

Right Staffing your Trust Operations Function

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1. Learn what the industry benchmarks are for operations staffing
2. Understand the factors in determining appropriate operations staffing
3. Learn best practices in organizing and governing your Trust Operations Function

BENCHMARKING METRICS

Metric	Small	Medium	Large	Top Performers
Revenue Per FTE	242,261	268,170	303,155	\$405,881
Accounts per FTE	87.1	59.5	115.6	65.4
Assets Per FTE	\$53,133,178	\$58,418,248	\$104,043,282	\$84,813,475

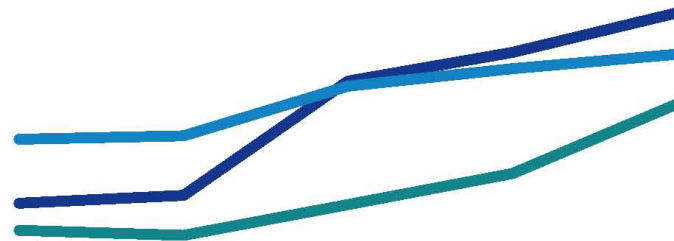
Metric	Small	Medium	Large	Top Performers
Total IT Expenses % of Expense (Incl TAS)	8.9%	8.9%	5.3%	12.2%

Metric	Small	Medium	Large	Top Performers
Employee Growth	3.5%	7.7%	0.3%	3.5%
Operations FTEs / Total FTEs	24.7%	14.3%	16.0%	16.1%

BENCHMARKING METRICS

**Total Assets per Total Support FTEs
2017 - 2021**

Compound Annual Growth Rate
16.8% 13.4% 6.8%



	2017	2018	2019	2020	2021
Small	\$110,677,869	\$114,611,510	\$171,988,773	\$186,430,743	\$206,295,498
Medium	\$97,035,971	\$94,502,948	\$109,962,192	\$125,598,783	\$160,457,193
Large	\$142,792,699	\$144,510,740	\$169,477,907	\$178,249,508	\$185,531,374

FACTORS AFFECTING OPERATIONS STAFFING

- Trust Accounting System?
- In-house / Out-Source?
- Admin Support and/or Middle Office?
- Size of your organization!!!
- Use of Technology

FACTORS AFFECTING OPERATIONS STAFFING

Barriers to Operations Productivity

- Lack of training (lack of understanding why)
- Lack of consistent processes/written procedures
- Underutilization of System
- Turnover – lack of tenure
- Lack of Specialization
- Lack of coaching/mentoring
- No administrative support for department



TRUSTCOMPARE DATA

WORKLOAD METRICS

Trust Operations Outsourcing Productivity			
	Under #1000 Accounts	#1000 - #3000 Accounts	#3000 + Accounts
Productivity			
Accounts Per Total Departmental FTE	43	45	74
Accounts per Total Operations FTE	230	454	350
Accounts per Total Ops FTE + Admin Assistants	98	98	125

OPERATIONS STRUCTURE METRICS

Trust Operations Outsourcing Structure Metrics			
Structure			
Total Ops FTEs as % of Total FTEs	24%	14%	24%
Total Ops FTEs + Admin Assistants as % of Total FTEs	46%	33%	53%
Ops Supervisors as % of Total Ops Staff	19%	20%	12%

Key Qualitative Considerations

Keep in mind that:

Every organization is
unique

You must remember the
human aspect

- What is best model for trust operations?

There isn't one!

Depth Charting vs. Succession Planning

- Shouldn't everyone do Succession Planning?
- When and why is Depth Charting most appropriate?
- What would happen if you lost one, two or three (or any) key people from your organization?
- Are you appropriately aligned for business continuity?

