

Hi there,

The Factory Manager role is a challenging, interesting and highly valuable role in any professional services firm. During this very special day we are going to identify how you can best increase the performance and productivity of your back office ("The Factory").

There is some preparation required together with a request for your contributions and sharing throughout the day. Accompanying this is a firm commitment that you'll go home with plenty of practical tips to be implemented immediately.

Preparations

The Factory Manager role has many dimensions and we all approach it a little bit differently –we can all learn from each other.

- Do you have a meaningful Role Description?
- Have you read "Your Guide Delivering the Goods"?
As a suggestion, you might **read and reflect on Sections 2, 3 and 5** before we meet. (on the pages following for those who don't have the guide)

At the start of the day, as a way of getting to know your colleagues, you will be asked to share a personal learning since taking on this role.

- What did you do that worked brilliantly?
- What might you do differently?
- What advice would you provide to somebody just starting out in this role?
Please come prepared to share for 1-2 minutes.

Contributing to the Group

Secondly, during the day, you will be asked to *share your observations and ideas* triggered by the morning activity. This will include anything that can help grow performance and / or productivity - that can improve your Firm's capability to deliver the goods – which is valuable to you. Most likely, others in the room will appreciate your insights.

Practical Application

Finally, take this memo as a commitment to you that this workshop will be hands-on! Our goal is to help you identify and **successfully implement improvements** in your firm.

We're looking forward to seeing you,

Warm regards

Scott.

Pre Reading Below

Let's start with *Why*

Before embarking on bold new initiatives, it's always great to have a strong sense of "Why". After all, it's easy to fill one's days with lots of "busy work". However when it comes to your service delivery improvement projects we want you to focus on areas that will make a big difference to your business.

This is really important when it comes to selecting your go Day Projects. You are only aiming at three such projects per Quarter, so each one has to be really significant!

As you may already appreciate, improving service delivery in your firm is a vast topic!

However the payoff is profound. Simply by establishing and then maintaining some small changes in efficiency you will likely see exciting improvements to your business results. Implementing more substantial enhancements to improve effectiveness could translate into quantum leaps in performance.

Whilst every situation is different, productive firms tend to be very quiet. People are calmly going about their work, using slick systems that are designed to elegantly handle the recurring tasks that make up what the business does. Happily, in these firms there's very little that occurs by way of "Drop everything, there's a crisis/unmet deadline" or "Have you seen Client X's file?", which means that team members can readily get through their work.

The payoff for focusing on delivering the goods

The good news is that simply by focusing on delivery improvement you will start to see results. Even better, by adopting some of the suggestions contained in this Guide, profound improvements will be achieved. This then creates a "virtuous cycle", where happy team members are doing great work, which delights clients, who then refer their friends and family, creating more opportunities for team members to excel.

The Wheel and The Lever

In embarking upon your Slipstream Coaching journey, there are two important dynamics at work –

1. Pull on the *Delivery Lever* – getting better at doing the actual client work. The imperative is to be able to handle more clients and more fee paying assignments, with the existing capacity. (This then is the purpose of this Guide.)
2. Turn the *Marketing Wheel* – bringing in more clients of the type you like to work with. This is important because the productivity gains you achieve above could literally be responsible for your team members running out of work to do. (Winning more work is covered in Slipstream's *Marketing Essentials Guide* and other marketing resources)

Factory Management

Best practice

In this section, we are going to consider aspects of running your factory which will contribute to overall benefits in its management. Check off and/or prioritise the suggestions made below.

But first, here's a thought-provoking extract from *The E Myth Revisited*

What you can measure, you can manage.

- ✓ Have we appointed someone whose role it will be to have the factory running at optimal levels? (Refer to the following section for more on this.)

- ✓ Scheduling – typically, scheduling the work to be performed in any 12 month period is a very complex task. There are numerous clients with multiple requirements to be serviced, availability of team members must be taken into account along with public holidays etc. However, complexity is no excuse for failing to have a production plan!

- ✓ Process improvement – great factories embrace the CANI philosophy – constant and never ending improvement.

- ✓ Encourage team members to make suggestions regarding improvements
- ✓ Have regular team sessions to assess what needs to be improved and agree on priorities
- ✓ When things go awry, always look to improve the system, never blame the person.

- ✓ Have you adopted standard systems across the Factory? To what extent are these understood and followed? Where are the gaps?

- ✓ Have you adopted a set of standard measures to track factory performance? How is this communicated to the team? What discussions take place about improving the performance numbers?

