inside information

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Pipeline to Empowerment

Synopsis: *Here's how to automate staff training and career management, and create a living, autonomous process for developing your human capital.*

Takeaways: *Having extremely detailed job descriptions at every level allows staff to manage themselves and take responsibility for acquiring the skills necessary to reach the next rung on the career ladder. Instead of one-on-one training, create video recordings of training sessions, and hire outside experts. The Leadership Pipeline reduces the invisible burden of supervision from the backs of the senior staff.*

Most of what you hear about advisor succession planning involves founder/advisors mentoring and training their staff to take over their functions and contributions when they're gone. But Coventry ("Covie") Edwards-Pitt, chief wealth advisory officer of Ballentine Partners in Waltham, MA, thinks a better goal is to build a training process and career ladder right into the firm's daily business routine, so that the mentoring and training chores are distributed, institutionalized and last forever. In effect, the firm itself becomes the vehicle for passing the torch from one cohort to another--and the employees become responsible for managing their own careers within that structure.

"Roy [Ballentine, the company founder] trained the next generation of all of us, ten senior advisors, in how to do things the Ballentine way," says Edwards-Pitt. "I view it as our job to

EARLY WARNING

● The Insider's Forum conference, September 17-19 in Dallas, still has openings for 30 more registrants before the doors will have to close. Presenters include Mark Hurley, Woody Brock, Rebecca Pomering, Tim Kochis, Cheryl Holland, Harold Evensky, Philip Palaveev, Wade Pfau, Harold Evensky, Michael Finke, Mike Leonetti, Richie Lee, Greg Friedman, Michael Herbst, Jo Day, Dennis Stearns, Jim Shambo, Ross Levin, Bob Huebscher, Gabriel Garcia, Joe Sheehan and Bob Veres.

Educational tracks focus on the interests of the CEO/founder, on issues relevant to CIOs and to COO/operations staff, and there are price incentives to bring in additional members of the advisory staff.

The full agenda, plus registration details, can be found here: http://www.insidersforum.com. One question still under consideration: should there be a basketball game for attendees after the opening cocktail reception? Or before?

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institutionalize what makes our firm "our" firm, so that we can pass it along to future generations."

To meet that goal, Edwards-Pitt led the effort to build Ballentine Partners' "leadership pipeline"--a term you may have heard in conjunction with Abacus

> **Entry-level advisors are expected to function as alarm bells for the rest of the firm.**

Planning group in Columbia, SC and Accredited Investors in Edina, MN. If you want to create a self-sustaining practice that will serve clients your way after you're gone, and if you also want to delegate some of those time-intensive mentoring chores, the leadership pipeline is a flexible way to transform a practice into something like a living entity.

Unusual size, clients and service

Ballentine Partners has never been a normal advisory firm. It's larger than most, with 53 staff members, including 23 in the planning group, 13 in the investment group, six who serve in an operational capacity--plus administrative and technology support staff. The firm's clients rank higher on the net worth scale than many firms' total AUM; Ballentine's average client has more than $50 million in assets.

As a result, the advisory teams provide an unusually broad level of professional services. "When we say "planning,"

we mean continual ongoing planning," says Edwards-Pitt--a process that includes a scorecard that constantly assesses each client's balance sheet, risk management situation, estate and legacy planning, family dynamics, and the ongoing health of their businesses. "As we go through the scorecard at a client meeting," Edwards-Pitt adds, "we're asking ourselves: are there opportunities that they might be missing, and what are the risks that are coming down the line?"

The service also includes working with children, trustees and other advisors. "For every client, there are probably 10-15 people that you're interfacing with," Edwards-Pitt explains. This is why each senior client advisor is responsible for just 10 to 15 clients--far lower than the more normal 50-100 elsewhere in the profession.

Role descriptions

The heart of Ballentine Partners' leadership pipeline is a detailed description, for each job position, of what is expected of the staff member. This is far more than a job description that simply outlines tasks and responsibilities. The role description includes hundreds of words outlining the firm's expectations in five different dimensions: client service, leadership and

management, communication, business development, technical (professional expertise) and work values or culture.

On the company's org. chart, the planning group has four levels. You join the firm as a Wealth Planning Associate, which at some firms might be called a paraplanner, and your job function includes creating reports and preparing exhibits for client meetings. The one-page, eight-column, small print leadership pipeline description for this job includes such expectations as accuracy, problem-solving and judgment, and also the ability and willingness to speak up to your seniors if you identify anything about any client situation that needs more attention than it may currently be receiving. The associate level advisors are expected to function as alarm bells for the rest of the firm.

