

## Practice Assessment Report

The Practice Assessment Report was designed to provide the practice owner a clear, concise and objective way for them to understand their current practice circumstance. Through this Assessment they will gain a better understanding of their abilities to execute all the critical components of owning a business. These reports have been developed by collecting data for the last seven years from hundreds of successful practice owners throughout the United States. Currently our organization employs 700 financial services professionals that provide the benchmark data for our work.

- Our unique approach are the benchmarks of statistically similar practices, i.e. if you are a CFP who has 150 clients with 50 million dollars under management and have been in business for 15 years, your Practice Assessment score will be benchmarked from similar practices.
- The Assessment provides the participant a score in three areas:
  - How well you function as an owner of a business
  - How well you deliver professional financial services to your clients
  - How well you make and execute decisions
- Each participant can then use these findings to take steps to improve their business. The report will provide a score and set of recommendations. The score should be reviewed with one of our practice consultants to determine appropriate action steps.

Practice owners should assess their practice on an annual basis.

To learn more about this report, contact Adam Rahuba

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## Data Input

The following list displays the answers you provided while completing your Practice Assessment.

### Core Facts

- 52-Week Total Revenue
  - **250,000-500,000**
- Total Number of Clients
  - **250-500**
- Total Assets Under Management
  - **50,000,000-100,000,000**
- Core Business Model (check all that apply)
  - **Sales Results Driven by Recurring Revenue**
- I Have a Long-Term Business Plan in Writing
  - **Yes**
- I have an Annual Business Plan
  - **Yes**
- I have a Ninety Day Action Plan
  - **No**
- I have a Weekly Accountability Meeting
  - **No**
- I have a Short Daily Organizational Meeting
  - **Yes**

### How Decisions Are Made

- All decisions are made by me
  - **No**
- Most decisions are made by me with some team input
  - **Yes**
- All decisions are made by me and those associated with my practice
  - **Yes**
- Most decisions are made by me and those associated with my practice
  - **No**
- Someone outside my practice helps me to make important decisions
  - **No**

### Ownership Decisions

- I have a written vision of my long-term plan for my practice
  - **Yes**
- I have a written growth plan for my practice
  - **Yes**
- I have a written value proposition that is communicated to my Team and to my clients
  - **Yes**
- I know the strengths and weaknesses of the practice

- Yes**
- I try to have a great work environment that builds long term loyalty with my team
  - Yes**
- I have a written transition plan and buy sell plan in place
  - Yes**

#### CFO Decisions

- I know the profit my practice is generating
  - Yes**
- I know the weekly revenue demands of my practice
  - Yes**
- I know the revenue value of my individual clients
  - No**
- I know how my practice rates against the benchmarks of other practices
  - No**
- I have key statistics that I like to review about my practice
  - Yes**

#### Marketing Decisions

- I have a written marketing plan to acquire assets
  - Yes**
- I have a personal budget and a wholesaler budget I leverage acquire new assets
  - Yes**
- I have an annual asset target that I communicate to my team and my clients (to some degree)
  - Yes**
- I have a marketing plan that is easily executed by our team
  - Yes**
- I have a marketing plan that is well balanced for short term and long term results
  - Yes**
- I have a marketing plan based on receiving
  - better quality in new prospects**
- What percentage of your gross earnings is spent on marketing?
  - 5-10%**

#### Sales Decisions

- I have a written sales plan and philosophy
  - Yes**
- I have a weekly sales target
  - Yes**
- I have a consistent sales practice that I follow for all clients with specific assets to invest
  - Yes**
- I have a 60 to 90 day model to control consistent sales results
  - Yes**
- I have a balanced product mix within my practice

- Yes

#### Service Decisions

- There is a written client service model
  - Yes
- There is a clear purpose for your service appointments
  - Yes
- I have identified core clients
  - Yes
- I have identified revenue per client
  - No
- I have identified service levels
  - Yes
- There is a client service agreement that is articulated with the client
  - Yes
- This is shared by yourself
  - Yes
- This is shared by your staff
  - Yes
- This is shared by your clients to others
  - No
- There is a client appointment preparation process that is consistently followed
  - Yes
- There is a clear value being added during client service meetings
  - Yes
- There is good alignment at service appointments to marketing
  - Yes
- There is good alignment at service appointments to marketing and sales opportunities
  - Yes

