



Advisors: 5 Ideas to Grow Your Business

In today's advisory space the pressure to acquire and retain clients is higher than ever. Here are some ideas for ways to grow your advisory practice that you can implement today.

1: Specialize

In this competitive marketplace you need to set yourself apart from the crowd. The most effective way to do that is to find a specific niche that you truly feel an affinity toward and conquer it. Your niche could be focused on a certain profession (attorneys, doctors, teachers...), gender, location, charitable affiliation, hobby or life stage. Find a unique aspect of the marketplace you understand enough to work with as a specialist. The key to making this strategy work is having a concrete angle.

To help you figure out what audience you should be targeting picture your favorite clients, the ones you really enjoy working with. Now, ask yourself the following questions about them:

- What do they really value?
- What keeps them up at night?
- Why do they work with you?
- Who influences them?
- What are their hobbies?
- What are they passionate about?
- What problems do they need to solve?
- What do they do for a living? What do they wish they could be doing?
- Where do they live?
- How old are they?

2: Delegate Like the Pro that You Are

Your time is precious. In order to grow you need to spend it on client facing and business growth activities. Partner with a broker dealer that can help you delegate non-revenue generating tasks like compliance, investment research and back office administration. Take advantage of technology to streamline manual processes, such as data aggregation, rebalancing and reporting.

At Investacorp we strive to put more hours back into your day by offering a comprehensive, fee-based platform that helps you seamlessly deliver sophisticated wealth management services to your clients. Regardless of your business model, our affordable infrastructure and flexible service platform provides all the supporting resources you will need to develop successful client relationships and build your respective practice.

The market has changed and it's going to continue to change. With start-ups, new funding and new money, clients are becoming younger and ready to invest earlier. Younger clients have grown up in a world built on technology. They expect a client portal, virtual meeting capabilities, and a transparent and regular digital communication strategy.

A recent Spectrem study asked 3,000 investors with net worth from \$100,000 to \$25 million to rank the main causes for switching financial advisors. The number one reason was: "Not returning phone calls/emails in timely manner" followed closely by "Not being proactive in contacting me". Clearly, as an industry, we have a communication problem. The problem stems from advisors spending too much time in the back office or doing manual tasks and not enough time on valuable client-facing activities.

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Give your clients what they want by utilizing our technology platform, Investalink, a robust, secure, environment that adapts to your needs while increasing efficiency. Our user-friendly, web and cloud-based Investalink platform:

- Provides instant and secure access to sortable client information from anywhere, anytime.
- Streamlines business processes, digital document management and practice management so that you can be more productive.
- Gives clients secure 24/7/365 online access to their accounts, freeing up your support staff.
- Unifies disparate legacy systems to research and manage investments, handle client billing and track taxes.
- Provides access to up-to-date, compliance-approved sales letters and alerts.

3. Create a Center of Influence Referral Network:

Research suggests that the most effective financial advisors find more than 70% of their new clients come from two sources: referrals from clients, and introductions from other professionals. Some advisors limit their definition of professional referral sources to attorneys and CPAs. We challenge you to think outside of the box. Think of your target market and the type of people they surround themselves with to expand your referral network to include other professionals such as art/antique dealers, real estate agents, college counselors, personal trainers, life coaches.

The key to creating an effective referral network is making sure the source is getting value from your relationship. This requires putting yourself into their shoes and thinking about ways to make their lives simpler, better and more valuable. Here are some ways to consider offering value:

1. Feature them in your client newsletter or blog
2. Do a joint workshop, seminar or webinar, share the costs and the business opportunity
3. Make their job easier by providing a simpler way to share information on common clients
4. Promote them on social media (LinkedIn, Twitter, Google+)
5. Create a joint case study that shows the benefit for the client of working with both of you
6. Feature them on your website in a resources or partner section
7. Invite them to your client appreciation events

Once you are ready to reach out to this group, start with the firms that your clients referred you to (like their CPA) and then work your way down to the colder part of the list. We suggest sending out an email or letter asking for an introductory meeting. Often times it makes sense for you to come to their office so you can get a better feel for their practice, and to make it easier for them to accept. In the meeting focus on them, learn about their business goals, listen for ways you could work together to solve the needs of their clients and the benefits of having a referral relationship.

Immediately after the individual meetings send a follow up email with next steps with each of your commitments from the meeting as well as anything

else you're planning to do. Treat them like a professional colleague with whom you're working on a mutually beneficial project. Your follow up shows that you are serious about the partnership, and that you are making the first move by offering them value first and organizing the effort so it's simple for them.