"This may be our entry job," Edwards-Pitt explains, "but we want these people to understand that they're a very critical component of the team. Because they're the people who are closest to the data, they are therefore closest to seeing opportunities that our clients can benefit from."

A Wealth Planning Associate is also expected to be an effective communicator in verbal and written interactions with staff and clients, and to exhibit ownership, accountability and initiative on the job. They should act as an ambassador of the firm in personal and professional interactions inside and outside the firm--a precursor to assuming marketing/business

development responsibilities. Under the work values/culture heading, the role description talks about the importance of cultivating a cooperative attitude, of maintaining high ethics and values, and (in commendably straightforward language) being a person that others enjoy having on their team. The role description also talks about the importance of being able to multitask and stay organized, engaging openly in group discussions and making recommendations believing that positive changes can happen.

People at the associate level are also expected to volunteer in the community at large--another entry-level marketing activity.

The next level above Associate is the Wealth Planner, who is tasked with independently managing projects, working with external advisors like the client's CPA and estate attorney, and generally handling 50-60 percent of the client interactions. The leadership pipeline role description has all the same columns as the Associate's, but

now the expectations are higher in all areas: leading by example, delegating appropriately, actively contributing to the

> *Ballentine Partners employees at all levels are expected to be able to communicate--internally and externally--with a skill level that might make a professional writer pause.*

knowledge management of the firm, seeking out networking opportunities beneficial to the firm, demonstrating strong financial planning knowledge and the ability to apply it to client circumstances.

At the top end of the ladder, the Senior Client Advisor supervises the entire client engagement, which means interfacing with the investment team (who have their own hierarchy and role descriptions), supervising the team that works with their assigned clients and running the client meetings. "The senior client advisor is at every client meeting, and they are probably handling the most strategically complicated calls with the client," Edwards-Pitt explains. The role description escalates the level of planning knowledge, independent thinking, leadership responsibility and client acquisition activities. "We want everybody to excel in client service, and so the descriptions talk about behavior with clients," says Edwards-Pitt. "You manage your first impression, convey warmth and friendliness, competence and confidence. Be responsive and communicative. Provide accurate

high-quality work. Be highly-organized. Be resourceful."

One thing I found most interesting was the attention to communication skills in these role descriptions. Ballentine Partners employees at all levels are expected to be able to communicate with skills that are described in a way that might (we're speaking totally hypothetically here) make a professional writer pause. Entry-level staff are expected to be (or become) strong writers, offering jargon-free, grammatically correct emails and letters that "convey empathy, tact, resourcefulness and competence." Similar standards exist for verbal communications.

At the Wealth Planner level, staff members are expected to be good editors, strong, engaging presenters, and they must take into account the knowledge level, learning style and communication preferences of clients. (I didn't see the Senior Client Advisor role description, but it wouldn't shock me to find a requirement to write professional articles and perhaps author a best-selling novel.)

"This communication aspect is something we spend a lot of time and training on," says Edwards-Pitt. "We work in a business where you have a lot of highly-technical people, who are also very well-trained in the technical aspects of the business who, as they are

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taking on more responsibility, need help in understanding what it is on the non-technical side they need to develop. They're great at analysis, but we need to be sure they can earn the client's trust and confidence as well," she adds. "So we're constantly talking about how to write emails

is expected of them and what they need to work on to excel in their current position. But staff members are also expected to read the description of skills and responsibilities at higher rungs on the career ladder.

This is where the magic starts to happen. "If someone is trying to take on more responsibility, but there is no roadmap for the skills

and doing their jobs well. That constant responsibility can be exhausting," she continues, "and very distracting, and emotionally volatile if you have to do it on a day-to-day basis. If you're depending on your manager's blessing of what you've done on any given day, you're depending on their mood and the distractions of the work the managers are doing at that moment, and many other variables. And that assumes they're engaging you. Half the time we're all so busy we don't have time to spend on non-core tasks like giving feedback.

The detailed role descriptions make it easy for the staff to understand what's expected of them, and what skills they need to acquire to move up the career ladder.

that are jargon-free when we're communicating about technical subjects that are often laden with inside terminology."

