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From Employee to Entrepreneur

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To create value in your company, you must deliver superior value and a quality experience to your clients. You need all your employees' help in achieving your vision. Your most valuable partners, after all, are your employees. But have you really given them a stake in the business to maximise their performance and abilities?

By its very nature, compensation is the reward for a job well done. To continue to work as an incentive, compensation and status within the company should increase as a person brings more value to the business. Ideally, it's a win-win situation for both the company and the employees.

Reward Results, Not Tenure

Your goal should be to effectively redesign your employee contract to read: "If we're successful, you're successful." If your employees get to share in the rewards of the company, they'll be more interested in their work. Unfortunately, most advisers reward employees with increased pay for increased tenure. Instead, rewards should be tied to results.

A major component of any compensation package should be an assessment program that results in pay for the desired performance. Too often good employees end up with a dubious reward: more work. As far as compensation is concerned, there is usually very little difference in pay between a great employee and a mediocre employee. Instead, your compensation structure should be flexible and variable, rewarding the team for being focused on the client.

Make Rewards Meaningful

You want your team to be self-directed and motivated—to move from thinking of themselves simply as employees to becoming entrepreneurs within the company. An effective way to do this is to design a package around what is truly important to those being compensated. Motivating factors are different for everyone. Because your employees have the best understanding of what will motivate them, include them in the planning and redesign of your package.

Involve Employees in the Process

Employees need to be concerned with the firm's success and productivity while their superiors need to keep an eye on controlling costs and aligning pay with performance. To make your

new compensation program work, have your employees help you in determining the company goals, team goals, individual goals and resulting compensation.

We've all been taught that if we just do our job and stay with the company, we can automatically expect to get an increase in pay as time goes on. If you want your employees to become truly entrepreneurial, however, you must let them share in the risks and rewards of creating a successful business.