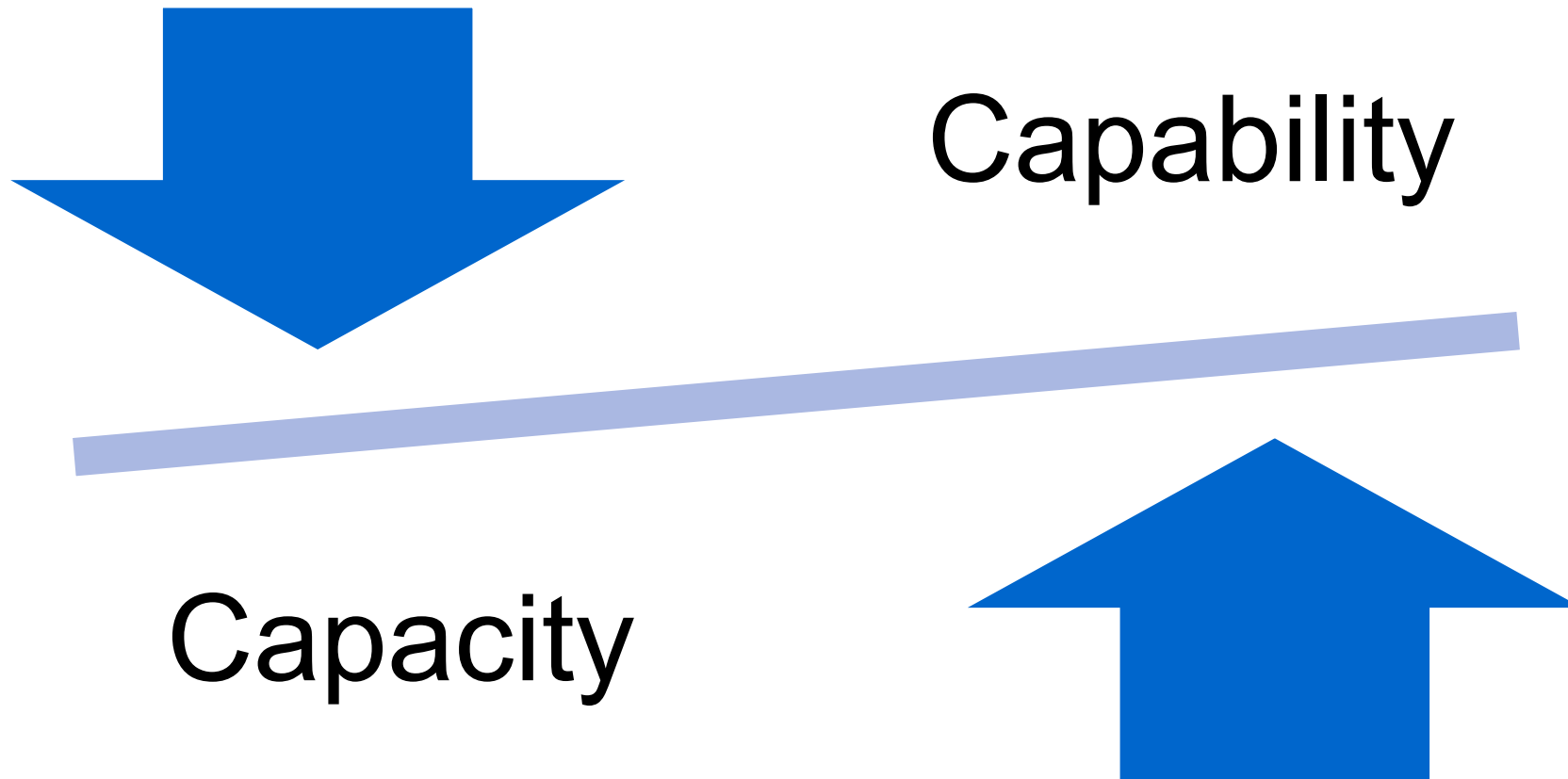


The Benefits of Depth Analysis

- Drives training decisions
- Identifies future hiring needs
- Highlights need for job redesigns or restructuring
- Satisfies regulatory concerns
- Satisfies Board of Director concerns
- Ensures that you are being proactive



Two Categories of Depth Analysis



Two Categories of Depth Analysis

Capability

- *Who can do this better than me?*
- *What if I got hit by a bus?*
- *How well can this person do this function?*
- Estimate capability of the person's ability to fulfill the role and list as a percentage
- High % = high degree of effectiveness; Low % = lots of supervision and monitoring
- This % estimate isn't about ability to learn—its their current experience and training for the back up function

Capacity

- Few organizations have individuals with excess capacity to take on more work—especially managers.
- The limiting factor in capability % is the current workload of the individual.
- Another limiting factor are team dynamics like vacations /maternity & paternity leave - Etc.
- Ask about their capacity to take on additional responsibilities.

