10 ESSENTIALS TO THRIVE AS A SOLO OR SMALL FINANCIAL ADVISORY FIRM

Building a financial advisory or wealth management business as a solo practitioner or small firm owner can be daunting. While there is no question that this kind of work can be an incredibly rewarding career both personally and financially, it is much more enjoyable when you are organized and deliberate with your actions. That's why we want to share these 10 Essentials to help provide practical guidance on how to create the firm you have dreamed about.

1. KNOW YOUR LONG-TERM PLAN

Just as you create a plan and roadmap for your clients, it's imperative you develop your own long term strategy for your business. You can't build the company you've imagined if you haven't mapped out what that looks like. Important questions to ask and answer include: How many clients do I want to service? Do I want to hire additional staff? Do I want geographic flexibility? What is my exit plan?

ACTION: A written plan is twice as likely to lead to success versus one that lives in your mind. Write a 1-2 page description of your ideal practice over the next 3-5 years. Include details about how you spend your time, number of employees, the clients you serve, the services you provide and how you balance your personal life with your professional life. Remember, this plan is not set in stone; you can and should revisit it every year. Know where you're going - don't let your firm happen by accident.

2. FOCUS ON YOUR STRENGTHS

Owning your own firm requires that you wear a lot of different hats including Operations, Research, Marketing & Sales, Technology and Human Resources. Layer on top of those responsibilities the multitude of services you provide your clients, and it's easy to feel overwhelmed quickly. The best approach to solve this problem is to focus on your strengths – what you do best and/or enjoy the most. This will enable you to deliver a better client experience, keep your sanity in check, and set yourself up for success. While it is easy to justify doing it all yourself in the beginning, as you grow it will become more and more difficult to deliver top notch service in all areas and the client experience will suffer.

ACTION: Make a list of all the things you do over the course of a month and identify the areas you don't enjoy or you don't feel are your strengths. From that list, group these tasks into basic categories such as Operations, Research, Marketing & Sales, Technology and Human Resources. Are you noticing a higher concentration of tasks under a particular category? Pick the area with the longest list and research potential outsource partners or determine what can be delegated to administrative staff or a new hire.

3. ARTICULATE YOUR "VALUE-ADD"

Due to the proliferation of algorithm-based investing and other online platforms offering financial advice, clients and prospects are more aware and discerning about how much they pay their financial advisor and what services they receive. You must be clear to prospects and clients about what you do, why it's important and how it's different from the competition.

ACTION: List out all the services you provide for your clients along with why and how these services help them achieve their financial goals. Share this document with your clients as it sets expectations while making them aware of the value you add.

4. ALWAYS BE MARKETING

Many advisors under invest or overlook one of the most important areas of their business; marketing. It is common for principals to get frequently pulled away to more immediate needs such as resolving client requests, preparing financial plans or meeting with clients. While these duties are equally important, effective marketing is the lifeblood of your firm and your success greatly depends on your ability to implement an effective and consistent marketing plan.

ACTION: **Alter your mindset such that marketing as part of your daily routine. Set aside specific time during the day to expand your network, nurture relationships with centers of influence (COIs) and develop strategies to garner more referrals. Create specific goals around your outreach and monitor where your successes come from. Being able to measure your effectiveness will aid in revising your strategies as you move forward.**

5. DELIVER A "WOW" FACTOR

According to Cerulli Associates, there are over 300,000 financial advisors in the United States. This volume of competition highlights the need not only to differentiate yourself for prospective and current clients but also to turn these same people into devoted advocates. Create a client experience that makes them sit back and say "Wow!" Demonstrate that you know them well, you care about their future and will go the extra mile to make them feel special.

ACTION: **Pick a special way to connect on a regular basis with each one of your clients (it helps if it is unexpected). Some examples include: Send wine or a gift for a client's wedding anniversary or find articles or books that would be of interest to your clients and forward them along. The key is that your clients know you are thinking about them, you're paying attention and you care.**

6. KNOW YOUR ONLINE PRESENCE

It is amazing how much information you can find out about a person or a company before you've even said two words to each other. Your presence online is a direct reflection of your brand and gives someone an indelible first impression. Always be intentional about what you put out there and ensure that the initial encounter is positive.

