



MDRT

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Minding your own business

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Building a financial advisory business takes a strategic approach.

THERE'S A BITTER irony associated with the early stages of a financial advisor's career: While tasked with helping others organize and grow their wealth, they often neglect the very advice necessary to organize and grow their own business.

The pattern is common: You're recruited to sell insurance, and start with your natural market of friends and family. Profits accumulate and word spreads quickly, until you find yourself running ragged trying to keep up with the business.

Next, you start providing holistic wealth management and financial planning advice. You begin the transition from acting as an independent advisor or salesperson to one of a formal businessperson. And, as you've learned, the latter carries with it myriad legal and financial requirements and implications.

We spoke with three MDRT members to learn how they managed their transitions and built sustainable practices. They shared insights to help you address the challenges and leverage your opportunities for success.

The business approach

After several years working as a sales manager for a life insurance company, **Zachary Alexander Barton** felt a need to strike out on his own. "I knew that I wanted to run my practice like a business instead of being a sales representative in the local sales office," he said. Barton set up his own company, Barton Financial Group, "hiring staff so that I could run it like a business."

Doing so required that he obtain funding, an anomaly among financial services businesses. "I went out and took loans so that I could be like a business on day one instead of taking a few years to get there," said Barton, a two-year MDRT member from Kyle, Texas.

"The biggest obstacle was in my own mind," he said, which required a "mental shift to act like a business owner."

For instance, he knew he couldn't run his business if he was spending all his time traveling to his clients. But he initially found it hard to let clients know that he held meetings in his office only. "Once I got out of my own way, it was fine."

While multitasking is critical for the successful financial advisor, so too is delegating work. "It was better to have an assistant full-time even if I wasn't financially ready for it," Barton said. For tasks where time permits but a skill set is lacking, he advocates partnering with third parties. "I decided not to train myself how to do everything. If a skill set doesn't come naturally to me and I don't like doing it, then I hire someone."

It's an ongoing process, one that Barton continually refines. And, though his preference lies with face-to-face client interactions, as a business owner, he must deliberately set

aside time to manage operations. “I put something in my calendar called ‘Monthly Plan,’ and during those several hours per month, I assess a broader perspective.”

Client service priority

After eight years working as an independent financial advisor, **Vimaladevi Manuel, CHS**, struck out on her own, founding Victory in Motion Insurance & Investment Solutions Inc. “I knew it was time to evolve my business when we couldn’t keep up with the type of service we wanted to provide,” she said. Manuel continually focuses on providing exceptional client service, a resource-driven pursuit that creates ongoing operational challenges.

“My team is committed to providing excellence to our clients,” said Manuel, a six-year MDRT member from Calgary, Alberta, Canada. “Some of the biggest obstacles include finding sufficient support — finding the right people who are driven to succeed and who can apply critical thinking to help our clients.”

As her team and office space expanded, Manuel provided strong oversight of all facets of operations, minimizing any potential disruptions. It’s a necessary component of being a business owner, but one that has created an internal conflict for the committed financial advisor.

“Acting like a business owner divides my time,” she said, “but my role as a CEO is to prioritize the company’s needs: Is there enough staff? Are processes consistent? Is client-care follow-up in place?” These require her ongoing attention.

To achieve those objectives, Manuel hired a personal coach with financial services industry experience who customized a five-year plan for the company. “It outlines how to get the

company to where we want it," she said.

The plan details five focus areas: business structure, business space, client experience and marketing, insurance and wealth. For instance, under business structure, the coach developed a plan for building out Manuel's team to support growth projects and service standards. "Part of building the team support was ensuring that I have a licensed wealth administrator," she said.

Additionally, Manuel hired an operations person to help guide her in executing CEO tasks, a time saver that keeps her on task while allowing her to focus on her client caseload. To that end, she holds weekly team huddles — strategy sessions and deep debriefs — as well as monthly business planning sessions.

Manuel focuses on long-term success and has established a vision for growth that extends beyond her role as an active advisor, creating partnership opportunities for associate advisors. "All of our work must live past me, and I don't want to sell it to a stranger when I am ready to retire.

"I want to ensure that my vision lives on."

Adding new advisors

A financial services industry veteran, **Wade A. Baldwin, CFP**, has notched more than 25 years of providing financial planning services to an expansive client base. After stints with the Bank of Nova Scotia and Mutual Life (now Sun Life Financial), Baldwin founded Baldwin & Associates Financial Services Ltd.

"The biggest challenge has been finding and training good people," he said, especially with his long-term goal of transitioning to a part-time associate advisor.

When Baldwin, a 22-year MDRT member from Calgary, Alberta, Canada, hires a new advisor, the difficult work is just beginning. "It's a challenge to hire a new advisor, then figure out how to pay them with a starting salary plus commission," he said. And as the advisor advances, "When do you end the salary to place the advisor on 100% commission?"

With his client-centric focus, Baldwin said it can be difficult to prioritize working on his business, since it means time spent away from clients. "This requires a balancing act," he said. "Where to find the happy medium has always been a challenge for me." To facilitate the division, he delegates tasks to others, especially in areas that don't generate income for the firm.

Like Manuel, Baldwin focuses on a strategic succession plan, one that looks to the next generation of Baldwins. "My son has shown some interest in the business," he said, and he plans to teach him the business slowly, beginning with light administrative work.

And, if his son should decide not to follow in his father's footsteps, Baldwin has created a Plan B. "I would hire a couple of associate producers to help grow the business, running a succession plan through them.

"But the challenge is always finding the right people."

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