

Case Study 3: Emerging Advisor Seeking Significant Growth, Minimal Staff, and a Solid Succession Plan

Advisor was managing approximately \$15 million with limited to no staff. He was very clear about his goals, which included growing his business to \$100 million+ by marketing to and gaining a significant amount of physician and small business owner client relationships. Advisor was also interested in becoming more involved in the local community via speaking and writing engagements geared toward his ideal clientele. He recognized that he was reaching capacity and would need to hire staff at some point very soon. However, he felt that on his own, he would not be able to afford the caliber of employee(s) that he would need in order to reach his growth goals. For these reasons and others, he was open to exploring both outsourcing and existing RIA affiliation options.

Here were the main goals the advisor identified to best address his long-term vision for success:

- 1) Affiliate with and leverage the resources and talent of a larger, established RIA...and/or outsource to a higher level of employee than he could afford on his own.
- 2) Free up his time so that he could focus on significantly growing his business by networking and gaining credibility in his local community with physicians and business owners.
- 3) Create a highly efficient, valuable, scalable business that would be viable and simple for another successor advisor in the future to plug into.

FocusPoint's sister company, a successful RIA created by FocusPoint's founder in 1990, worked with this advisor to address his challenges, needs, and goals:

- 1) Advisor decided affiliate with the RIA as an IAR. He would maintain and manage his own client relationships while benefiting from the valuable scale and leverage the RIA had already created. Advisor also benefited from the services the RIA already outsourced to FocusPoint: back office operations, trading, reporting, billing, investment research and management, etc.
- 2) Advisor embraced the idea of outsourcing just about everything besides client relationships and financial planning. He was able to take advantage of the high caliber of staff and support already in place with the RIA. Through his affiliation with this new firm, the advisor had immediate access to all back office operations, receptionist, trading team, compliance support, and investment research and management staff (CFAs). He had peace of mind as he felt confident about the sophisticated level of staff and support, plus the higher level of service he was now able to offer his educated and analytical clients. Because he wouldn't have to worry about paying for, hiring, training, or managing experienced staff, he could focus fairly exclusively on attracting new clients by spending more time in the community and making a name for himself as an advisor focused on physicians and business owners.
- 3) As a result of deciding to affiliate with the new RIA whose systems were streamlined and designed for maximum efficiency, by plugging into those systems, the advisor's business followed suit. He soon

brought another advisor who is a CFP/CPA into the firm, and felt assured that when it came time to bring in an advisor to succeed him, it would be a much more simple and seamless process.

Because this advisor was very clear about his goals and vision for success, he was able to find the right business partner via a new RIA affiliation supported by FocusPoint in the background. Today the advisor manages upwards of \$150 million, working exclusively with physicians and small business owners. He is highly active in his community, frequently speaking to hospital groups and other local organizations. His written work has been published and he regularly gains new client accounts via referral. This advisor continues to outsource most all non-revenue-producing activities via his RIA and FocusPoint. He has partnered with one CFP/CPA and has two full-time staff in his office. He has also found an advisor to smoothly succeed him in his business; he is another IAR of the same firm. Over the next few years he will continue to see clients occasionally and slowly phase out of the business.