By measuring the average hourly rate achieved per invoice, we solved our write off problem within 6 weeks. Accountant.

Appoint the Factory Manager

- ✓ Pre Slipstream Coaching, factory operations of firms coming into the program tend to be rather chaotic, featuring such happenings as –
- ✓ Sales people (in the form of Partners) interrupting production priorities
- ✓ Sales people (those Partners again 😊) taking on non-standard orders
- ✓ Haphazard and/or uneven use of production workers
- ✓ Insufficient training of production workers in using the systems and technology
- ✓ Underutilisation of technology – in professional practices this particularly relates to the practice management software. (More on this in a following section.)

As you would expect of a serious commercial factory, there needs to be someone on the team who is responsible for overall production management. With the right person empowered, you will achieve less chaos and more order. Happily, this will also reduce the incidence of the problem areas described above.



TIPS

- Almost certainly, the appointee will not be a Partner as typically they are preoccupied with many other responsibilities which preclude them giving good factory management the attention it deserves. Better for it to be performed by someone who is consistently closer to the coalface!
- In smaller firms, this position will most likely be an additional responsibility taken on by an existing team member. Often this person selects himself/herself, having already shown an interest and aptitude in this area.
- In larger firms, there is more scope to appoint a senior team member with an impressive track record of achievement in “factory management”. This might be someone who has direct experience in your profession but equally it could be a person who has honed the right skillset in a different field.
- Managing the factory per se is likely not a full time role. Especially in small firms, one team member will be nominated to take on this additional responsibility. (So much the better if this is recognised by reducing his/her client workload accordingly.) In various situations, employing a part time expert for this role has been found to work extremely well.
- There are also consultants who specialise in “factory efficiency”. They can be an invaluable source of support for your factory manager to call upon. Set a budget and then leave this to your manager’s discretion as to how and when it’s used.

Role description

You'll find some information in the Appendix which will prove helpful in constructing a role description for your Factory Manager.

Your Factory Manager checklist

Here is a checklist of considerations for appointing and getting the most of your Factory Manager.

Take a moment to work through the list and then consider the implications.

A) Do you currently have a person on your team who would be suited to the role?

If yes –

- Do you need to formalise this appointment?
- Reallocate responsibilities to allow the person to fulfil the role

If no –

- Do you need to recruit someone?
- Would you be best to employ an experienced person on a part time basis specifically for this role?

B) What expectations will you have in terms of the amount of this person's time spent running the factory Vs. working on the production line?

C) Will additional training for the Factory Manager be required? (For example, in getting more out of your practice management software.)

D) Who will the Factory Manager report to?



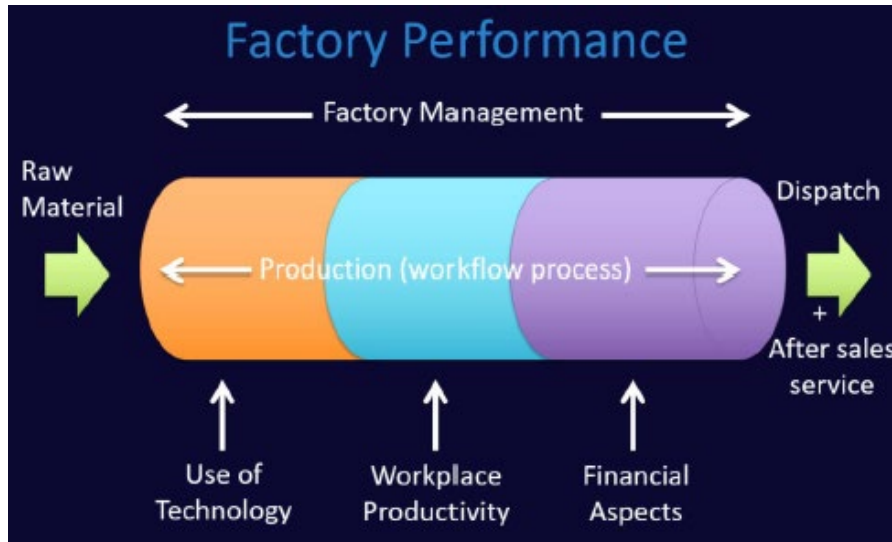
TIPS from current Factory Managers

In June 2018, we surveyed a number of people who are the Factory Managers in their respective firms. The result was lots of useful information for starting and conducting the role. A copy will be made available to you.

Equating Delivery to Factory Performance

We find it helpful to think of getting client work done, including the production of the related documents, in terms of operating a factory – not just any factory but a world class production facility. After all, why shouldn't you aspire to excellence in this core aspect of your business?

