Study Group Formation: Considerations and Guidelines

A study group is a valuable resource for planners in all stages of professional development. The rewards from a well-developed study group do not come easy, however. A successful study group – one that meets the needs of and goals defined by the members – requires advanced planning and ongoing commitment. Taking the time to consider some of the issues outlined below can help make your study group formation process smoother and more successful.

Purpose

The study group formation process begins by addressing the critical question: *why are we here?* Defining what you hope to gain from the group and what is expected of each member is a critical first step. Most planners join study groups to supplement other continuing education activities, or to develop a network of trusted advisors who serve as a resource and sounding board for ideas. The important thing to remember is that successful groups are based on a give-and-take relationship and a sense of shared purpose.

A written objective or mission statement is one way to document the group's purpose. Having a written statement of purpose will not only assist you in guiding the group during the formation process, but also help set expectations when recruiting new members. You may also consider creating a group name or moniker to distinguish yourselves from other groups.

Principles

As a forum for exchanging information and opinions, the study group should operate on the basis of trust and good rapport. One of the ways to build this environment is to make sure all members are committed to the principles of openness, respect, tolerance of opposing views and confidentiality. You may wish to discuss these principles with the group and document them in your charter.

Membership Criteria

The member profile is another key consideration in the formation of the group. As you invite people to join, you will want to consider the candidate's fit with the purpose and goals of the group. Study groups can serve early-stage and advanced practitioners equally well, but generally not in the same group. A group composed of members in a similar career stage or situation has greater chance of success, in terms of the ability to define goals, agree on topics and meet the members' professional development needs. Consider also the benefits of having enough diversity in the group so that members can be exposed to new ideas.

Entry criteria for the study group may be based on factors such as the number of years of experience, CFP credentials, type of practice (sole practitioner v. firm), industry background, service offering, geographic location or client base. For example, the criteria may be defined as "sole-practitioner CFPs with at least 5 years of experience who are looking for detailed discussion, in case study format, of advanced planning topics" or "professionals from the insurance industry who recently obtained the CFP designation and want to expand their scope of services to include general financial planning".

Term

Longevity, or how long you expect the group to be in existence, is another consideration. Most groups are set up with an indefinite term but require an initial commitment period for each member. It may take several months for the initial group to function optimally, so it is important to set the expectation that members must remain committed during the start-up period. Bear in mind that a study group can evolve over time as participants develop professionally. Some members may drop out and new ones may be added, new goals and needs may arise. You may want to consider an 'annual renewal' process as a way to keep members focused on their commitment. This annual renewal process would also offer an opportunity to revisit the charter and goals as the group evolves.

Minimum Participation Requirements

Since participation is critical to the study group's success, you may wish to institute minimum attendance requirements, such as 70% of the meetings during each term. You may also consider developing a leave of absence policy which allows members to withdraw from the group and associated responsibilities for a 6-9 month period of time in the event of a life or other crisis. The LOA policy is intended for short term issues where the member fully expects to rejoin the group at the end of the time period.

Group Size

Two primary decisions need to be made regarding group size: how many founding members to include in the start-up phase, and what the maximum capacity of the group should be. A related question is when to add the new members.

Given the many decisions involved in the start-up phase, you may want to consider limiting the number of initial members to three or four. Having a smaller group to start will make negotiations regarding the group charter and calendar coordination easier. Because it may take a few months to get fully established, you may also wish to consider delaying the addition of new members for 6 – 12 months.

Limiting the maximum group size is important for group dynamics, maintaining accountability and meeting space constraints. A large group may offer more resources and contacts, but the downside may include more administrative/management effort, less accountability, more scheduling conflicts and difficulties in finding no-cost meeting locations large enough to accommodate the group (such as a conference room in a member's office). One way to set the maximum number is to think about your ideal size for an effective group discussion, then consider the likely absentee rate before establishing an upper limit.

Recruiting New Members

Considerable time and effort are involved in building good rapport and developing the right group chemistry, and adding new members can disturb the balance if not done carefully. You should discuss and agree upon the process of initiating new members into the group, including how prospective members are identified, the timeline for consideration, acceptance criteria, and process for determining whether an offer is extended. You should also clearly communicate the process and expectations to any new recruits. An example of the initiation process can be found in the template in Exhibit A.

Roles and Responsibilities

A study group is self-driven, and success depends upon each member's commitment to participation and leadership in the group. The primary responsibility of each member is to participate in leading sessions, including organizing and presenting a topic or arranging for a speaker. Following Aristotle's observation that teaching is the highest form of understanding, your study group presents an opportunity for members to deepen their knowledge of specific topics by leading meetings. By rotating responsibility for leading each session, each member can share his or her expertise with the group, or can be the point person for developing new contacts, resources or expertise on behalf of the group. Session leaders may be assigned up to a year in advance, so that members understand their commitment and can plan accordingly.