#### Planning Decisions

- I have a written philosophy that addresses my position on the importance of planning in my practice
  - Yes
- I have an ongoing planning fee target for my practice
  - Yes
- I have an efficient process to deliver plans in a timely manner
  - Yes
- I have an effective administrative process to control pricing, collect fees, and control the quality of your advice
  - Yes
- I have one person, other than myself, who owns the planning process for my practice
  - Yes

#### Administrative Process and Practice Protection

- I have an effective follow-up process for all appointments that will act as a check and balance to the practice

- Yes**
- I have a effective process that assures documentation, timelines and disclosure
  - Yes**
- I have a good process to follow that assures that all compliance process are being followed and I am protecting my clients best interest
  - Yes**
- I have a system that fosters good communication with my team as it relates to our workflow
  - Yes**

### Critical Issues

- Prioritize this list from most to least important (10 being most – 1 being least important)
  - Growing equity of the practice
    - **3**
  - Growing my earning or revenue
    - **2**
  - Having more time away from the practice
    - **1**
  - Having recognition from broker dealer
    - **7**
  - Having recognition from my peers locally
    - **9**
  - Having more time for my clients
    - **10**
  - Growing a team or ensemble concept
    - **8**
  - Delivering a great quality and value experience for my clients
    - **4**
  - Involving my team with a revenue sharing concept
    - **5**
  - Receive a high client satisfaction source
    - **6**
- Prioritize from this list your greatest strengths (10) to your weakest skills (1)
  - Ownership skills
    - **2**
  - Understanding Practice Statistical Data
    - **3**
  - Marketing Skills
    - **4**
  - Sales Skills
    - **5**
  - Service Skills
    - **9**
  - Advice Skills
    - **1**
  - Organizational Skills

- 7
  - Communication Skills
    - 10
  - Listening Skills
    - 8
  - Visionary Skills
    - 6
- In your opinion, what are the three most important practice issues you would want to address in the next 12 to 18 months?
  - **Marketing**
  - **Sales**
  - **Staff Issues**
- If you were to prioritize the strengths of your practice as it relates to these three topics (1 = best, 3 worst)
  - Marketing
    - 1
  - Sales
    - 3
  - Service
    - 2
- If you had extra money would you spend it to improve your practice? If yes, how?
  - **Yes, I would spend it to get help with marketing.**
- If you had more time where would you commit your time to improve your practice?
  - **I would try to get more quality clients.**
- If you just did what you really loved to do within your practice what would you be doing?
  - **Client Meetings**
- If you could stop doing one thing what would it be?
  - **Marketing**

#### General Assessment

- Do you have a signed buy/sell agreement in the event of your disability or death to protect your investment?
  - **Yes**
- Do you have a business continuity plan to capture the value of investment when you are ready to leave this business?
  - **Yes**
- Do you have the funding in place to capture the value of your practice in the event of death, disability or retirement?
  - **Yes**
- Do you know the value of your practice?
  - **Yes**
- Do you have an accounting system in place to create clear Profit & Loss statements for your practice?
  - **Yes**
- Do you have an up to date compliance system in place to protect your practice?
  - **Yes**
- Indicate which investment products you use that exceed 15% of your total product mix. For Example: if you use 10% 'Mutual Funds', 35% 'Variable & Fixed Annuities', 0% 'Hybrids', 0% 'ETFs', 0% 'SMAs', 30% 'Stocks & Bonds' and 25% 'Cash Value & Term Life Insurance' you would only check the 'Variable & Fixed Annuities', 'Stocks & Bonds' and 'Cash Value & Term Life' Insurance boxes.

- Mutual Funds**
- Variable & Fixed Annuities**
- Hybrids (UITs, Closed-End Funds)**
- ETFs (Exchange Traded Funds)**
- SMA's (Separate Managed Accounts)**
- Stocks & Bonds**
- Cash Value & Term Life Insurance**
- Indicate which of the following needs you provide solutions to your clients for on a regular basis.
  - Education**
  - Retirement Planning**
  - Cash Flow & Debt Structure**
  - Estate Planning**
  - Personal Goals and Objectives**
  - Investment & Portfolio Management**
  - Qualified Plans (401(k), SEPs, Profit-Sharing)**
- Indicate what needs your clients are inquiring about (do not consider whether you actually offer solutions for).
  - Education**
  - Retirement Planning**
  - Investment & Portfolio Management**
  - Qualified Plans (401(k), SEPs, Profit-Sharing)**
- Do you have a written out practice profile?
  - Yes**
- Do you have a client advisory board that meets on a regular basis?
  - No**
- Have you used a client focus group to get feedback?
  - No**
- Do you pre-set client meetings?
  - Yes**
- Do you have telephone appointments on a regular scheduled basis?
  - Yes**
- How frequently do you meet your top 50 clients?
  - 1 time a year**
- How quickly do you respond to client requests?
  - Within 2 days**
- What percentage of your revenue is allocated towards your expenses?
  - 11-20%**
- What percentage of your revenue do you see as your profit?
  - 31-40%**
- What percentage of your revenue do you take home as income?
  - 30% or Less**
- How much must each client generate on an annual basis to become profitable?
  - Unknown**
- What percentage of your clients generates 80% of your revenue?
  - 20% or Less**
- Do you belong to a formal ensemble with partners?