Make referrals simple—As part of your email communications, think about adding a free shared calendar tool to your signature. This tool allows your referral partners to close the loop and schedule time with you and their clients. Timetrade is a fantastic free service that allows someone click on a link, and pick a time on your calendar when you are free to call or meet them. This will close the loop and make it easier for the potential client to connect with you.

4: Go for Gold: Institutional Business

Rather than solely focusing on attracting individual clients, consider expanding by going after institutional business. The institutional market represents \$70 Trillion of the entire financial services landscape. It's comprised of clientele such as endowments, universities, non-profit organizations, and pension business. It's attractive because the potential account size, aside from being substantial, also represents the individuals who are affiliated with the institution, and all of the other referral opportunities that can come with specializing in this niche market.

Sounds great, right? So why doesn't every advisor go after institutional business? It's not that easy. There is a great deal of personnel to engage in order to compete for these clients, specifically the board of directors, trustees, and finance committees. Typically these individuals feel more comfortable working with large renowned banks and brokerage firms.

Steve Markey and the rest of his team at Whitestone Financial joined Investacorp in 2006. When they first joined Investacorp, they never imagined that they would have the opportunity to win institutional business, which is deemed almost unapproachable amongst independent advisors. Nine years later, they have won institutional clients and they have grown and built a brand new office building that will help to increase their exposure in the San Antonio area.

How did they do it? In 2007 Ladenburg Thalmann acquired Investacorp. Whitestone was excited because it gave them access to the Ladenburg Thalmann Asset Management group to compete for institutional business using their exclusive RFP process. RFP or Request for Proposal services for these types of clients are very tedious, with many questions related to the pricing model, investment solutions, and standards by which the competing advisors would have to abide by in order to have a shot at winning the business.

“Bidding on RFPs requires a lot of time and manpower, which often keeps advisors from going after larger institutional clients. Not to mention that many RFPs have strict requirements such as AUM minimums and audited financials. When advisors partner with us, not only are we able to use Ladenburg's history, financials and full suite of services to add credibility, but our team takes on a majority of the legwork in the process. We work closely with the advisor to incorporate information about his or her practice and discuss what should be included in the proposal, but everything is put together by the LTAM team.” Jaime Desmond, COO Ladenburg Thalmann Asset Management comments. LTAM offered to work with Steve and Pat to submit the lengthy RFP to those institutional prospects, especially since LTAM was very familiar with this process. To learn more about Steve's approach and results [click here](#).

5: Consider an Acquisition

Advisors looking to grow a smaller practice are turning to purchasing existing practices. Industry experts see this trend as likely to persist as it becomes harder to grow one client account at a time, and as the ranks of aging advisors looking to exit the business continue to swell. In 2013, 70% of financial advisors were 45-years-old or more, and nearly one-third planned to retire within the next 10 years, according to Cerulli Associates. However just 25% of financial advisers have a succession plan in place.

Many advisors now understand what a quick boost an acquisition can provide. One such advisor is Kevin Daniels. His story is instructive to others that wish to grow their business through acquisitions.

In 2008 he decided to expand when many of his peers were taking a step back. It seemed as though nearly every financial firm was downsizing in this difficult environment. In his 40's and in the middle of a recession, Kevin knew that that he could not rely on referrals and prospecting, the formula that had brought success thus far.

Looking back, Kevin says "I was just a little guy, always concerned that Investacorp would drop me because I was so small, but Investacorp was in the business of helping advisors." Something had to change, so he began to focus on acquisitions in addition to organic growth. He believed larger offices had economies of scale, better service, and more access to technology. Investacorp's CEO, Pat Farrell had much admiration for Kevin's "no big deal" approach so when the plan for acquisitions was discussed, Pat's team began looking for other Investacorp branch offices that were likely to be sold or closed. To learn more about Kevin and his results after 3 acquisitions click [here](#).

If you are a growth minded advisor with the entrepreneurial skills to manage an acquired practice, Investacorp can be of invaluable assistance. We can provide specialized guidance and more importantly, can assist with the funding of these transactions.

Visit us at investacorp.com for more information

Investacorp, established in 1978, was created to serve the unique purpose of optimizing talent, time, and the autonomous spirit of financial advisors. We provide the guidance, support, technology services, and motivation needed to be your clients' chief financial problem-solver. Our size and structure allows us to be selective about the investment professionals we choose to affiliate with, to know all of our advisors by name, and to build long-term, mutually beneficial relationships.