The following diagram adds clarity to the concept:



Doubtless you will already see how various parts of what goes on in your back office fit into the aspects of factory operations depicted here.

Equating this aspect of your business with an actual factory opens up your perspective to adapting concepts frequently embraced by good production practices –

1. A Factory Manager, whose role it is to ensure that the production line runs smoothly
2. Liaising with the Sales Team in regard to new orders
3. Scheduling of work
4. Ensuring a consistent flow of raw materials such that factory resources aren't idle
5. Ensuring raw materials arrive in full and to specification
6. Regular production meetings, to allocate work and address roadblocks on a timely basis
7. Designing and implementing systems such that work can be get done more effectively
8. Training of team members in the use of the systems
9. Accurately measuring processes and outputs and sharing these results with the team.
10. Continually reviewing the processes to see where improvements can be made

There are likely other comparisons that can be made but hopefully you get the general idea – we are focusing attention on getting The Work done in the most productive way.

OBSERVATION

Although most professional practices have not thought in these terms previously, the factory concept is easily grasped. The power lies in the mindset shift that follows. Quite simply, performance expectations are raised and firms go about achieving these expectations in a much more business-like way.

In our experience, equating your situation to this diagram will provide you with an excellent diagnostic framework.

More than this, it will enable you to target very specific areas of improvement, over time progressively improving every aspect of production.

The sections that follow address each of the factory components shown in this diagram.



TIP

You will find that disciplines covered in the Breakaway workshop and continued on with your quarterly coaching meetings are very aligned with Factory Management i.e.

- ✓ Each quarter, you will agree upon a small number of projects which, when implemented, will result in big performance improvements
- ✓ So too at the end of each quarter, you should review where systems improvements can be made in the factory and target improvements in certain areas
- ✓ Designing KPI's to measure progress in implementation
- ✓ Overlaying an effective set of regular meetings to oversee what's going on

When combined, these disciplines create a wonderful momentum from which real progress is achieved.



TIP

You can expect there to be at least one factory improvement project in each year of your 90 Day Action Plans. Time and energy invested in these improvements will be repaid many times over.

RESOURCE

As part of the resources Slipstream Coaching provide, you will receive a wall poster of the diagram on the previous page. The purpose of this is to plan your factory projects and engage in a healthy, ongoing dialogue in your firm as to how these projects are progressing.

How you rate on Factory Performance

Take a moment now to rate your Factory Performance and where you need to be in 12 months. Score this out of 10, with 1 being poor and 10 being exceptional.



TIP

Don't feel obliged to nominate 10 out of 10 for where you expect to be rating in 12 months' time. This may be neither feasible nor necessary.

Aspect of Factory Performance	Current rating	Rating in 12 months
1. You have a well-defined and documented workflow process for all standard client assignments		
2. You visually track the progress of each assignment from commencement through to completion		
3. You actively monitor work turnaround time		
4. You utilise Client Service Administrators to save the time of your accountants/paraplanners for the actual technical work		
5. You have appointed a "Factory Manager" who is responsible for optimising workflow performance		
6. You proactively schedule the work to be performed, both annually in advance and for the next month ahead		
7. Services are priced in advance. No nasty surprises for the client and a rate per hour for completed assignments can be ascertained		
8. At the end of each assignment, consideration is given to how it could be completed more easily in the future		
9. You have sought expert advice on your technology infrastructure to ensure you have the most efficient system integration in place		
10. You conduct monthly workflow reviews with the team to address problems and identify areas for improvement		
Your total (out of 100)		

Accounting factories Vs. Financial Planning factories

The above points apply equally to the delivery departments of accounting firms, financial planning firms and multi-disciplinary firms.

Naturally there are various differences in some of the specifics in these different situations, but our approach has been to develop a set of overall principles and methods which will be equally relevant. Indeed, we believe there are benefits in picking the best of what each profession has to offer. For example, all the best accounting firms diligently track turnaround time for getting work done, in WIP days. Why wouldn't a financial planning firm do likewise?

Of course, multi-disciplinary firms and/or firms with multiple locations bring additional layers of complexity but again the overall principles remain the same.

Every day I am working on upskilling the team and also improving on my internal processors + systems. This will give me freedom too. It's an active daily habit that I have been working on. I found this empowers the team as well. More of this over time should have a good result. Might end up being like having the effect of compound interest over time. Small deposits will eventually lead to a massive balance at the end.

Shane Kouros, Make Cents Accounting