- No**
- Do you work as a sole practitioner?
  - Yes**
- Do you want to add partners or become part of a formal ensemble?
  - Yes**
- Do you partner with other professionals such as CPAs or Attorneys?
  - Yes**
- Do you employ staff?
  - Yes**
- Do you have an EEOC compliance understanding as an employer?
  - Yes**
- Do you provide benefits to your employees?
  - Yes**
- Do you have an employee handbook?
  - Yes**
- Do you have an annual job performance review of your employees?
  - Yes**
- Do you know what percentage of your revenue is allocated toward expenses?
  - Yes**
- Rank the following expenses based on their amount in your budget. Selecting 7 means "This expense is the most in my budget", selecting 1 means "This expense is the least in my budget".
  - Rent
    - **6**
  - Telephones & Internet
    - **1**
  - Equipment
    - **2**
  - Marketing & Advertising
    - **3**
  - Staff & Benefits
    - **7**
  - Compliance
    - **5**
  - Client Costs
    - **4**
- Are you trying to reduce expenses?
  - No**
- If you answered "Yes" to the last question, select the areas below where you are trying to decrease expenses:
- Do you how much you must earn from each client to cover expenses?
  - No**
- Do you think of revenue as a:
  - Bottom line after expenses**
- Do you review revenue trends in your practice?
  - Yes**
- What has been your revenue trend this year?

- 0-10% increase**
- Do you have any designations (i.e. CFP, CHFC, MBA)?
  - Yes**
- How many trade magazines do you read per month?
  - 2**
- How many classes do you attend every year to improve your professional ability?
  - 2**
- How many professional books do you read on an annual basis?
  - 2-3**
- How many new clients do you acquire per year?
  - 11-20**
- Do you plan to acquire another practice?
  - No**
- Do you plan on selling your practice in the next 36 months?
  - No**
- Do you acquire clients through referrals?
  - Yes**
- Do you acquire clients through seminars or work place marketing?
  - Yes**
- Have you begun to create a special niche that makes your marketing plan more effective?
  - No**
- How much time do you devote to new client acquisition per week?
  - 5 hours or less**

## Assessment Results

Thank you for completing your Practice Assessment. As you begin to review your results it is recommended that in the first ninety days you pick the one area that appears to be most critical for improvement. The most difficult task of owning a financial services practice is change and this Assessment serves as a catalyst for step by step improvement. We are available at 724-342-7454 to help you in any way regarding this Assessment.

### Your Business Operations and Their Effectiveness

- **Score:** 47 out of 73
- If your score is above 60, you are performing the function of a business owner at a competent level. As you review this section with our practice consultants, they will provide insight to items that need to be attended to for business improvement.

### Your Practice Operations and Their Effectiveness

- **Score:** 61 out of 84
- If your score is above 65, you are performing the function of a practitioner at a competent level. As you review this section with our practice consultants, they will provide insight to items that need to be attended to for practice improvement.

### Your Decision-Making Process and Its Effectiveness

- **Score:** 108 out of 157
- If your score is above 125, you are displaying a high level of decision making for your business. When you review this section with our practice consultants, if any critical decisions are identified they will be acted on in the next six months.

The three most important practice issues you would like to address in the next 12 to 18 months are:

1. Marketing
2. Sales
3. Staff Issues

If you just did what you really loved to do within your practice you would be:

- Client Meetings

If you could stop doing one thing it would be:

- Marketing

Your top two critical objectives:

- Having more time for your clients
- Having recognition from your peers locally

The above three items of attention as well as the critical gaps need a plan for implementation. We remain available to discuss and help you through that implementation plan so that you can see evolving change in your practice success.

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