10 TRAITS OF TOP ADVISORS

What are the best financial professionals in the business doing today? Our team of advisor practice management consultants engages with thousands of financial professionals each year, seeing firsthand how advisors and their teams are implementing productive best practices and driving efficient growth. We pay careful attention to what the standouts have in common. The formula is part art and part science, leveraging processes, technology, talent and purpose to take your firm from a practice to an enterprise.

Here are 10 key traits we have identified among successful financial advisors, and how you can apply them to your business.

> “I seem to have a lot of emerging executives – mid-40s to mid-50s – in the power stroke of their careers, saving a lot of money and earning executive compensation benefits.”
>
> ~Scott Oeth, Cahill Financial Advisors

1. Define your ideal client

Advisors tell us that a crucial step to success was identifying their core or “ideal” clients. This helps them tailor their practices to offer services that have created differentiating value over the long term. Your ideal client might seem obvious – isn’t it the clients who are easy to work with and value your service? But take a closer look, and you may find other attributes or characteristics that your clients share. By defining these ideal client traits, you can create an easier path for them to find you.

Having an ideal client can also lead to servicing specific types of clients or niches, which can help drive growth in client acquisition and referrals.

Some advisors may start by defining their ideal clients based on asset minimums, but you may want to take a more specialized approach and target clients with specific sources of wealth (i.e., tech stock liquidity events, family-owned businesses or inheritance) or otherwise complex financial needs. Other traits could be personality profile, personal affinities or connections with centers of influence. Some teams even try to identify one or two ideal client personas on which they structure their business acquisition efforts. Or they may work within certain companies or industries, or with specific professions or genders.

For example, advisor Scott Oeth with Cahill Financial Advisors in Edina, Minnesota, carved out a niche by providing equity-based compensation advice to executive clients. Once he understands the intricacies of certain companies’ stock option programs, referrals from corporate executives pour in. “At one point, I was working with 17 households of executives from this one company,” he says.

In another example, advisor Bart Zandbergen says his ideal client includes business owners looking for help with an exit strategy. His firm, the Zandbergen Group, a DBA of Axxcess Wealth Management in Laguna Beach, California, serves mostly high net worth and ultra-high net worth clients. And Zandbergen’s team specializes in helping clients sell their businesses and plan for the post-sale wealth.

“I didn’t start my career with the thought that I’m only going to work with high net worth and ultra-high net worth clients,” says Zandbergen. Instead, he started with smaller balance clients who grew over time. His skill set grew with them, handling sales of businesses and other liquidity events, while keeping an eye on the overall financial plan.

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>
> ~Janet Acheatal, HoyleCohen, Women and Wealth

2. Have a clear value proposition

That differentiating value that your ideal client is looking for? That should be a defining feature of your practice, according to top advisors. Defining what sets your business apart may seem like table stakes, an exercise financial professionals go through at the start of their careers but rarely think about in the day-to-day of servicing clients. But the most successful teams keep their value proposition top of mind, using it to inform what they do, whom they do it for, why they do it and how. Some firms build it directly into their brand.

Top advisors attempt to position themselves so that every opportunity that comes in front of them is one for them to lose, not to win. A clear and articulate value proposition can put you in much better stead if a client asks, “Why should I bring my $40 million to you versus one of your competitors that I’m speaking with?”

But that does not mean that your client value proposition should be all about tactical asset allocation or rebalancing portfolios. Instead, you want to zero in on what clients truly value: the passions or purposes that their investment goals are designed to support.

For Janet Acheatal of HoyleCohen’s Women and Wealth division in San Diego, the ability to help women facing a major life event is the value prop. That life event could be getting ready to sell a business, planning to retire, going through a divorce, or becoming a widow. Women in these situations may benefit from working with an advisor who can clarify “the magnitude of their financial picture” and help them understand what plans they need to consider. “We know generally that women feel underserved. They feel undervalued. They don’t know who to trust. So we spend a lot of time upfront, developing the connection with them,” says Acheatal.

3. Know your strengths and weaknesses

Research shows that we tend to flock to people like ourselves, but this impulse can hinder the development of a well-rounded team. Top advisors use hiring to fill gaps in capabilities and strengthen service offerings. To do this, a first step is to assess yourself and others on the team, making note of everyone’s strengths, weaknesses and passions. Some advisors find using diagnostic tests that identify or indicate types (such as Myers-Briggs) helpful in mapping out the personalities and skills on a team.