As to the warm, friendly tone the company expects in all of its staff/client interfaces, she says that the senior staff wants that to be part of the brand of the firm. "What we're promising in terms of the service experience," Edwards-Pitt says, "is that we are smart, but also very warm and authentic. We have all seen financial emails that look robotic," she adds. "We view ourselves as really trying to convey, in everything we do, this sense of empathy, that we're marrying our strong technical skills with very strong soft skills too, because you really need both to be good at what we do."

Removing the invisible burden

The detail in these role descriptions makes it much easier for everybody at Ballentine Partners to understand what

they need to acquire to get there," says Edwards-Pitt, "it can be very frustrating. So we try to make it as clear as possible. People have the peace of mind: this is what is expected of me, therefore I can organize my life, and my job, to make sure I am performing to these expectations. And it is not going to be a mystery. It is all very clear. This is what will be expected of me at the next level. I need to master these skills. This, too, is clear."

These detailed descriptions take an enormous, invisible burden off of the senior staff members, and eliminate countless opportunities for friction or frustration in the firm's day-to-day staff interactions. "One of the problems you see with the usual way of handling training and evaluation and career advancement," says Edwards-Pitt, "is employees continually needing to come to their managers to understand what the expectations are of appropriate behavior

"We wanted to empower people to take it upon themselves to work toward the goals that are defined at each level," Edwards-Pitt adds. "Here is what you need to learn, here is what you need to demonstrate that you've learned in order to be promoted to that Senior Client Advisor role."

Self-training

The role descriptions list a number of resources that Ballentine Partners staff members should use for self-training. To move to the next level, they should have read specific books, taken online and other training courses, and they are encouraged to join certain networking organizations. They also attend Ballentine University.

The in-house university originally consisted of Ballentine himself leading group meetings, talking about different planning and client service issues, outlining how he wants staff to interact with each other and clients.

Eventually, the process branched out to include occasional outside lectures by content experts, and informal presentations by key staff members.

Now this coursework is being video recorded, so staff members can view the content on their desktop whenever they have free time. The university professors are increasingly coming from a community of outside experts. Currently, Gabriel Communications (*http://www.gabriel-communications.com*) is working with Ballentine Partners advisors in role-playing exercises--and those interactions are being recorded into a comprehensive communications training program. Money psychologist James Grubman (*www.jamesgrubman.com*) is coming into the office every three weeks to present case studies and offer training on specific (difficult) client issues--and those, too, are being recorded. "Those 'Jim trainings,' as we call them, used to be given basically to the Senior Client Advisors and to no one else," says Edwards-Pitt. "I really wanted to move beyond that. I wanted everyone who wanted to be able to benefit from learning these topics to be able to do that."

Team training

This self-advancement mindset doesn't mean that Ballentine Partners declines to offer one-on-one training to its staff members. In fact, a big part of the leadership pipeline concept is an effective, nontraditional approach to cultivating the firm's human capital.

This starts with the way the client service teams are organized. At the fourth rung of the career ladder--the management level-- the company has Edwards-Pitt and her counterparts in the investment and operations departments, whose responsibilities include oversight of a training regimen. Each management level person will also have client responsibility. Edwards-Pitt functions as a Senior Client Advisor who, for each of her assigned clients, oversees a team that includes a Wealth Planner and a Wealth Planning Associate. But for each client, the teams are different; different Wealth Planners for different clients, and the Wealth Planners, in turn, will be working with different Wealth Planning Associates.

On the investment side, each client will be assigned a Senior Investment Advisor supported by an Investment Analyst, and these teams are also mixed up, so that each Senior Investment Advisor works with a variety of Investment Analysts.

Add it up, and you generally have five people assigned to each client, but just about everybody in these two departments is working with just about everybody else across the client spectrum. "I've seen firms where there is a Team X that has the same planner, same associate, and they handle the same 50 clients," Edwards-Pitt explains. "We don't do it that way. I handle 12 clients, I work with four planners across my clients, and six Wealth Planning Associates. Everyone, in whatever role they are in, has the opportunity to work with a number of people in the other roles. If you're a client, your team always stays

The company is now video recording presentations by outside experts, so advisors can access training at their convenience, at their desks.

the same," she adds. "But what you experience in-house is that you get to work with a number of different people on your different client engagements. It makes it much easier to share best practices and make sure we're hearing about opportunities that we may not be aware of," Edwards-Pitt says, "simply because we are not working directly with those clients."

