

Crafting Job Descriptions: Chief Operating Officer (COO)

Excerpt From: *Adding the Dedicated Manager Position Guidebook*

AT A GLANCE



The following is a sample job description for the chief operating officer within an advisory firm.

At smaller advisory firms, including those that are just getting started, individuals often wear many hats, meaning they must take on multiple roles and responsibilities within a firm. While resources may be limited, structuring your business this way leads to inefficiency, creates unnecessary stress for team members and limits growth, reducing the business's ability to reach its potential. Clearly defining each person's roles and responsibilities and then matching the right person to those roles is critical to the long-term success of your firm.

Once you have defined the roles and responsibilities for each position, you next need to craft a specific job description for those roles where you will need to hire a new resource. By identifying the specific activities that the individual will be required to execute, you can establish both a functional job overview as well as a more detailed description of responsibilities leading to success in the position. You may also want to add in the full benefits that your firm will be offering this individual. This may include vacation time, sick time, health, vision or dental benefits, or retirement offerings.

Sample Job Description: Chief Operating Officer (COO)



COO

Overview: The chief operating officer (COO) will oversee the design, enhancement, implementation, reporting, and oversight of the firm’s financials, operations, human resources and compliance. Reporting to the CEO and working as a key member of the firm’s leadership team, the COO will take a leadership role in building, implementing, and overseeing all of the firm’s systems, processes, workflows, and procedures. The COO will also play a critical role in helping to shape and guide the future growth and development of the organization.

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Qualities

- ▶ Has leadership and management abilities to oversee the firm
- ▶ Possesses a passion to help team members and clients
- ▶ Able to see the big picture and plan out details
- ▶ Direct communications
- ▶ Detail-oriented
- ▶ Reliable, follows through on commitments
- ▶ Strong process and planning orientation
- ▶ Goal-oriented, task driven
- ▶ Enjoys being part of the team
- ▶ Designs efficient systems, seeks productivity
- ▶ Balances team’s needs with goals of practice
- ▶ Ability to delegate to the right team members

Functional Responsibilities

- ▶ Supports the CEO in contributing to the business plan
- ▶ Creates and manages the budget (including bill payment)
- ▶ Manages all resources required for business, including technology

and people

- Manages performance reviews and professional development plans for team
- ▶ Manages organizational structure and selection of new team members
- ▶ Works with home office associates when necessary to handle challenges or implement improvements
- ▶ Manages relationships with external resource providers
- ▶ Leads all tactical and strategic team meetings
- ▶ Owns segmentation/migration plan for business profitability
- ▶ Ensures that all team members are looking for ways to systematize the business to increase efficiency
- ▶ Owns master project list and assigns special projects as needed

Educational and Experience

Requirements and Preferences

- ▶ Seven to 10 years of business management experience across a range of business disciplines
- ▶ Qualified or possesses requisite experience in HR frameworks, financial management, marketing

and operations

- Financial reporting capabilities including budgeting and cash flow management
- ▶ Strong general IT infrastructure knowledge
- ▶ Strong human capital management knowledge
- ▶ Building financial advice related compliance knowledge
- ▶ Financial planning industry knowledge

Compensation

- ▶ Base salary: \$XX-XX
- ▶ Incentive potential: \$XX

Full Benefits Package

- ▶ Four weeks of vacation
- ▶ Six sick days
- ▶ 401(k) plan
- ▶ Health, vision and dental plans available

Beyond the associate advisor, the following template can serve as a guide to help you craft an effective job description for a specific role on your team.

