



# Hire the Right Team



INVESTMENTS

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# The opportunity

Many financial advisors tell us they're in the business because they enjoy interacting with clients, building relationships, being a problem solver, and helping their clients achieve financial freedom. Conversely, we rarely hear of financial advisors who say they enjoy doing paperwork or overseeing an office. While every financial advisor is unique, they often share a common challenge — finding the time to focus on what they most enjoy about their practice. Fortunately, there's a solution: hiring a team to reduce your administrative burdens. When it's successfully done, you'll free up time to grow your business, create greater scale, and capitalize on your strengths. On the following pages, we share a number of strategies and tactics to consider when hiring a team.

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# Knowing when to hire

One quandary facing financial advisors is whether they should wait until they grow their business before hiring a team, or immediately hire a team to help grow their business. While there's no single right answer, the general consensus leans towards the latter: a financial advisor should hire someone, even a part-time person, sooner, rather than later. The reasoning is that incremental revenue will follow once you have more time to focus on revenue-producing activities.

Revenue-producing activities could include meetings with clients and prospects, phone calls with referrals, networking events, preparing presentations, formulating solutions, and lunches and interactions with COIs.

If you're unsure about when to hire a team, consider the following.

## Follow your instincts

Consider your typical day and ask yourself these questions:

1

When you're working at peak efficiency (i.e., speaking and meeting with clients, prospecting, completing paperwork, etc.), do you still feel there aren't enough hours in the day? Do you have to work on weekends and late nights just to make it through the week?

2

Despite your best efforts to keep track of cases and workflow with the use of to-do lists, processes, and technology, do you find that certain items are still slipping through the cracks?

3

During a typical week, do you find that because of the administrative tasks that need to be completed, you have less time to focus on relationship-building activities? Do you feel that if you had a team, you'd be able to spend your week getting in front of the right people (i.e., "A" and "B" clients, COIs, referrals)?





**If you answered “yes” to some or all of these questions, you should seriously consider adding to your team.**

That being said, financial advisors often add to their team in the hopes that it will instantaneously lessen their workload and paperwork. This is not always the case. A better strategy is to look for opportunities to manage your time and workflow more efficiently and focus on making those changes prior to hiring a new team member. For example, using a CRM system or database to manage clients and meeting notes, as well as utilizing a system to track open cases, can increase your efficiency even before you add to your team.

If you already have a team, but are considering adding to it, ask yourself AND your assistant similar questions:

- When you’re both working at peak efficiency (i.e., roles and responsibilities are clearly delineated, and you are communicating regularly), do either or both of you still feel there aren’t enough hours in the day to complete daily tasks? Do you both have to work on weekends and late nights just to make it through the week?
- Despite your best efforts to use the systems, processes, and technology in place to track workflow and cases, do you find that certain items on your to-do lists still slip through the cracks?
- During a typical week, do you find that you still need to reduce the number of appointments, phone calls, and face-to-face interactions you are having with clients, prospects, COIs, and referrals?
- Is there room to create greater scale and efficiency by bringing in another person to focus on specialized work (i.e., new business service only, group health, investments)?

## Do the math

There are several ways to make a quick quantitative assessment of when to hire new team members:

- Estimate the monthly cost for a new team member, based on how many hours you'll need him or her and the market rate in your area. Start putting the weekly rate in a savings account at the end of each workweek. Once you have three months saved, it's time to hire.
- You spend more than 40% of your time on non-revenue producing activities?
- Estimate how much more revenue you could produce if you spent less time on administrative tasks. Think about the number of hours a week you spend on non-revenue-producing activities, and then determine the impact it would have on your business if you had a team member handle these tasks. For example, assume that in a 50-hour workweek, you are spending 50% of your time, or 25 hours, on these activities. Now, imagine if you brought in a part-time person to work 25 hours a week. List all of the revenue-producing activities you could complete if you gained back 25 hours a week, or five hours a day. You could spend:
  - Two hours a day prospecting over the phone and on LinkedIn, and calling referrals.
  - An hour and a half each day deepening a relationship with an “A” or “B” client, meeting with them or conducting a personal touch point.
  - An hour each day meeting with a COI, networking, or deepening a relationship with a referral source.

