



Keys to Developing a Strategic Growth Plan

Challenges for Financial Advisors, like opportunities, are numerous and varied. Along with serving Clients, developing referrals, and directing staff, there is the constant need to focus on business management and direction. It can be difficult to find the time to accomplish everything that you need to do on a daily basis, let alone determine whether you are **managing** your business or **developing** it.

It is important to acknowledge that there are significant differences between running a business and growing it. First, take a step back and establish your objective – do you want to grow your business or are you happy to simply hit the “cruise control”? There is no wrong answer; it all depends on your vision and if you want to take your business to the next level (growth) or if you are comfortable with where it is and are more focused on maintaining its current state (management). If you’re uncertain, the following questions can help provide clarity:



- Where do you want your business to be in 5 to 10 years?
- Do you want more Clients, staff, or offices?
- What is your succession plan for the business?
- Do you have a plan in place to preserve and grow value?
- Do you have the time, resources, capital, and leadership required to keep your growth plans on track?

If, in fact, growth is your objective, there are several areas to consider as you prepare your business for growth. As with any other business strategy, having a plan in place prior is paramount to success. Consider each of the following as you develop your strategic growth plan.

Encourage an entrepreneurial spirit

When looking to grow your business, you are unlikely to have sufficient time available to remain close to key staff. Therefore it becomes important to empower key employees with an autonomous environment and the ability to make decisions that are consistent with your plans. This results in your team members having a greater sense of ownership and accountability, and also fosters an entrepreneurial spirit (as well as generating great ideas from other sources).

To evoke an entrepreneurial spirit from staff, “Freedom with Boundaries” can be an effective tool. Key employees are granted considerable freedom within the boundaries of agreed-upon areas of responsibility. This approach is designed to be non-hierarchical and encourages an owner mentality while also providing key employees with ownership of the risks and rewards of their efforts. Ultimately, the idea is to create an entrepreneurial culture and grow a dynamic team that will be fundamental to (and may even accelerate) your growth plans.

Time off the “dance floor”

When growing your business, it's important to regularly reflect on where you want to be and what is changing around you, rather than be constantly caught up in the detail. Apply the metaphor, “spend less time dancing and more time watching from the balcony”, to assess whether there might be a better way of doing things. When you're on the “dance floor”, you're often in action, consumed in the day-to-day of running the business. On the “balcony” however, you can take a step back from the detail and obtain a clearer, more strategic (and often, more objective) view of your business and the industry. Spending regular time on the “balcony” allows you to think about what you need to do to grow your business and achieve your goals. (In other words, work **on** the business and not **in** it.)

Get your strategy correct and the structure will follow

(Hint: it won't work the other way around) Once you're clear on the strategic direction for your business, the structure of the organization will follow. Businesses that are prepared for growth and scale are usually structured around the opportunities available, as opposed to businesses that organize their structure around their processes.

The best laid plans....

Strategic plans are useful, but should never be rigid when it comes to growing your business. In five years your business will most likely look significantly different than the five year plan you create today. As the saying goes, even the best laid plans can change. As such, you shouldn't religiously stick to your original thinking, because you'll inevitably come up with better ideas along the way. Iterative planning is important and forward-thinking organizations are expected to continuously change. It is critical that you remain flexible and take advantage of opportunities that present themselves as your business grows.

If it works, do it again.... and again

When you find something that works, scale it and apply it to other areas in your business. You don't need to keep reinventing the wheel – when a process works, it is likely to be more efficient for your business to replicate it. Understanding and mapping out business processes is important because it allows you to see where staff is spending their time. Gaining efficiencies within the business will assist in your overall growth.

Be confident about your value proposition

If you are confident that you have done your research, understand the opportunities available, and have designed the correct strategy, be confident in your value proposition. It should be a clear, concise, and compelling description of what your business does. Believe in your strategy and execute with conviction.

Grow your revenue faster than your expenses

This may seem like an obvious statement, but most business owners focus solely on bringing costs down. Those focused on growing their business will concentrate on growing revenue faster than costs, and will constantly search for new and better ways of generating revenue. This involves getting a clear understanding of the value drivers of your business and includes looking at the operational efficiency of the Firm.

Have a positive mentality toward change

When running a business, there is a tendency to focus on problems and the things that are not working. Unfortunately, this makes change something that must be justified. However, when you focus on positive things and the small victories, the bias will be toward saying “yes” and the decision to stop must be justified. As you can see, it's all in your mindset – when growing a business, change is fundamental.

Expand your resources

When growing a business, the focus needs to be on ensuring the availability of resources that are required to get the job done, especially when you believe that you have the right strategy. Oftentimes however, Owners focus on the cost of resources, ensuring no waste and maximizing value from existing staff. Don't be afraid of investing in necessary (i.e., valuable) resources. I tend to use the phrase "Build it and they will come", as growing businesses usually need to invest in their strategy before reaping the rewards. Having the correct resources in place will also prevent staff from blaming any failure on the business or a lack of support.



Cultivate a "no blame" culture

Certainly everyone makes mistakes – and they're acceptable provided we can learn from them. When running a business though, there is often a focus on minimizing mistakes. I believe that if mistakes are of a sensible size and are not repeated, in many ways they can serve as an investment in education. A Firm that embraces this attitude means a culture of continuous improvement exists – something that is critical when growing a business.

Recognition and reward

When growing your business, it is imperative to recognize the people on your team that are making a difference. This can be accomplished through remuneration, bonuses, or profit sharing structures or incentives. It is a natural tendency to want to place limits on rewarding staff when your mentality is one of growth. However, using an award structure that truly reflects outcomes and not limits should be encouraged, as should empowering your team and encouraging increased accountability.

A carefully planned and thought-out strategy greatly increases the likelihood of success. When approached correctly with definable action steps that can be measured, a growth strategy becomes something that is indeed implementable and obtainable, rather than a frustrating ad hoc exercise in futility.

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