

### Case Study 1: Breakaway Advisor Seeking a Lifestyle Practice

Advisor was managing approximately \$35 million across 350 households, and affiliated with an independent B/D. He came to FocusPoint to learn more while considering selling his business. Advisor's wife was working part-time as an assistant, and he had another employee doing the same thing. After consulting with him, both he and FocusPoint recognized that he wasn't necessarily ready to get out of the business—he was basically burned out on day-to-day minutiae, and the burden of working with many clients who were draining him. FocusPoint worked together with advisor to identify his main goals as he moved forward toward a major business change.

Advisor was able to get clear about the main components in an ideal vision for his business:

- 1) Free up a significant amount of his time by phasing out the client relationships that he felt were too mentally exhausting to him.
- 2) Take the majority of the business minutiae off his plate.
- 3) Maintain or increase current income stream with many fewer clients.
- 4) Offer clients one message and way of doing business.

FocusPoint worked with the advisor to create a strategy for addressing and accomplishing all of these goals:

- 1) Advisor needed to identify which of his 350 households he wanted to continue working with. This was an exercise in envisioning his perfect client, and an opportunity to determine which clients he wanted to bring along with him in the move. Advisor decided which of these clients he would sell to another advisor at the same B/D. FocusPoint also worked with the advisor to design a communication plan for clients he was on the fence about re: the new direction of advisor's business. This communication would let these clients know what his plans were and that they were welcome to come along with him if they chose to do so. FocusPoint assisted with the paperwork package included in mailings along with a due date for its signed receipt.
- 2) Advisor decided to outsource the majority of day-to-day minutiae and tasks (trading, reporting, billing, uploads/downloads/reconciliation, rebalancing, etc.) to FocusPoint, redefining his assistant's responsibilities so that they were more client-facing. This allowed him to have one employee rather than two part-time staff, keeping things much simpler on that front.
- 3) After carefully reviewing his business revenue and determining which clients were going to come on board with him through this significant and positive change, advisor chose to make some adjustments (increases in some cases) to his fee structure. He also chose to transition all clients currently in commission accounts to fee-based accounts after the move. Because the

advisor chose not to keep a B/D relationship, all 125 households he chose to maintain relationships with would be working with him on a fee basis. Any overrides he had been paying also went away with the move. These combined factors freed up some revenue to offset what he would be paying for outsourcing services going forward.

- 4) Advisor was able to redefine his message and vision for his clients in a much more streamlined, simple way. He felt strongly that he wanted to offer clients one way of doing business—not offer them 3 or 4 options. By going fee-only and forming his own RIA, advisor felt this would be easier to communicate to clients, and gave him peace of mind that was doing what he felt was right for them. Advisor's efficiencies also improved significantly in this area through the transition because he was now able to offer clients the same investment style and strategy regardless of account size. Additionally, advisor was able to utilize the integrated suite of technology and a virtual office provided by FocusPoint so that most all client information and data were in one place.

Through the identification of his goals and clear vision for his ideal clients and business, this advisor was able to partner with FocusPoint to help him achieve the business he really wanted. Today he works with 150 households—relationships he truly enjoys—across approximately \$40 million and slightly more revenue than he was making prior to the transition. He is also able to take extended time away from the office, knowing he has a full-time person there to talk with his clients, and a full-service outsourcing support team at FocusPoint, led by one central point of contact, to handle the day-to-day minutiae (trading, rebalancing, uploads/downloads/reconciliation, billing, systematic withdrawals and purchases, etc.). As an added benefit, when and if the advisor chooses to sell his business down the line, it is now much more valuable and easier for a new advisor to service.