But perhaps more importantly, by exposing so many staff members to so many other people at the firm, there are greatly expanded opportunities for one-on-one training and interactions. "A big emphasis here," says Edwards-Pitt, "is how we manage our staff members in their client jobs. That's why it's such a big part of the leadership pipeline description," she adds; "we want to make sure opportunities are being pointed out to you to do better, to do things more the way

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we do things. We spend a lot of time training the managers to know what we need to be looking for, so they can take the day-to-day opportunities that we are all given as managers to educate and mentor our people."

> *The Leadership Pipeline role descriptions and opportunistic training makes the annual performance review easier and more participative.*

Performance reviews

When you combine the clarity of the role descriptions--your current expectations, plus the expectations at the next level--with the emphasis on what might be called opportunistic training (using client situations as learning opportunities), you completely transform the onerous annual performance review dynamic. "It makes for a very easy and more participative conversation," says Edwards-Pitt. "It's not the usual: Me, Manager, You, Employee. They can come in and say, well, I think I'm doing well on this, not as well on that. What is your progress toward the next level, if that is appropriate, compared with these very clear expectations? It makes everything much more transparent."

Ballentine Partners has recently taken the next step, and created an online review system. Whenever a senior staff member makes a key observation about somebody he or she is working with, that person is encouraged to type it into the performance review notes. The comments are aggregated and collected over the course of the year. "Hopefully, by year-end you have built up the things you want to say to and about this person," Edwards-Pitt explains. "So you aren't meeting once a year and trying to remember, what did I think of this person over the last 12 months, what specific training opportunities were there...?"

Are these comments visible to the employee on an ongoing basis? Edwards-Pitt says that there is a much better way to make sure the employee is not in the dark about what is written in the performance review notes. "Part of our culture is to give people direct feedback," she says. "If you're going to type something you think is important into the system to remind yourself, we also expect you to actually tell the person directly what you think about what happened, so people aren't surprised about something you had a problem with eight months ago."

Career choice and leading from any chair

Most of the performance review meetings will talk about progress toward the next rung on the ladder, but others might not. "People don't necessarily need to move up the career ladder," says Edwards-Pitt. "If you really enjoy being at the first level and you find that fulfilling, great. Don't feel pressure to move up if you don't want to."

Ballentine Partners is currently working on defining pay bands at each level, moving toward more transparency in staff compensation. "There is an understanding that at each level, the band will go up with inflation and market demand, but there IS a band," Edwards-Pitt cautions. "There may be overlap earnings potential, but everybody understands that if you stay at one level, you are going to cap your overall earnings potential. Band one will be lower than band two."

But that doesn't absolve the less-ambitious staff members from their leadership responsibilities. Every person at every level is expected to contribute to the intellectual capital of the firm, and to contribute thoughts and ideas on how to make it function more smoothly--and provide better service. Edwards-Pitt calls this "leading from any chair," a term taken from former Boston Symphony Orchestra conductor Ben Zander's book "*The Art of Possibility*." After soliciting feedback from every one of his musicians at every rehearsal, Zander was able to dramatically improve the orchestra's overall performance. "Our staff members have an incredibly powerful role," says Edwards-Pitt. "Their voice is a powerful contribution to the leadership, because the leadership is blind without access to

everybody's data and information and feedback."

Even though everybody is expected to deliver feedback at every opportunity, the firm has developed processes that systematically harvest it. Edwards-Pitt conducts regular one-on-one lunches with staff at all levels. "The entire point of the lunch is: I just want to hear everything on your mind about how you think things are going here," she says.

Meanwhile, a planning leadership team meets every two weeks to go over all the feedback and suggestions that have been provided, and Stephen Martone, who handles staffing and managerial/mentoring responsibilities for the first and second level advisors, holds a meeting every three weeks with staff at the associate level and a different meeting with staff at the planner level.

What specific feedback has led to changes at the firm? At the macro level, the planning leadership team was hearing from members of the advisor staff that their time was being misused, but the signals were very mixed. "Up until eight months ago, Wealth Planning Associates were responsible not only for the planning-related work, but a lot of operations-type things," says Edwards-Pitt--which included creating letters of authorization, subscription documents and a number of other administrative chores relating to the client. In the meetings, some of these people were saying that they really enjoyed the operational

work and were less enthusiastic about the planning tasks. Others said that the operational chores were a complete distraction from what they really wanted to do, which is go up the ranks, learn the strategic planning work and become a planner as quickly as possible.

