



McPlanning

What can you as a financial advisor learn about maximising the value and performance of your business from the incredible global success of McDonalds? What makes McDonalds different from the local hamburger take-away around the corner? Is there some success secret that applies to **all** business, and which determines whether the business is fated for great things or obscurity? Yup, there is, but first let's make 4 observations about McDonalds:

1. The majority of McDonalds' outlets are run by youngsters who were employed with little or no fast-food experience. You will usually find the owner or a family member behind the counter of the local burger store with thousands of burgers to their name. *McDonalds doesn't rely on experienced staff.*
2. If you are a McDonald's patron, you are quite happy to eat at any outlet – the one closest to your home, the one closest to your work, the one at your holiday destination, or the one simply on the way to where you're going. Many of us are wary about eating at an unknown fast-food outlet. *McDonalds delivers a consistent product and service.*
3. Few burger outlets can compete with McDonalds on value. Note, not price, value. There are some cheaper alternatives out there, and of course more expensive. Arguably, there are a lot *tastier* offerings. However, the success of the chain shows that most people are satisfied with what they get for the price paid. *McDonalds has a successful client value proposition.*
4. What happens when the owner of the local burger outlet wants to move on – retire or find a new challenge? Usually the business is sold at the book value of its assets or simply liquidated and its assets sold off. The overwhelming majority of McDonald outlets sell for a price well in excess of their asset value. Accountants call this additional value "goodwill". *The value of the business is not dependent on its owner or employees.*

So what enables a business to be run with staff less experienced than the competition, to successfully compete against the established local outlet, to compete against rivals selling bigger, tastier or cheaper products, and to allow the owner to exit and receive full value, plus a premium in many cases, for their business?

There is a secret behind this success – **a value proposition driven by systems and processes.** This secret is applicable to all business, financial planning included. Let's look closer...

The Value Proposition

Your value proposition is the reason why your clients do business with you. It's the promises that you make and the expectations created by those promises in your client's minds. Do you have a clearly defined value proposition? How do your clients (and future clients) benefit from doing business with



you? Is your value proposition strong enough to compete against other financial advisors? As competition heats up in our industry, only those offering value will prosper.

Systems and Processes – Delivering the “McPlanning” Experience

Offering value is not good enough. You need to deliver this value, and deliver consistently. The only way to do that is by creating systems and processes that ensure the consistency of each business activity, for example:

- Responding to a new client enquiry
- Processing a business application
- Conducting a review meeting

A process consists of a series of logically arranged bite-sized steps which need to be taken to ensure that the business activity is successfully performed. A system is a tool which assists the performer to correctly complete each step. By breaking down a complicated activity into simple steps, you are able to delegate to junior or less experienced staff. By implementing the right systems, you provide the support needed to correctly complete the step.

McDonalds don't make bigger or saltier burgers depending on who's cooking the meat. The size of the burger is predetermined and standard across the world. So are the cooking time and the temperature at which it is cooked. Result? Same burger in Sydney, Melbourne, Johannesburg and New York. Have you ever heard anyone remark that they patronize a particular McDonalds' outlet because the food's better?

Do your clients get the same experience each time they interact with your business? Is your value proposition being consistently delivered? Or does it depend on who is available to meet with the client and what style they have? Is each transaction processed in the same way or does it depend on which staff member is doing it? Is there an over-reliance on one or two key staff members? Would your business be weakened by the departure of a key employee? Do your clients ask for (or expect) a specific staff member to conduct their reviews, or are they happy to discuss their affairs with any member of your team? Systems and processes address these concerns and create the “McPlanning” experience. Take a look at your practice. Do you have systems and processes to handle each business activity?

By investing in systems and processes:

- Just like McDonalds delivers the consistent burger, you ensure that your clients have the same experience every time. Your value proposition, which in essence is why your client wants to do business with you, is consistently delivered.
- Just like McDonalds can hire someone with no experience, your business no longer becomes “employee dependent”. All processes – administration and service – are broken down into bite-sized steps, systemised and can be performed by anyone trained and authorised to do so.



- Just like McDonalds, your client's experience is with the business, not the individual. This benefit is not only crucial when selling the business, but frees up key personnel to work on the business - and enjoy a better lifestyle.

McPlanning ... it's about developing systems and processes to consistently deliver your value proposition thereby allowing you to reap the rewards of a successful enterprise!

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