worked on. There is no way I could be involved in running four separate businesses if we didn’t have documented systems in place. However, make sure you have realistic expectations up front. Starting from scratch, it will take months, and possibly years, to fully document your practice. (It took us more than two years to write our first version and we’ve been tweaking it ever since.) However, the good news is that you will be able to begin implementing various pieces of the system as they are created, tested and perfected. Immediately you will notice improvement in the running of your practice, even as you begin to incorporate your first workflow area.

If you don’t want to start from scratch, and would appreciate a shortcut to getting your workflow system in place, check out Fox Financial Planning Network where I have created a template of my personal financial planning practice’s entire workflow system for members of our network. If you join, you will receive a copy of the template to customize according to how you do business. You also will be trained on how to effectively use the system, as well as given ideas on how to increase your revenues and uniquely position yourself with your clients. Our workflow template and training can save you literally hundreds of hours of time. Plus, I’ll individually coach and assist you in designing your customized workflow system, and help you integrate it into your practice as quickly as possible.

Whether you choose to create your workflow system independently, or with our help, I wish you much success and hope you experience the many benefits a documented workflow system can provide. You have nothing to lose except inefficiency and unproductive work hours!

Deborah Fox is Founder of Fox Financial Planning Network™ (www.FoxFinancialPlanningNetwork.com) and has been a practicing financial planner for over 25 years. She is passionate about educating her colleagues in the financial services profession about the importance of having documented workflows. Her company provides a fast track system to assist financial advisors in developing and incorporating a documented workflow system into their practices. Deborah can be reached at DFox@FoxFinancialPlanningNetwork.com or 1-888-403-2328.