## Calculate the impact these activities would have on sales and revenue:

- If you had two extra hours to prospect each day, you could call \_\_\_\_ people, which would likely lead to at least \_\_\_\_ appointments, which would lead to \_\_\_\_ sales.
- Of the “A” and “B” clients you have now, you know that you could further your relationship with \_\_\_\_ of them, by gathering more of their assets, positioning another product, building trust and loyalty, or asking for a referral.
- If you could get \_\_\_\_ referrals a week, that would likely lead to \_\_\_\_ meetings, which would lead to \_\_\_\_ new clients and \_\_\_\_ sales.



# Appropriate delegating

Prior to making a hire, whether it is your first employee or you already employ several people, take the time to list the types of activities that occur on a daily basis in your office. Use the Task Inventory Matrix as a reference point.

If you are a sole practitioner, use this list as a way to decide which tasks the new team member will be responsible for. Keep in mind that the ultimate purpose of this exercise is to make sure your time is focused on serving existing clients, prospecting, and maintaining client and COI relationships. When reviewing your tasks, you'll see that they typically fall into one of three categories:

## Should never do

These are the tasks—mostly administrative in nature—that an advisor should give up, if possible. They include copying, faxing, scanning, filing, answering phones, filling out an application, managing new business workflow and keeping track of open cases, scheduling travel arrangements, maintaining office supplies, ensuring the orderliness of the office space, sending mailers, updating filing cabinets, etc.

## Don't like to do

These tasks are a bit more advanced than the ones listed above and are things that you dread doing. They may include running illustrations, preparing client files for meetings, printing presentations and supporting documents, updating notes and records in the CRM system, maintaining your open case spreadsheets, and tracking workflow and pending service alerts. If you lack the enthusiasm to complete these tasks, or are hastily completing them because of procrastination, you'd be better off delegating them to a team member.

## Aren't good at/don't have time for

We all have our strengths and weaknesses. These are the types of activities that you would define as being “not in my wheelhouse.” Additionally, these might be activities that fall low on your priority list. When it comes to completing them, you might find yourself saying, “I really don't have time for this.” They may include managing social media, utilizing internal systems, drafting and editing correspondence, planning client events, keeping files organized, and maintaining an updated to-do list.

Keep in mind that the ultimate purpose of this exercise is to make sure your time is focused on serving existing clients, prospecting, and maintaining client and COI relationships.

A single part-time or even a full time employee may not be able to complete all the tasks in these three categories. But, completing this exercise and identifying the tasks allow you to visualize “the urgencies” and get a sense for the type of team member you’ll need.

If you already have a team, but are thinking of to it, you should still take the time to review an average day’s tasks. You and your existing team members should independently fill out the Task Inventory Matrix. **Each of you** should put the initials of the person actually completing each task on a daily basis. Review both versions of the lists and think about the following:

1

Have you delegated the proper tasks to your current team member?

2

Is the current delineation of roles and responsibilities clear to both parties? If not, this will be evidenced by major differences in the way each of you have initialed the list.

3

Do these tasks fit with the team member’s skills, strengths, and experience?

4

Are there clearly identifiable gaps that could be filled by another employee?

5

Are there tasks that require a different skill set than those possessed by you and your existing team member?

Completing this exercise with your team member will allow you to uncover a number of opportunities to maximize the efficiency of your practice. In addition, you can determine how to best utilize an additional team member, as well as what type of new skill set is needed.



Some financial advisors will pay a bonus to a team member who goes “above and beyond,” does things without being asked, is proactive in maintaining the efficiency of the office, and consistently asks for ways in which he or she can improve.

## Determine compensation

Once you decide what the new team member will do on a daily basis, review your budget to figure out whether you can afford a full-time person, or whether part-time help is more appropriate. Sites, like salary.com, provide average hourly rates based on job title, location, and years of experience. Be sure to consider the total compensation package, which includes health insurance, vacation time, retirement plan contributions, and other benefits.

Some financial advisors also include a bonus or incentive for the team. At a minimum, spend some time thinking about what type of performance you expect to see from an employee, in order for him or her to earn a bonus. There are several types of bonuses, including:

**Subjective bonus:** Based on merit, and paid annually. In this instance, the bonus is totally discretionary, and the amount is based on your appraisal of their job performance and effectiveness at daily tasks.