Other roles in the group will largely depend on how you choose to structure the group. On one hand, a 'no-frills' study group can meet in the office of one of the members and have a bring-your-own-refreshment policy. On the other extreme, you can rent meeting or conference facilities at a hotel, including catered meal and refreshment service. Generally, the types of roles required will correspond to the effort involved in organizing the meeting:

- Does the meeting include meals or refreshments, or is it bring-your-own? If meals are part of the meeting, how are they funded?
- If members contribute "dues" to a common account for such purposes, who will collect and track the contributions and expenditures? Are the contributions refundable if a member leaves the group? How are spending decisions made?
- Will you reserve hotel conference room or other paid meeting space, or will you meet in the office conference room of one of the members? Who arranges reservations and payment, if applicable?
- How will the members communicate? What tools will you need to set up and maintain (Yahoo group, etc.)?

Roles may be rotated annually or based on the needs or skills of the members.

Topics

While session leaders may be assigned up to a year in advance, topics may be determined on a more frequent basis. Initially, you may wish to establish topics for the first 4-6 months. New topics can be proposed quarterly or as needed due to changes in the market or regulatory environment. Suggestions for topics can be submitted by members and run through an online survey engine as a means to help with prioritization, if necessary. The session leader may be granted veto power over the topic for his or her session, so some rescheduling of either topics or session leaders may need to take place. For a list of sample topics and resources, please see Appendix B.

Frequency

The meeting frequency of your meetings will be determined by factors such as desired time commitment and geographic proximity of the members, the meeting format and the types of topics to be dealt with. For example, a group that is comprised of members in different regions of the country may meet for a longer period of time but less frequently. The members of a group of practitioners just starting out may have more time available to meet and may wish to cover more material, so they may choose to meet twice per month. Dealing with more advanced topics or in-depth case studies may require longer meetings, so busy members may choose reduce the frequency of meetings to once per quarter to keep the study group within a designated time budget. Informal or event-specific gatherings, such as attending a third party seminar or workshop, can supplement the regular meetings.

Location

Your meeting location will depend upon the geographic location of the members and the availability of a conference room or other meeting facility. One cost-effective location is the conference room in a member's office building, assuming it is large enough to accommodate the group. However, this may restrict the timing of the meetings to after office hours and will require the presence of a firm representative to unlock/lock the room. If you wish to avoid the costs associated with renting meeting space, a coffee shop or private room in a restaurant may also be considered as a primary, rotating or backup location.

Schedule

The day and time of meetings will depend on the flexibility of your members' work schedules. Self-employed members may be able to participate in mid-day meetings, while those working in firms may be limited to evening, lunchtime or early morning meetings. In order to accommodate different needs, some study groups rotate meeting times.

The length of the meeting may be affected by material to be discussed, timing and the location (for example, to allow members sufficient time to return home or get to work at a reasonable time). Some groups meet for a half day for special or multiple topics (usually groups who meet quarterly), while others meet for 2 hours (monthly groups). The agenda should allow time for general business, introductions, brief catching up, etc. in addition to the featured presentation and discussion.

Bringing It All Together: Formulating Your Study Group Charter

Your study group is designed to support the needs of your members. Specific topics to be discussed, meeting frequency, location, and schedule should be jointly decided by the members and adjusted as needed for future evolution. Once your founding members have had the opportunity to discuss the basic structure of the group, you may find it helpful to document those decisions in the form of a study group charter. Formulating the charter can help get the group off to a smooth start by setting expectations, but it can also aid in the recruitment of new members. While many of the issues described above should be clarified at the outset, some of them can be addressed once the group has had time to get established. Bear in mind that your group will change over time, and that the charter can be a tool for managing expectations both in the early formation stage and future evolution.

Appendix A provides a sample or template for a study group charter.

APPENDIX A
Financial Planning Study Group Charter
Template

Purpose

The [*Name*] Study Group is a collaborative effort by professionals committed to helping each other learn and become better financial planners. Benefits accrue to members through a give-and-take relationship centered around

- Presenting and discussing topics for continuing education and professional development
- Serving as a support group (sharing information, resources and opinions)

Principles

As a forum for exchanging information and opinions, the study group is based on the principles of openness, respect, tolerance of opposing views and confidentiality.

Group Attributes and Logistics

Entry Criteria: The [Name] Study Group is intended for [*early-stage financial planning professionals, working in the field, with CFP designation or having passed the CFP exam*].

Term: Although the intent is for the group to continue indefinitely, evolving over time with the needs of the members, each member is asked to provide an initial commitment of [*one year*]. Based on the experiences of other study groups, it may take several months for the group to function optimally. The most effective group will be one with members who understand and remain committed during this formation phase.

Minimum Participation. At a minimum, each member will be required to attend [*at least 70%]* of the meetings during each annual term. The group maintains a leave of absence policy which allows members to withdraw from the group and responsibilities for a [*6 to 9 month*] period of time in the event of a life or other crisis. This LOA policy may be invoked for short term issues where the member fully expects to rejoin the group at the end of the time period.

Group Size: Maximum [*8-10*] members. Limiting group size is important for group dynamics, maintaining accountability and meeting space constraints. In order to allow the group to get established, no new members will be added for the first [*6*] months.

