

Wiley Finance Series

The Efficient Practice

*Transform and Optimize Your Financial
Advisory Practice for Greater Profits*

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DAVID L. LAWRENCE

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The Efficient Practice



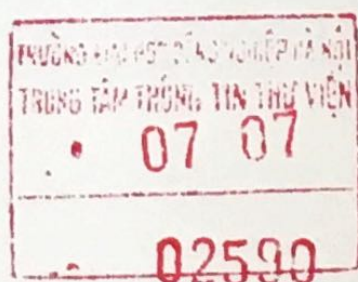
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Your Financial Advisory Practice
for Greater Profits*

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I would like to dedicate this book to the most inspiring person in my life, my mother, Helen Mattson Lawrence.

Helen was an amazing educator for over 60 years, founding her own private school in Florida and pioneering groundbreaking visual teaching techniques for what was referred to then as minimal brain dysfunction children (later called dyslexia). She lived a full life, passing at age 90. But she never lost her love or her enthusiasm for teaching children.

—David L. Lawrence

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Introduction

As professionals, financial advisors have been very well educated on how to be a financial advisor, but the profession has done a poor job of preparing financial advisors to be great business owners. This is due in part to the industry's focus on licensing and certification, not to mention compliance-related issues.

Financial practices often grow from a single-person firm to a larger firm with challenges in several key areas of operations. Some firms reach a point that might be termed a *revenue ceiling*. This is a level of net profit above which the firm cannot seem to grow. Adding more employees, purchasing additional equipment, or even increasing marketing to new prospective clients does not solve the problem as the firm is constrained by its operational construct and management. Firm owners frequently do not recognize the issue because most often they are the problem themselves.

The solution is to take a holistic approach to all areas of financial practice operations and use efficient management techniques to create systems that can greatly extend net profitability, productivity, and efficiency.

I developed a concept many years ago that I call Profit-Driven Architecture, which is a visual way of viewing the operational structure of a financial practice. Regardless of whether it is a small or large firm, the structure provides a concrete way of understanding and improving the interrelationship of different parts of the operations of a financial practice firm. (See Figure I.1.)

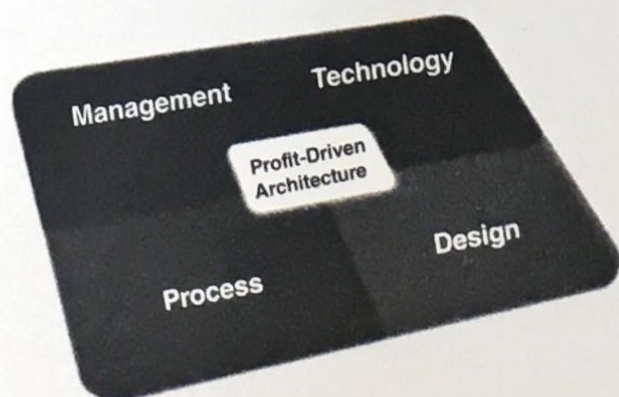


FIGURE I.1 Profit-Driven Architecture