**Objective bonus:** Based on the success of your business and the revenue you generate in a given year. In this instance, a bonus is only paid if there is an increase in either the revenue generated or the profitability of the practice.

Keep in mind that you’ll want your compensation package to be competitive enough to keep a quality person, but not too high where you will have difficulty justifying the pay.

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# Create the job description

The next step in the hiring process is to develop a detailed job description. While no two job descriptions are alike, most include the following:

## Job title

The job title should accurately describe the position and reflect the level of experience you are looking for in a candidate.

## Key responsibilities

Include the main tasks the team member will complete on a daily basis. This should align with the task list you created. Keep in mind that not every task needs to be listed in the job description. Typically, between five and 10 main tasks are sufficient.

## Skills and qualifications

List all qualifications that are mandatory, along with those that are preferred. Such qualifications should include skills, years of experience, certifications, licenses, education level, and necessary technical proficiencies.

## Type of employment

Include whether it is a full- or part-time position.

## Contact information

Be sure to include your preferred contact information, so candidates can apply and ask questions.

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Avoid any fluff in the job title and key responsibilities section. Be as clear and honest as possible about the tasks that the hire will be completing.

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## Sourcing the applicants

There is no one right way to find candidates. Rather, they often come from a variety of sources. Over time, you'll likely determine which source(s) yield the best candidates for the position you're looking to fill.

### Referrals

Financial advisors often ask other financial advisors, general office management, clients, and friends for referrals. This method has several benefits, including a personal recommendation and the elimination of advertising costs. On the downside, there could be friction if you don't hire the referral, or have to let them go later on.

### Temporary employment agencies

Agencies, like nextSource, streamline the hiring process by pre-screening applicants and providing you with only the most qualified applications to review. They also typically help with background checks and skills' testing. However, there is a cost for the convenience of this service. Agencies charge a percentage, typically 20%–30% above the rate paid to the team member. For example, if the team member is paid \$15/hour, it could be closer to \$20/hour to hire through the agency. If you're interested in this option, call some local agencies to determine their rates. Also, inquire about their temp-to-perm process, should you want to directly employ the person in the future.

### Internet posting

Posting a job ad on sites, like craigslist.org, monster.com, and indeed.com, has become increasingly popular. These sites can help you reach a wide audience. At the same time, they can result in a large number of unqualified applicants. In addition, it can be time consuming to sort through the many applications. Use the advanced search options on these sites to filter candidates by a number of criteria, including skill set, prior firm, years of experience, etc. Keep in mind there may also be a cost for the posting, depending on the site(s) you use.

### Social media

LinkedIn has become a popular way to look for candidates. Ask around your network or use the LinkedIn jobs' tab to post a job and find matches.

# Evaluate your candidates

## Vetting the resumes

One of the most difficult parts of the hiring process is knowing which applicants to bring in for one-on-one interviews. While it's difficult to vet someone on paper, there are some strategies to use. First, re-read the job description you wrote each time before reading a resume. Second, read the resume and cover letter several times to get a sense of the "person" applying for your position. Third, keep these questions in mind when reviewing the resumes:

- How do the candidate's professional experiences and educational background correspond with the prioritized requirements in the job description?
- Do you have a sense of the environment in which this person has worked? How similar or dissimilar is this to your organization?
- How many accomplishments resonate at your firm?
- Does the candidate's cover letter put his/her experience in a context that allows you to see how close a match it is to your organization?
- What is the candidate's work history?
- Has the candidate's career progress been quick, steady, or slow? Which of these three options gives you the most confidence there might be an appropriate fit?
- Does the candidate have any red flags in his/her background, such as an unexplained gap in work chronology, or more than one position where he/she has stayed less than two years? While these issues may not be crucial to the decision to interview, they may be worth probing further.
- Does the candidate's resume demonstrate a comfort in multi-tasking, or working in an environment in which they had to properly manage their time and workload?
- What do the candidate's work choices say about his/her willingness to take risks? How does this fit (or not fit) with your organization?
- If this person has never worked in the financial industry before, do you see personal and/or volunteer activities that show the type of mission commitment you're seeking?

As you narrow the list of potential candidates, make a list of the top five mandatory qualifications/skills/expertise that you require for this role. Then, do an assessment of each resume, based on whether the qualification is directly or indirectly listed. Finally, screen the candidates through social media. Google the person and look them up on Facebook, LinkedIn, and Twitter. An easy way to vet people is to see if any of their online profiles are not consistent with the culture, morals, and brand of your business.