Job Description Template

Overview: Include the basics of this role

Qualities: Insert qualities needed for this role

Functional Responsibilities: Insert functional responsibilities needed for this role

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Educational and Experience Requirements: Insert any specific requirements or preferences

Years in industry: _____

Licenses and credentials: _____

Education: _____

Technology: _____

Compensation Range

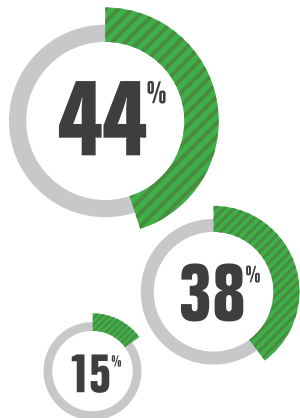
Salary (\$): _____

Bonus potential: _____

Benefits: Include vacation/sick time, retirement benefits, etc., based on your firm's offerings

About This Program

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Firms that hire an associate advisor:

- ▶ Have 44% higher income per owner
- ▶ Grow their client base 15% faster
- ▶ Have 38% greater operating profit per client¹

Four out of five firms have strong growth aspirations. However, only 14% have a documented plan for their future structure.¹ Whether you are looking to increase firm value or enhance your client experience, how you leverage people resources will be a key determinant in your success. While there are many growth strategies touted as the key to success, few are as powerful as those focused on human capital. In particular, understanding and planning for the right organizational structure and the addition of key positions at the right inflection points in the growth trajectory of an advisory firm can be transformational in helping you achieve your business vision.

Breakout Growth: Adding Key Positions to Unlock Growth Potential is an integrated thought leadership program designed to help you best position your firm for sustainable, transformative growth by focusing on defining, adding and integrating key positions—specifically, the associate advisor and dedicated manager.

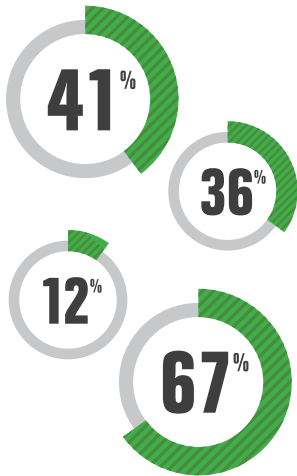
Research shows that firms with either the associate advisor or dedicated manager position experience the following when compared to their peers without the positions.

This program will help you answer:

- ▶ How can adding dedicated management or an associate advisor position drive firm growth?
- ▶ When is the right time to add a new position?
- ▶ How do you assess affordability?
- ▶ How do you determine the appropriate compensation level?
- ▶ How much in additional revenue will you need to generate to support the addition of a new role?
- ▶ What are effective strategies for sourcing and onboarding new talent?

¹ FA Insight.

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Firms with dedicated management:

- ▶ Produce 36% higher income per owner and 41% higher operating profit per client
- ▶ Grow revenue 67% faster
- ▶ Acquire clients 12% faster²

The program components are as follows:

- ▶ A **white paper, Breakout Growth: Adding Key Positions to Unlock Growth Potential**, presents the case for adding an associate advisor or dedicated manager at critical junctures, including insights from top firms that have successfully integrated these positions
- ▶ A **guidebook series** designed to help you determine the right time to hire, define roles, assess affordability, understand compensation considerations, source candidates and effectively onboard new hires
- ▶ **Modular tools** are available to support your specific needs including sample job descriptions, career paths, onboarding action plans and more
- ▶ **Webcasts** crafted to illuminate the challenges that many advisors face when designing and implementing an organizational structure that will drive sustainable growth over time
- ▶ **Regional workshops** offering a deep dive into the program content, including the opportunity to interact with peers who are facing similar challenges in the realm of human capital management and building a plan for sustainable growth
- ▶ Access to **Solutions Consultants** who can engage with you on a 1:1 basis to develop a customized action plan to drive your future success

By leveraging the tools and resources of **Breakout Growth: Adding Key Positions to Unlock Growth Potential**, you will be able to assess your readiness to add either an associate advisor or dedicated manager, determine compensation, assess affordability and develop an effective onboarding strategy—helping you to increase their value contribution on day one.

About the Authors

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About FA Insight

Dan Inveen and Eliza De Pardo established FA Insight in 2008 in order to address financial advisors' growing needs for business-building assistance. The firm works exclusively with financial advisors or entities that service financial advisors. Located in the Pacific Northwest, FA Insight research and consulting supports clients across the U.S.

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