

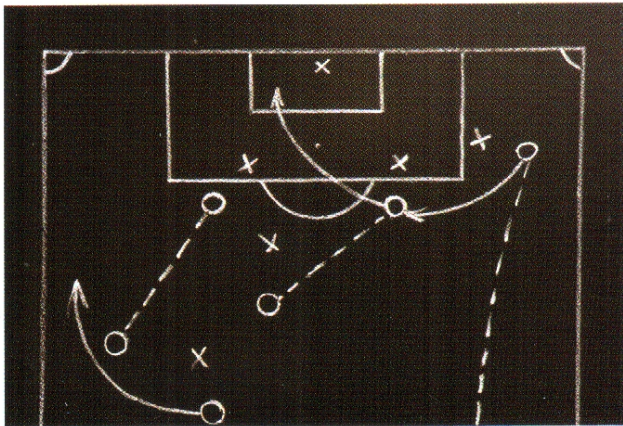
If Sir Alex Ferguson did T&C . . .

By Ian Patterson from The Patterson Group

There was a lot of excitement last year when Harvard Business Review announced that it had distilled the ex-Manchester United boss Sir Alex Ferguson's success into 8 key themes. After all, what was it about him that made his footballing record second to none? This got me thinking about what lessons we can learn in the world of T&C.

What struck me about Ferguson is that he never set out to create just a great team – he set out to build a successful club. In our world, the equivalent message is it's not about just being good at T&C, it's about helping to make staff more professional and the business more effective.

I'll take each of these eight 'leadership lessons' and provide an alternative T&C view...



1. Start with the foundation

Ferguson's message: Start at the bottom and get future talent in place that enable you to build not only a future team, but the future club.

The message for T&C: Central to what Ferguson did was development, development and more development. Part of this story is about bringing in new blood. In our world, the growing status of paraplanners should provide a career path for those that aspire to becoming professional advisers. For sure, he was able to attract young talent by using the name of Manchester United but it would also be doing him a disservice to say that this was the whole story. Along with raw talent, he insisted that there was investment in an academy and in the right sort of coaching staff. Arguably, the most impressive lesson we can learn from Sir Alex is how he was able to consistently get the most from the existing players and drive standards up. More about this in point 2.

2. Dare to rebuild your team.

Ferguson's message: he assembled five league-winning squads whilst continuing to win trophies. He identified that the life-cycle of a successful team lasts four years.

The message for T&C: Be strategic. What does your business need from staff within the next one to four years? For example, what skills and knowledge areas will the business need? What would help us to be even better at what we do? This might involve bringing in new talent; often, it will need more from the existing experienced staff. If a firm is to be effective, sitting still is not an option.

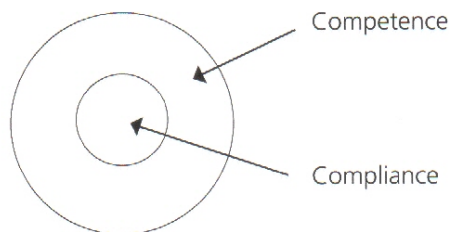
T&C should stretch existing staff. He created a positive culture; one that set an expectation and said that you should never put a ceiling on development. It is the role of T&C is to see people as they could become, not as they are.

3. Set high standards – and hold everyone to them

Ferguson's message: It's as much about instilling values in players as it is about technical skills. Ensure everyone wants to do things better, work hard and never gives up. In other words, make them winners.

The message for T&C: You get what you measure. But as most firms measure compliance and not competence, are we truly focussing on the client and in the process, making the business more effective?

You can simply illustrate this as follows:



From this, it is clear that you can be compliant, without being competent. Equally, competence is something that goes well beyond being compliant. So if we did genuinely re-balance T&C to focus on competence, we'd measure things like: client satisfaction, adviser behaviours, relationship skills and business results. When we just measure compliance – which admittedly is easier to do – we look at areas such as persistency, complaints and range of advice. With a compliance-focussed approach, the client observation form records inputs and the adviser's adherence to a compliant advice process, not a coaching tool that focus on outcomes or the actual client experience.

From a business perspective, if we want winners, we need to focus more on what really matters.

4. Never, ever cede control

Ferguson's message: The manager cannot be controlled by the players. If certain players are affecting the dressing-room atmosphere, you have to change this or cut the cord. If you want to maintain high standards, you need to take swift action when these aren't followed.

The message for T&C: Sometimes, you have to make tough decisions. As in football, sometimes there are people who like to think that the rules don't apply to them. More generally, T&C contributes to the wider culture within the business. The more people see that T&C is about development and not just monitoring, the more T&C is seen as being relevant. More buy-in reduces frustration and the scope for discord.

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5. Match the message to the moment

Ferguson's message: 'Few people get better with criticism; most respond to encouragement instead so I tried to give encouragement when I could. Well done. Those are the best two words ever invented'.

The message for T&C: Ferguson was talking about looking to emphasize the positives wherever possible and this works as much in business as it does on a football pitch. How often in financial services do you only hear from the supervisor when something has gone wrong? Of course, as someone for whose actions brought us the expression 'the hairdrier treatment', you always have to be prepared to choose the appropriate response. But don't have this set as your default position. Catch people doing things right, not wrong.

6. Prepare to win

Ferguson's message: Manchester United were famous for pulling results out of the hat, usually in extra time. Was it a fluke or was it, perhaps, the training sessions he ran where they practiced what the team tactics would be if they needed a goal with 10 minutes to play, 5 minutes or only 3 minutes remaining?

The message for T&C: I think there are several messages here. How often, for example, do we practice? In some businesses, being an adviser is a lonely existence in that rarely do they see other advisers in action. If so, how do they learn, benchmark themselves, pick-up tips - in other words, practice getting better? It is also easy for them to get into bad habits. Secondly, if we do practice, do we practice the really important things that help us to provide better advice, strengthen the relationship with the client or build trust more quickly? In the sporting world, peak performance starts with how we practice.



7. Rely on the power of observation

Ferguson's message: The key is to delegate, trust people to do their job and to truly observe. The ability to see things is key.

The message for T&C: To me, this isn't the obvious point about observing client meetings. It's more broad than this – the ability to stand back, to have good and meaningful information (KPIs), the trust that develops when people are allowed to get on with doing a good job, and just how important our diagnostic skills are. We all know that adding value to an experienced adviser is harder to do than with a new recruit. And so it should be. But this doesn't mean it can't be done – we just need to be smarter and sharper at identifying the two or three areas that could be performed even better or reinforcing the two or three areas the adviser does really well and would benefit from doing more often. If we don't have the right information and we don't stand back, we'll never be able to see how things could be better.

8. Never stop adapting

Ferguson's message: in the 25 years Ferguson was at Manchester United, the professional game of football changed dramatically. From money, agents, team formations, GPS tracking and yoga, he saw the lot. His message, despite the success he enjoyed, was you can't afford not to change.

The message for T&C: I'll make two points. T&C as we know it, has been around for over 22 years so what do we do differently now? What does 22 years of progress in T&C look like? Some T&C schemes look pretty much the same as they did in the last century. I find this sad, especially as financial services like football, has changed out of all recognition over this period.

Secondly, we need to be more balance with our T&C. Over five years ago in CP10/12, the FSA said: 'we are concerned there is insufficient focus on coaching and too much focus on monitoring...'. Despite this, the culture of T&C within many firms is still predominantly about control and risk management. But shouldn't it primarily be about getting the best out of our people, giving first-rate professional advice and a damn good client experience?

A positive T&C culture is one where people work hard, are thoughtful about what they do and are actively engaged in identifying how they can continue to improve. In doing so, they will be the best they can be.

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