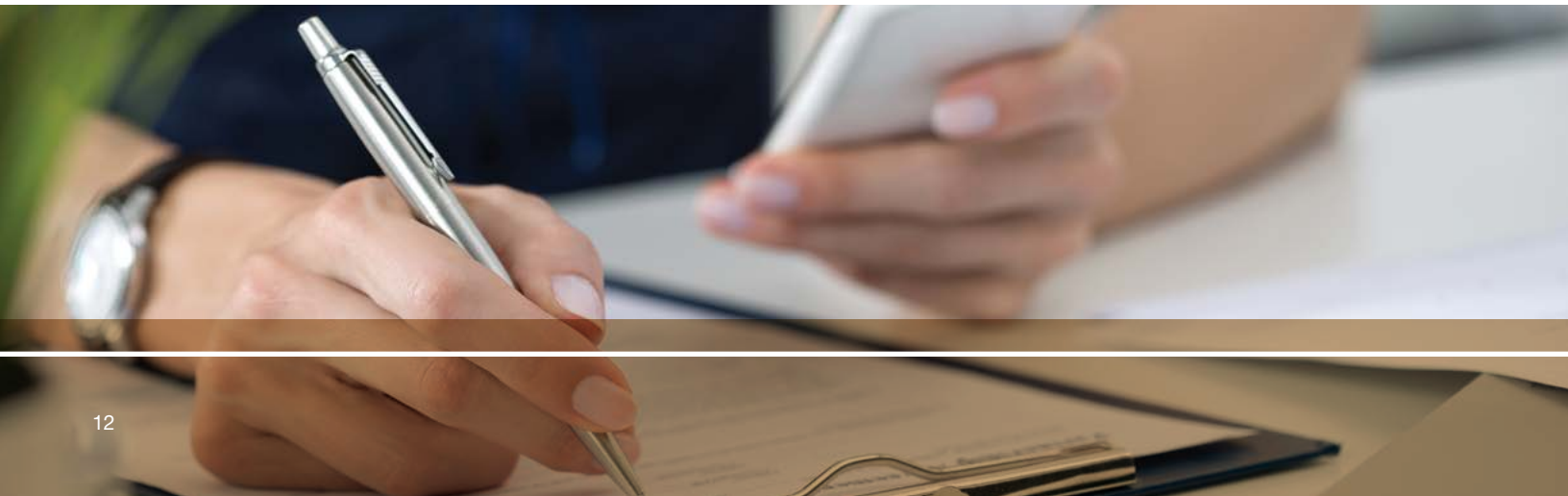
When reviewing the resume, look for any red flags, including gaps in employment, spelling and grammatical errors, or a lack of cohesion between skills listed and "proof of skills listed." For example, when a person claims to be detail-oriented, it's a bad sign if you uncover a number of typos and mistakes in the resume. Also, carefully read the cover letter and look for any inconsistencies.

## Phone interviews

Once a potential candidate's resume has convinced you that they meet your minimum requirements, you'll want to get a feel for their personality and how well they communicate, as well as measure their depth of knowledge on a specific skill set. A brief 10- to 15-minute phone interview is an important tool to determine whether it's worth the time to bring in a candidate for a face-to-face meeting.

Phone interview questions should be fairly basic and cover general points of the resume that you want to know more about. These may include probing about their computer skills, why they are leaving their current job, etc. If the person will be answering phones or interacting with clients, make sure his or her communication style and rapport-building skills meet your needs, and that he or she is clear and articulate over the phone. You may also want to consider asking a few questions that allow a candidate to demonstrate how well they can "think on their feet." A team member who is answering phones or greeting clients must be prepared for all types of requests, questions, and comments. Sample questions to ask during the phone interview may include:

- Why did you leave your last job/Why do you want to leave your current job?
- What are your salary expectations?
- On a scale of 1–10, how would you rank your computer skills with programs like PowerPoint, Excel, Word, etc?
- What are your career goals?
- What are your greatest strengths/weaknesses?
- When could you start working here?
- How do you handle stress and pressure?
- What interests you about this job?
- What are your current responsibilities at your job?
- What was your proudest moment?
- What are your favorite television shows?
- Tell me about a time when you laughed the hardest.
- What makes you really angry?
- What's the best piece of advice you ever received?





