

Organizational Structure Planning Workbook



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Use this workbook to plan your firm's future organizational structure, including future hiring needs and career path options for your team.

In order to scale effectively and consistently, you must have a strong, scalable foundation. By taking the time **now** to design your future organizational structure – also known as a staffing model, you're essentially developing a roadmap for a thriving firm. This planning exercise, which should be updated every one or two years, will help you feel confident in knowing how and when to add headcount, confirm you're leveraging your current team in the right way, and make the right staffing choices to take advantage of opportunities which could arise in the future.

To develop an effective organizational structure that can support consistent growth while maintaining an excellent client experience, follow these steps:

- 1 Get a baseline for your current firm by documenting your current org structure and job descriptions
- 2 Outline your firm's ten-year vision and the key points to include in your intermediate-term planning
- 3 Design and document your ideal organizational structure three or five years from now
- 4 Identify gaps between your current and future organizational structure & develop a plan to bridge those gaps

For more detail on how to execute each step, see our full course on "Organization Design as a Foundation for Growth."

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Baseline: Current Organizational Structure

Start by documenting your firm's current profile and organizational structure. Use the system of your choice to record your ideas.

- 1 What is the high-level profile of your firm today?
 - AUM
 - Revenue
 - Average client size
 - # of client households
 - Revenue/team member
 - Recurring revenue as a % of total revenue
 - Service model(s)
 - Business model (RIA, B/D Rep, Hybrid)
 - Other firm-specific metrics and models
- 2 Document your firm's current reporting and department structure by creating a simple organizational chart, including job titles and the top 3-4 key functions of each role.
- 3 Create or confirm job descriptions for each role.
- 4 Analyze your current firm structure's strengths and weaknesses:
 - How does your current structure help you deliver your service model?
 - What about your current org structure works well?
 - Where are you beginning to see signs of weakness or "growing pains" in your org structure?

Vision: Ten-Year Organizational Target

As we've all heard, the best place to start in developing a plan is "with the end in mind." Reminding yourself of your intended destination can inform the steps along the way and prevent costly diversions. Use the system of your choice to record your ideas.

1 Refresh yourself on the long-term vision for your firm:

- What kind of business are you trying to build?
- What experience do you want your clients to have?
- What do you want your business to be known for?
- How might your service model need to evolve?
- How will you effectively serve the next generation of clients?
- How big do you want to grow AUM-wise, and how many clients will you serve?

2 Brainstorm about the kind of organizational structure that might be needed to support your long-term vision:

- What type of business model best aligns with your vision?
- How many advisors will you need on your team to serve the projected number of households effectively?
- What might the advisor team structure look like in the future?
- What will your client support team structure look like?
- Are there other client-facing professionals like CPAs, attorneys, or other specialists you will need on your team?
- What dedicated management and internal-facing roles are needed?
- What combination of positions will allow the Lead Advisor(s) to focus exclusively on high value activities?
- What kind of technology might be needed to deliver your service model(s)?
- What do you want your role in the business to be?

3 While being mindful that the world changes too quickly for a detailed plan, what are the key points of your long-term vision you want to "lock in" while you build your short-term plan?

Plan: Intermediate-Term Organizational Structure

Now it's time to get detailed with your planning. Use the system of your choice to document how your firm would ideally look three or five years in the future.

1 What do you want your firm to look like three or five years from today? Select the time period of your choice.

- AUM
- Revenue
- Average client size
- # of client households
- Revenue/team member
- Recurring revenue as a % of total revenue
- Percentage of clients that fit the ideal profile
- Service model(s)
 - Services offered
 - NextGen engagement model
 - Evolution from financial planning to financial life planning
- Client experience
 - Advice delivery
 - Technology
 - Onboarding
- Operational excellence
- Business model (RIA, B/D Rep, Hybrid)
- Team engagement– defined career paths and team members who are fulfilled in their work
- Amount of time the owner spends on the work he/she wants to do
- Amount of time the owner spends at the office
- Other firm-specific metrics and models

Plan: Intermediate-Term Organizational Structure (cont.)

2 What is the required support structure to support a firm like this?

- Advisor team structure/roles
- Number of advisors needed to serve projected # of households
- Client support team structure/roles
- Non-advisor professionals & specialists
- Technology
- Internal operational and administrative roles/functions
- Dedicated management roles/functions
- Other anticipated organizational needs
- Your ideal role in the business

3 Document your firm's reporting and department structure at your selected intermediate time period by creating a simple organizational chart, including job titles and the top three or four key functions of each role.

4 Create or confirm job descriptions for each role.

Strategy: Gap Analysis and Hiring Plan

The next step to developing your plan is to identify gaps between your current firm structure and the expected intermediate-term future structure, then develop a strategy to get where you want to go. Use the system of your choice to record your ideas and document a detailed hiring and team development plan.

1 Analyze the gap between your current firm and the intermediate-term organizational chart.

- What are the gaps between your current organizational structure and the intermediate-term org chart?
- What are the next two or three critical roles for your business to fill in order to continue tracking towards the intermediate-term org chart? At what point in your growth trajectory will these roles need to be filled?
- Which future roles could potentially be filled by current members of your team?
- What training, mentoring, or other professional development is needed for those current team members to be prepared to take on those roles in the next three years?
- What roles are you likely going to have to fill from outside of your current organization?

2 Create a three-year Hiring & Development Plan for your firm.

- Top two or three priority roles to fill
 - Job Title
 - Hiring catalyst/timeframe
 - Department/hiring manager
 - Ideal candidate profile
 - Potential internal candidates
- Team development needs
 - Name
 - Current role
 - Future role
 - Timeframe
 - Development needs

Strategy: Gap Analysis and Hiring Plan (cont.)

- Roles to backfill
 - Job title
 - Current team member
 - Timeframe
 - Potential internal candidates
- External hiring needs
 - Job title
 - Hiring catalyst/timeframe
 - Department/hiring manager
 - Potential candidates/referral sources



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