Those insights can be used to form a blueprint for the skills and abilities you’ll need to include on your team. Consider hires that think and operate differently. This doesn’t mean they have a different view about the direction of the business. But a diverse team composed of complementary skill sets helps create true enterprise capabilities.

For example, if you thrive in the big-picture role of a rainmaker, seek out more detail-oriented people who can help you make sure all the boxes are ticked while you build relationships.

For Mark Wilkins, managing director at UBS Private Wealth, a Myers-Briggs test revealed that the firm could boost its “sensitivity” quotient, which led him to focus on hiring advisors who present more emotionally in order to bridge that gap.

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>
> ~Mark Wilkins, UBS Private Wealth

4. Get out of the business of managing money

The top advisors in the industry have gotten out of the business of managing money. This doesn’t mean they have stopped managing investments, but that they recognize that their true value to clients is not in making daily calls on how to deploy assets in the market. It’s about how they help clients organize and reach their goals.

Indeed, our *Pathways to Growth: 2024 Advisor Benchmark Study* research found that top managers were 13% more likely to use model portfolios for investment management, as compared to their peers. This gave those advisors more time to focus on refining client acquisition, deepening engagement or providing more value-added services.

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> ~Ray Evans, Pegasus Capital Management

5. Standardize your procedures

Top advisors are more likely to standardize everything, building a sort of “engine room” through the use of models, standardized processes, technology and team collaboration to find efficiencies and create consistency in service.

For example, standard operating procedures (SOPs) provide clear sets of directions for how important business tasks are handled, so that anyone can onboard a client or answer a relationship management question with the same level of confidence. This helps to provide clients a seamless service experience, no matter which team member they are speaking to. The highest growth practices were 31% more likely to have SOPs in place for activities like client onboarding, according to *Pathways to Growth*.

Those high-growth advisors were also more likely to rely on technologies to help optimize workflow processes, such as portfolio rebalancing, document management and customer relationship management.

Advisor Ray Evans of Pegasus Capital Management in Kansas City, Kansas, went through this process a few years back. “I would love to tell you we had this all figured out before, but so much of our practice was in my head and in my director of operation’s head,” Evans said. “We needed to document everything. … Did we have a process for most things? Yes. Did everybody know it besides me? No.”

Evans recognized the need to formalize and even standardize the way they do business, especially for newer and younger associates at the firm. It took about a year working with Pareto Systems, evaluating each process they had and evaluating whether it was still the best way to approach a certain task or goal.

"We show [clients] a bar graph that basically represents how they're doing relative to their goals. We will throw it up all the time."

~Letitia Berbaum, Zandbergen Group

6. Focus on generating outcomes, not effort

Being busy is not the same as being productive. Top advisors understand how value is created versus how much time is spent. They seek answers to questions that are focused on outcomes: "How are we doing relative to our goals for client growth? Did we achieve that? What do we need to do differently to ensure that we meet those goals going forward?"

They also align clients to that mindset, too. For example, help orient client thinking to progress toward their goals versus progress toward the performance of a benchmark. Will the client achieve their stated goals, in the risk profile that they've stated they're willing to accept, and in the timeline that they want to achieve it? That can be the most important outcome.

To distinguish outcomes from effort, try this simple exercise. Write down what you are doing at different points in the day, say, every 15 to 30 minutes. Then look at that mosaic over a week and get a sense of whether how you're spending your time is actually the best use of your time. How can you change that pattern to deliver even better client outcomes?

"Business planning transformed our business."

~Michael Novak, Wellspring Financial Advisors

7. Actively plan and measure progress

What gets measured gets managed. It's an old management axiom, but one that can apply when building a culture of continuous improvement and accountability. Advisors often pay more attention to the top line than to the other elements underlying the health of the business. Instead, you should be defining goals annually and checking your progress relative to those goals at different points throughout the year.

That is the first level of inspection. The second level is: Did you get the expected outcome based on what you did, or was it due to something out of your control? Don't just check the box. Have a mechanism for digging deeper into how and why goals are met to truly understand what's going on in your practice.

RIA Michael Novak of Wellspring Financial Advisors worked with an entrepreneurial operating system consultant for 18 months to carry out an assessment of the firm. The review confirmed leaders' belief that Wellspring was great at providing its multigenerational client families with "holistic, one phone call" wealth planning services.