## In-person interviews

The in-person interview is your best opportunity to learn more about the candidate, their personality, and how they might handle everyday situations. In addition to building on the questions you asked over the phone, you'll want to incorporate some situational and behavioral questions, like the ones listed below. You may also want to ask specific questions about their skill set as it pertains to the role (i.e., their understanding of specific computer systems, etc.).

- What would you do if you were met with resistance when introducing a new idea or policy to a team or your supervisor?
- What would you do if the priorities on a major project you were working on were suddenly changed?
- What would you do if you disagreed with something your manager suggested?
- What would you do if you realized you would be unable to complete a project by the given deadline?
- What would you do if you were given verbal instructions to a task, but later determined you did not have enough information to proceed?
- Can you give an example of a goal you reached, and tell me how you reached it?
- Can you describe a decision you made that was unpopular, and how you handled implementing it?
- Have you gone above and beyond the call of duty at your current job? If so, how?
- Can you give an example of a difficult situation you've had with a co-worker or customer, and how you addressed it?
- Can you share with me how you have worked effectively under pressure?

When you're considering a candidate, make sure you're not "hiring yourself." Rather, look for someone with a complementary skill set. Also, remember that you're the rainmaker and are looking for someone to help support your sales efforts. While it may seem premature during an interview, think about your long-term goals for this team member.



Are you looking for someone who can ultimately help with sales, or would you prefer someone who wants to remain focused on providing administrative support?



### **Optional personality and skills' tests**

In addition to phone and in-person interviews, some financial advisors conduct skills and personality testing using outside companies, such as Wonderlic or Smart Performance Strategies, or through assessment tools, such as DISC. Wonderlic provides several different types of assessments, including testing for office software and math skills, as well as levels of motivation and integrity. This information can be invaluable in trying to assess the aptitude of a prospective employee in a specific area. The DISC profile provides insight into a person's personality, behavior, and communication style. This information can be used to help you better communicate with and manage your team. It can also help you determine whether a person is the right fit for the job and your office culture.

### **Reference and background checks**

It is wise to conduct a reference check with at least one of the references provided by the candidate. Ask questions about the candidate's working attitude, attendance record, ability to work with others, and skill set. Listen for any hesitations in response or answers that "gloss over" the question, a potential indication that the reference is avoiding a truthful response.

A background check should also be completed, including criminal, education, and employment checks.

# Make the offer

Making a job offer is the culminating step in the hiring process. It's also the point where you have the highest probability of losing the candidate. Once the candidate has an offer letter, he or she has additional bargaining power they didn't have before. In addition, your candidate could get a counter offer from their current employer, or they could use your offer as leverage with other companies. Therefore, once you decide to make an offer, move quickly.

First, make the offer over the phone. If they say yes, send out an offer letter as soon as possible. In the letter, let the candidate know what will happen on their first day, such as an orientation session, attending training sessions, or special meetings. If your organization has drug or medical testing, be sure to work with the candidate on scheduling. Be sure to let the candidate know in advance if employment is contingent on passing the test. The offer letter must include important issues, such as the salary and bonuses. Include the job title and job description, along with the date and time you want the candidate to start.

Be sure the offer letter package includes information on all benefits, such as health insurance, vacation pay, and other company programs that the candidate needs to know to make an informed decision. If you have an employee handbook or manual, include it with the letter. The more the candidate knows about your organization, the easier it will be for them to make a decision. If you have a complete and concise offer letter, you should be able to get a rapid decision from your candidate, and further negotiations might not be necessary.

Finally, taking the time to give your candidate a complete package will significantly reduce miscommunications. The fewer the surprises, the easier it will be to integrate the new employee into your practice. Be sure to call the new employee a few days before his or her start date to answer any questions. Most importantly, make sure from day one that he or she feels like a part of your team.

## Conclusion

Whether or not to add to your team is one of the most important decisions in the life of your practice. While it may sometimes be a leap of faith, having the support to free up your time can help to maximize your strengths and grow your business. Given the importance, be sure to develop a process to thoroughly vet candidates. While it's a time commitment on your part, it's well worth the effort in order to select the best candidate. Furthermore, it helps expedite the onboarding process and reduce employee turnover.





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