Organizational Depth Chart Exercise

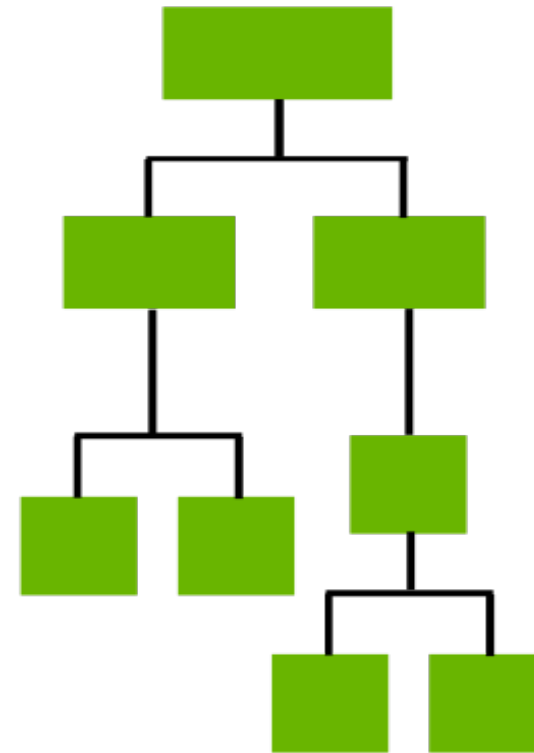
Name: _____

Position: _____

Function	Back Up Person(s)	TEMP or PERM	Capability %	Capacity %	Comments

How Far Do You Take the Depth Chart?

- Take the Charting process down to the next level of management.
- Consider your back-up's “back-up” in terms of their capability and capacity to back up some of your functions.
- Below the management level the process is about identifying cross-training and back ups for job tasks. (cross-training, and regular job rotations)



Ways to Address Depth Capability Weakness

- Formal Training
- Cross Training
- Mentoring
- Hiring
- Job Redesign
- Outsourcing



Ways to Address Capacity Weaknesses

- Hiring – What?
- Change culture – re target clients/client experience
- **Structural changes**
- Adding technology
- **Outsourcing**



ABR - Building an Employee Pipeline

Support Staff

- Other financial services orgs
- Professional offices
- Local Social Connections

Plan Ahead

- Depth Charting
- Succession Planning
- 5 Year Staffing Plan

Sample Staffing Plan

Staffing Plan

Year	Hires	Title / Function of the Anticipated Hire	Develop or Hire Experienced	Commentary	Additl FTE	Replace Hire (1)
2023	1	Investment Officer	Need to hire Experience	Need Depth and Capacity	x	
	2	Jr. Loan Officer	Develop	Build capacity for future	x	
	3	Chief Information Officer	Hire experienced	To replace incumbent next year		x
	4	Branch Manager - Downtown	Develop	To replace incumbent		x
2024	1					
	2					
	3					
	4					
2025	1					
	2					
	3					
	4					
2026	1					
	2					
	3					
	4					
2027	1					
	2					
	3					
	4					
2028	1					
	2					
	3					
	4					

(1) Replacement Hire for a retiree is intended to create an overlap. May be a net increase in FTE during the Transition

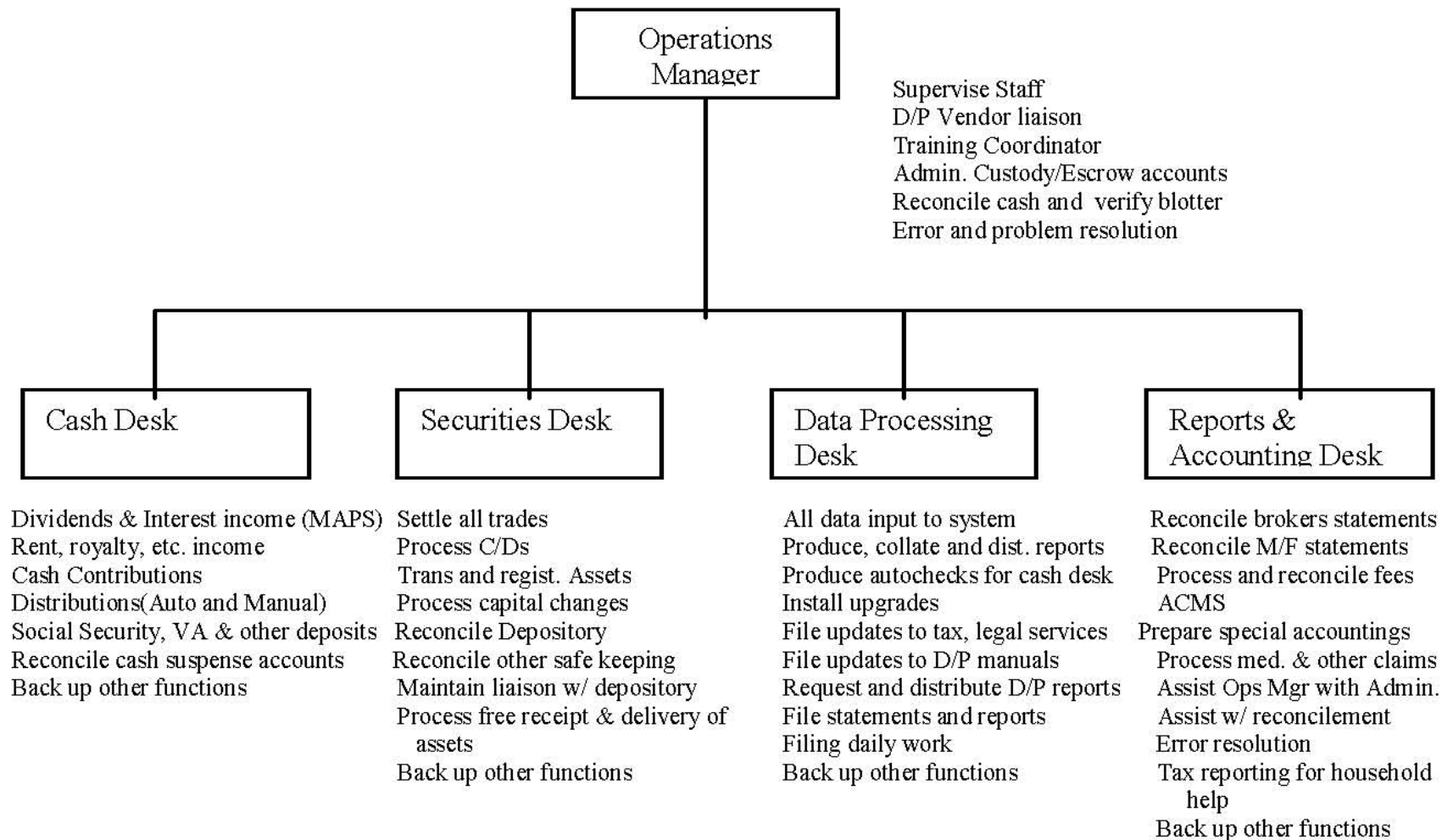
- Hire Fast
- Promote Fast
 - Career Pathing with clear (non time bounded) opportunities
 - Don't "hold them back"
 - Lots of Training!