But the assessment also revealed that many of the processes Wellspring had been using to run the firm's business operations were not as effective as they believed them to be, and that the team was inconsistent about following those processes. This gave them a map to help form a more comprehensive plan, which they began at a two-day offsite meeting attended by the management team. During that meeting, the team developed a vision statement that described a high-level mission: We want a referral from every client, and a client from every referral.

In the decade-plus since the Cleveland-based Wellspring made the firmwide commitment to business planning, the RIA has grown from that team of six to 25 – including two partners who started at the firm as interns – with assets under management of more than $3 billion as of 2023. “Business planning transformed our business,” says Novak.

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> ~Ben Wong, Mariner Wealth Advisors

8. Clearly de ine team roles and responsibilities

Top advisors have mapped out roles and responsibilities for each member of their team, so that everyone knows how to support the client and how to succeed in their role. Firm leaders and managers should make strategic choices about the tasks that are most important to the firm’s goals to avoid overloading any one individual. You can’t do everything. But to really focus on exceptional performance, everyone on your team should be able to do everything.

“If you really consider the practice as being a client-first type of practice, where decisions are made with the client in mind, then the team approach really makes sense,” says advisor Ben Wong with Mariner Wealth Advisors in Pleasanton, California. Over the past 15 years, Wong’s firm transitioned into an ensemble-style practice where everyone worked as a team, including the clients. He says this happened organically. “I always wanted the person picking up the phone to be able to answer most of the questions that I can answer,” he says. He hired licensed people, great advisors who were good at planning, tax and investments, if not necessarily good at sales. “Especially if you want to scale – there’s only one of me. So if I get people with the skills to do that, we would hire them.”

What he ended up with was an employee advisor model: Advisors were hired not necessarily to build a book of business, but to service clients.

Once you have outlined the skill sets and roles you have (or want to have), you can recruit with more certainty for success, avoiding painful and costly turnover. Also, setting up clear expectations (along with paths for promotion) can boost employee engagement.

But that’s not to say you don’t play an important role in building this self-sustaining business. According to workplace analytics firm Gallup, managers account for around 70% of the variability in team engagement, a key component of high-functioning teams.*

*Gallup.com. “What is employee engagement and how do you improve it?” July 2022.

9. Create career paths for your people

As mentioned above, employee engagement is key to the success of top practices, yet career paths are not always easy to find in this industry. One way to boost your employees' commitment to you and your clients is by showing them you are interested in nurturing their careers, not just their daily tasks.

First, know where your compensation sits in the market and consider being creative with pay structure. Don't forget the appeal of nonsalary benefits, such as remote work, flextime or other work-life balance policies.

Wong admits to not always being the best at hiring. At one point, he might favor a candidate based on personality rather than fit for the job. But he and his team improved the process over time. One change he made early on, for example, was letting his team interview candidates first, allowing him to act more as a final sign-off. Furthermore, he learned not to prejudge applicants, which is something he keeps in mind with clients as well.

Within the past 15 years, the team also adopted a screening software to help filter candidates. A company they work with developed a program to find ideal candidates according to their specifications. "That helped me whittle it down to where, if you got 100 resumes, we would send them the link for the test. The test results would come in and give you an idea about the qualifying qualifications, but also their personality traits and so forth, that will make them good or bad for the job," he says.

When he does hire, Wong also has regular conversations on career pathing. It's important to share with employees areas in which you believe they excel, as well as where they could improve, he says, and get their input on how they would like to grow professionally. Show them that your interest in them goes beyond recruiting and hiring to include their long-term development at your firm. When he built a succession plan, he designed it in a way that would create long-term wins for his team, as well.

10. Never stop learning

Top-performing teams know that success is an ongoing process. They seek out opportunities to learn and share with each other, and incorporate those learnings into their business routines.

Once team members start sharing what they've learned in serving clients or other aspects of the business, it helps create a credible information loop among your team.

One way to develop a growth mindset among your team is to conduct regular retrospectives. For example, you can use a "more, better, less, stop" framework — prioritizing what can be increased or done better, along with what can be decreased or stopped — in regularly scheduled meetings to crystallize what does and doesn't work in the service of clients, and to learn how to make what is working better.

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