"We want people to be doing what they most enjoy every day," says Edwards-Pitt. "So we split

> ***The firm has developed processes for systematically harvesting staff feedback.***

three members of our team from the Wealth Planning Associates and created an operations group," she says. This part of the team began working alongside the operations staff who handle the performance reporting downloads and other back-office work.

The shift required a lot of reshuffling, since the planning relationships had to be reallocated among the remaining Wealth Planning Associates. But each person's total workload should, theoretically, remain roughly the same. "Now the operations people don't feel like they're getting bombarded with a lot of training that they don't want to do," Edwards-Pitt adds, "and the people on the advisor track don't feel like they're being held back by all this operations stuff we were making them do."

On a more micro level, the feedback highlighted some challenges with this shift in

responsibility. "Theoretically, when we had to create a letter of authorization--to send cash to a client, for example--the people on the client team were now responsible for sending this task over to the operations people, who would handle it," says Edwards-Pitt. "But when we actually got down to the details, the people on the client team happen to be the ones who totally understand the specific client details, and they house all the information that needs to be relayed to get the letter of authorization done in the appropriate way. So they were telling me," she continues, "that, hey, I'm having to type up an email that has all the details in it. The time it takes me to type up the email to relay all the necessary details could have been spent to just do this letter of authorization myself."

That was totally right, Edwards-Pitt says. "But what everyone has agreed to, and they needed to understand, is that over time the ops people will be building the knowledge on their team so that the planning team won't need to do that anymore, and it will actually streamline everyone's life. We realized we had to get people over the hump of understanding: this isn't going to be an immediate: oh, thank God, the ops team is here; there goes all the work associated with my letters of authorization."

And that, of course, is the point of gathering constant feedback. "The technical aspect of the process is easy," says Edwards-Pitt. "The harder thing is sorting out how the teams will

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work together and retain trust in each other and in how things will work--and understanding what the goal is, which is to make everyone's life easier."

Motivation, transparency and purpose

After spending weeks of her life developing the leadership pipeline role descriptions in excruciating detail, and then working on implementing the training modules and cloud-based review meeting system, Edwards-Pitt believes that the main accomplishment is not necessarily efficiency, but motivation. She references the book "Drive," which suggests that creative people are motivated by three things: autonomy, mastery and a sense of purpose. "By codifying and making transparent all of our expectations, and laying them out for people, putting the training out there for them to do, we have made a lot of the development autonomous," she says. "We let people take charge of their own career path."

And by linking all of the expectations at the firm to a common culture, and to common goals, the leadership pipeline creates a sense of purpose that underlies the many individual tasks and activities that are accomplished each day, and points each staff member in the same general direction.

"When I was doing this, I didn't want to just codify where

we were," says Edwards-Pitt. "I really wanted to codify where we wanted to go. What is the level that we want each job to perform at? Maybe it isn't there yet," she adds, "but I was really trying to empower people to know, what is the ideal? Then we can all work towards the ideal."

It seems to me that there is an additional lesson here, which

addresses one of the biggest issues in today's advisory profession. The fundamental challenge with any kind of delegation is the inevitably painful up-front work that has to be invested. Instead of doing something yourself, you have to stop and train somebody in how to do it, making that process much longer and more tedious--the first time, and maybe the second. It creates a short-term hurdle which, if you can overcome it, gives you a long-term benefit. (Eventually not having to do that same task at all.)

Ballentine Partners has found a way to delegate a very complicated, labor-intensive ongoing task that is normally (invisibly) laid onto the job responsibilities of everybody in a senior position: to train people, give them feedback, lay out in one-on-one discussions what is wanted and what they need to do, and how they should be

performing on a day-to-day basis.

Creating a leadership pipeline process and the detailed role descriptions represented a lot of up-front work. The reward was to shift a lot of the responsibility for managing their careers to the individual staff members, and reduce this invisible burden of day-to-day management. I might describe it as a shift from

By making the expectations transparent, and the training available and clear, and linking expectations to a common culture, you create that elusive thing called "empowerment."

management to mentoring, but it is also a shift from managers having to repeat themselves to each individual employee, to having it all there for the employees to find on their own. Recording the training sessions fits perfectly with this theme.

Many advisors are being advised that they should stop managing and start mentoring their key staff members as they come to the last stage of their careers. Succession planning demands that others step up and assume new responsibilities. Ballentine Partners is proving that a leadership pipeline can delegate and automate this process not just for the next generation who will take over from the company founder, but ensure that the founder's vision is passed on systematically to every subsequent generation--with appropriate improvements along the way.■