Fire Fast – If you made a mistake!!!

Operations Structure - Core

PROPOSED TRUST OPERATIONS SERVICES GROUP

(With representative Duties)



Operations Committee

TRUST OPERATIONS COMMITTEE CHARTER

I. PURPOSE

The Trust Operations Committee (the “Operations Committee” or the “Committee”) is a sub-committee of the Trust Management Committee (“TMC”). The Operations Committee was established to assist TMC in the performance of its oversight over the day-to-day account operations.

II. COMPOSITION

The Operations Committee shall consist of at least three members. The Chair of the Operations Committee will be appointed by the Chair of TMC. The remaining members of the Operations Committee will be appointed by the Operations Committee Chair, subject to ratification by TMC. All members of the Committee shall serve at the discretion of the TMC Chair.

The Operations Committee membership is as follows:

*

III. MEETINGS

- a. The Operations Committee shall determine the time and place of its meetings, provided that it shall meet no less frequently than twice every calendar month. When necessary the Committee may meet in special session at the call of the Chair.
- b. The Chair of the Operations Committee shall be responsible for setting the agenda for each meeting. The agenda and information concerning the business to be conducted at each meeting shall, to the extent practicable, be communicated to members sufficiently in advance of each meeting so as to permit meaningful review.
- c. The Chair will determine who, if anyone, other than Operations Committee members, may be present during its deliberations or voting.
- d. The Chair shall prepare minutes of all Operations Committee meetings for the Committee’s approval and shall ensure that meeting minutes document the Committee’s discussion and decisions (when appropriate). The Operations Committee shall provide these minutes to TMC no less frequently than monthly.
- e. A quorum shall be present for the full duration of all Committee meetings. A quorum shall consist of two members.
- f. Action taken by the Committee shall require a majority vote of those members present.
- g. All Committee members are expected to attend each meeting, either in person or by telephone or videoconference.

IV. DUTIES AND RESPONSIBILITIES

The Operations Committee shall:

- a. Monitor the proper coding of transactions in the Trust Accounting system, including account openings, closings, trading, cash movements, and balancing of the system.
- b. Oversee the filing of tax returns and other information filings with federal, state, and local tax agencies as well as providing accurate copies and reporting to clients;
- c. Monitor account or system exceptions i.e.; overdrafts, failed trades, unreconciled positions;
- d. Reviewing all other Operations issues brought before the Committee in its capacity as the primary source of operations guidance;
- e. Creating a charter that is reviewed annually and includes a description of the Committee’s mandate and membership;
- f. Ensuring that meeting minutes document the Committee’s discussion and decisions (when appropriate), and;
- g. Periodic reporting and escalation to TMC, as appropriate but no less often than quarterly.



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Sales Management Training

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Wealth Management Compliance Alliance

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THANK YOU!