ACTION: Do a thorough review of your social media presence. Analyze your website, Facebook page, LinkedIn profile, Twitter feed, blog, and other online properties through the lens of someone seeing your information for the first time. Is your brand accurately reflected? Would your ideal client be inspired to find out more?

7. THINK IN TERMS OF SYSTEMS

Many tasks you or your team members do on a day-to-day basis are repetitive or can be simplified with well thought out procedures and processes. Having a defined system for your everyday responsibilities can go a long way in improving your efficiency and your ability to grow. Additionally, if you need help when you are on vacation or sick, systematized workflows ensure the business is handled in a consistent manner.

ACTION: Map out the common workflows and processes in your business. Define the tasks that do not require YOU to do them. Leverage technologies or administrative staff to handle these duties so that you can spend a greater percentage of your time building client relationships and investing in your business (and your life outside of the office).

ALTERNATIVE ACTION: Articulate a clear and comprehensive process for your client service model. Create a document that outlines when you'll meet, what you will deliver, how often clients should expect to hear from you, and what you need from them. Systematizing your service model, making sure everyone is handled consistently, and demonstrating how organized you are gives clients a very good sense of what to expect.

8. ESTABLISH STRONG PARTNERSHIPS

Clients look to their financial advisor for advice on all things money related. You could find yourself fielding questions on issues that range from tax help to mortgage financing, auto loans, estate planning, and more. And while your clients may not expect you to be an expert in these areas, they would certainly benefit from your recommendation.

> **ACTION: Vet strong partners and create a proprietary Resource List to which you can point your clients. Not only will your clients thank you for the help, but the other business partners may very well be inclined to return the favor.**

9. CONNECT WITH THE ADVISOR COMMUNITY

Working as a solo advisor or owner inside a small financial advisory firm can feel like a lonely existence. You do not have the benefit of walking down the hall into an experienced colleague's office to help you think through your latest issue or client concern. Therefore it becomes imperative you consistently interact with the advisor community to share ideas, best practices and explore new and innovative solutions.

> **ACTION: Join your local professional organizations such as FPA and NAPFA to network with other advisors in your community. Participate in online forums and communities, too, whether through a member network such as the Garrett Planning Network or XY Planning Network or through LinkedIn Groups. Invite 4-5 advisors to form a study group that meets regularly and create an outlet to share ideas, compare best practices, and explore challenging client situations.**

10. BE HEALTHY

Maintaining a healthy body and mind is critical for a number of reasons. As a sole proprietor or owner in a small advisory firm, demands on your time are unrelenting, so operating at a high level for long stretches of time is essential. Eating properly, exercising appropriately, and making time for rest will go a long way to keeping you physically well with high energy levels. It is equally important to find the appropriate work/life balance. Without ample time to unplug and recharge, you can cause potential harm to personal relationships and add stress to your life. When you step away from work with regularity, you foster creativity and give yourself space for new possibilities.

ACTION: Common causes of poor health include cigarette smoking, poor diet, inactivity, lack of sleep, excessive alcohol consumption and stress. While it may feel a bit daunting to attack all of these problems at the same time, pick 2 or 3 and make a concerted effort to improve your habits. Additionally, block off regular times in your calendar to disconnect from work. This should include periods of time each day, significant time on the weekends and ample time for vacations. To increase the probability of success, write down your goals, track your progress and note any changes in how you feel.

11. BONUS: DON'T BE AFRAID TO ASK FOR HELP

Even the most successful professionals need help. Think of your favorite athlete or musician and they too are likely utilizing a coach or trainer to help refine their craft. You should think of your firm no differently. A coach or mentor can be very effective at keeping you focused on the important areas of your business, help identify potential weaknesses and provide the invaluable service of accountability. Expand your support circle by identifying the type of help you desire and seek out the right professional.

ACTION: Take an objective look at your business and identify your biggest weakness. Are there classes, programs or coaches available to help strengthen your abilities in this area? Commit to getting the support you need to build your business.

Learn how Gemmer Asset Management can help support your firm.
Contact Brian Gemmer at 925-933-3786 or brian@gemmerllc.com.