Recruitment/Initiation of New Members: New recruits will be screened for eligibility, commitment, leadership ability and general fit with the group chemistry. The process will involve [*a member proposing a new candidate, gaining group consent to consider the candidate, having the candidate audit 2-3 sessions and, after the 'trial period', having the group decide whether the candidate is an appropriate fit*.] The member identifying the new candidate will talk with the candidate at the outset to clearly outline expectations both to avoid misunderstandings and to ensure the right level of commitment can be made.

Roles and Responsibilities: The [*Name*] Study Group is self-driven, and success depends upon each member's commitment to participation and leadership in the group. Following Aristotle's observation that teaching is the highest form of understanding, the study group presents an opportunity for members to deepen their knowledge of specific topics by leading meetings.

Roles in the [Name] Study Group include the following: [*omit the roles that are not applicable]*

> ***Session Lead***. Each member will be expected to take the lead on one (possibly two, while the group is small) meetings a year. Session Lead responsibilities involve creating the agenda, researching and preparing material to present to the group or arranging a guest speaker, providing recommended reading lists or other resources for members who are interested in more self-study, and acting as facilitator/time manager for the session. Topics will be determined by group consensus in advance, giving the Session Lead sufficient time to prepare.
>
> ***Scribe***. The scribe will track general administrative agreements, action items and future schedules/topics for the group. The scribe will distribute relevant documents, either via email or posting to Yahoo group. The scribe will not provide detailed meeting minutes; members are responsible for taking notes on the technical aspects of the meeting.
>
> ***Treasurer***. The Treasurer is responsible for collecting the $100 annual dues from each member and managing funds for refreshments and other group costs. This contribution is considered a fixed cost; if a member leaves the group during the year, refunds will not be made.
>
> ***'Webmaster'***. The webmaster is responsible for setting up and maintaining a Yahoo group for posting documents, email distribution lists, etc.

Topics. Topics will be determined on a [*quarterly*] basis and may include financial planning 'technical' information; practice management, marketing or business development issues; technology associated with the practice of financial planning (software packages, social networking or other such issues as they relate to financial planning); lifecycle issues relevant to better understanding client needs; or other issues related to the practice of financial planning. Suggestions for topics will be [*submitted to the Webmaster and run through an online survey engine as a means to help with prioritization*. *The person responsible for presenting the session will have final discretion over the choice of topic, so as to maximize the group's use of his/her knowledge or resources*].

Frequency. The Study Group will meet once per month for [*10 meetings per year, with breaks in December and July*]. This monthly structure minimizes the time commitment for members but still allows sufficient face-time for the group to bond. Informal or event-specific gatherings, such as attending a third party seminar or workshop, can supplement the regular meetings.

Location. The Study Group will generally meet in the office of [*member name*] at [*address]*. In the event that the designated meeting location is not available, the group will designate a coffee shop or private room in a restaurant as a backup location.

Schedule. The group will meet the [*fourth Thursday of each month, with the exception of May and November. Due to holiday weekends, the group will meet on the third Thursday of May and November.*] In order to minimize the impact to both work and family schedules, as well as to accommodate those members with a longer commute to the meeting location, the group will meet from 4pm-6pm. The agenda will allow time for general business, introductions, brief catching up, etc. in addition to the featured presentation and discussion.

APPENDIX B

Meeting Topic Ideas and Resources

Once your group is assembled, you face the next (and on-going) challenge of study groups: *what do we talk about, and where do we go for support or assistance?* Your local FPA chapter is an invaluable resource for ideas, subject matter expertise and even guest speakers. If your local or neighboring chapter has a study group in place, you may ask to have a joint meeting or have a representative of the senior group act as a mentor to your group during your start-up phase. Your group members may have professional contacts that can provide information, give presentations or lead discussions at one of your meetings. If your group is composed of newer planners who are just starting a practice, you may wish to identify and invite professionals who will be a good resource for clients, or to invite COI-type professionals who are starting out in the business. Industry journals, websites and the textbooks sitting on your shelf are also excellent resources to use when planning or researching study group topics.

Ideas for Study Group Topics

Lifestyle	Financial Planning	Practice Management
• Care for the Aging • Adapting Your Practice to the Needs of Aging Clients • Long-term Care • Healthcare Insurance (pre-65 and post-65) • Handling Death and Dying • Divorce Planning • Senior Housing • Social Security • Dealing with Alzheimers	• Real Estate as an Investment • Mortgage Issues (including how planners work with mortgage brokers) • Evaluating Property & Casualty Insurance Against Your Client's Portfolio • Investment Policy Statements • Roth IRA Conversions • Investments • Credit Counseling/Credit Repair • Employee Compensation (including RSUs, ESPPs, options) • Financial Planning/Legal Issues for Couples • Conservatorships and Guardianships • College Planning • Intergenerational Planning • Annuities	• Succession Planning • Building Your Practice on Your Strengths • Organizing Your Office Efficiently • Technology – Software, Tools, CRM, Social Media • Client Acquisition Strategies • Compliance • Protecting Clients from Themselves • Best Practices for Ranking and Managing Clients • Forming a Financial Planning Partnership

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