



MY VIRTUAL COO

---

NO EXCUSES. JUST RESULTS

**JENNIFER GOLDMAN**  
PRESIDENT



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**INSIDE THE EMERGING RIA PRACTICE**



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*Accelerating Advisory Firms*

# MY REAL STORIES

## INSIDE THE WALLS:

**\$0 TO \$22 MILLION < 3 YEARS**

**\$32 TO \$101 MILLION < 12 MONTHS**

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## HOW

**OPTIMAL MIX OF OUTSOURCING AND AUTOMATED PROCESSES**



# COO REAL STORIES

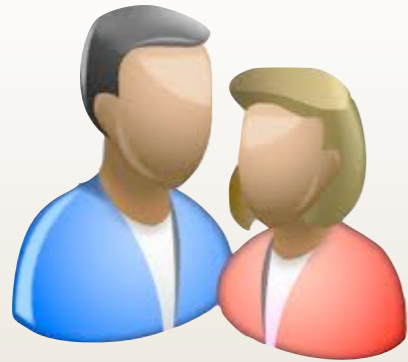
**7 PERSON FIRM**

**3 PERSON FIRM**

**1 PERSON FIRM**



# 7-PERSON FIRM



## STAFF

ADVISOR  
1 FT PLANNER  
1 PT PLANNER  
CHIEF ADMIN OFFICER  
2 PARA PLANNERS  
1 ADMIN ASSISTANT



## FINANCIALS

\$1.3 MILLION REVENUE  
225 HOUSEHOLDS  
\$195 MILLION AUM



## SERVICES

INVESTMENT  
TAX  
PLANNING



## **7-PERSON FIRM**

# **PROBLEMS**

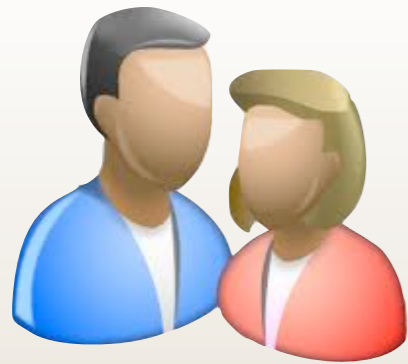
**ADMIN ASSISTANT IS ROADBLOCK & GATE KEEPER**

**TOOL MOST COMMONLY USED IS EXCEL**

**OWNER'S TIME SPENT ON OPERATIONS**



# 3-PERSON FIRM



## STAFF

ADVISOR  
OFFICE MANAGER  
COMPLIANCE PERSON



## FINANCIALS

\$550,000 REVENUE  
67 HOUSEHOLDS  
\$43 MILLION AUM



## SERVICES

INVESTMENTS  
PLANNING



## **3-PERSON FIRM**

### **PROBLEMS**

**NEEDS A FINANCIAL PLANNER**

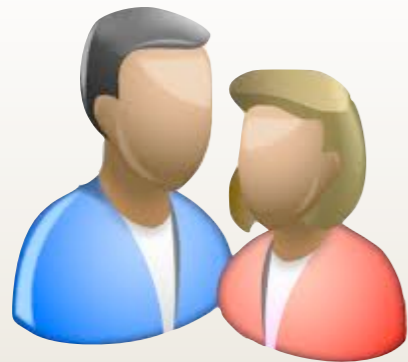
**DATA BASE AND SERVER ARE A MESS**

**STAFF USING EXCEL & MEMORY**

**OWNER DISTRACTED BY OPERATIONS**



# 1-PERSON FIRM



## STAFF

ADVISOR  
VIRTUAL BOOKKEEPER  
VIRTUAL ASSISTANT



## FINANCIALS

\$340,000 REVENUE  
57 HOUSEHOLDS  
\$57 MILLION AUM



## SERVICES

INVESTMENTS



# 1-PERSON FIRM

## PROBLEMS

**OWNER DISTRACTED BY EMAIL, INVESTMENTS, OPERATIONS**

**OWNER DOESN'T WANT TO MANAGE STAFF**



# SUMMARY OF PROBLEMS

- **HIRING AND MANAGING STAFF IS DIFFICULT**
- **ADMINISTRATIVE WORK AND EMAIL PILING UP**
- **COMPLIANCE IS A DISTRACTION**
- **KEEPING IN TOUCH WITH CLIENTS IS A WISH, NOT REALITY**
- **PORTFOLIO MANAGEMENT IS TIME CONSUMING AND COMPLEX**
- **MARKETING IS NON EXISTENT**
- **NET PROFITS TOO LOW FOR AMOUNT OF EFFORT OR TO HIRE STAFF**



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**REAL SOLUTIONS**



## **7-PERSON FIRM**

**OUTSOURCED PORTFOLIO MANAGEMENT AND BILLING**

**IMPLEMENTED REBALANCING TOOL**

**INSTALLED WEB-BASED CRM WITH AUTOMATED PROCESSES**

**INTEGRATED SCHEDULER TOOL**

**INTEGRATED FORM FILLING TOOL**

**SHORT-TERM OUTCOME:**

**SAVED \$75,000 AND ELIMINATED ADMIN ROLE**



## **3-PERSON FIRM**

**OUTSOURCED BOOKKEEPING**

**OUTSOURCED PORTFOLIO MANAGEMENT AND BILLING**

**IMPLEMENTED REBALANCING TOOL**

**IMPLEMENTED CRM**

**OUTSOURCED FINANCIAL PLANNING PREP**

**CREATED SAMPLE OF DELIVERABLES**

**SHORT-TERM OUTCOME:**

**SAVED \$20,500 PLUS PLANNER'S SALARY**

**PROMOTED STAFF PERSON**



# 1-PERSON FIRM

**OUTSOURCED BOOKKEEPING**

**OUTSOURCED INVESTMENT MANAGEMENT AND BILLING**

**EMAIL FILTERED BY VIRTUAL ASSISTANT**

**IMPLEMENTED CRM WITH WEEKLY TO DO REPORT**

**TIME SCHEDULER IMPLEMENTED**

**SHORT-TERM OUTCOME:**

**SAVED \$13,000 & WORKS 2 DAYS A WEEK ON THE BUSINESS**



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# GENERAL STATISTICS



# STATISTICS ON HIRING/MANAGING STAFF

**NEARLY 40% OF TOP PERFORMING FIRMS HAVE FORMALIZED AND IMPLEMENTED JOB DESCRIPTIONS. LESS THAN 25% OF THEIR PEERS HAVE FORMALIZED JOB DESCRIPTIONS AND A THIRD HAVE NOTHING AT ALL.**

**83% OF TOP PERFORMING FIRMS CONDUCT TEAM MEMBER PERFORMANCE REVIEWS COMPARED TO ONLY 61% FOR THEIR PEERS.**



# STATISTICS ON ADMINISTRATIVE WORK/EMAIL

**26% OF ADVISORS WORKING 51-60 HOURS A WEEK**

**21% OF ADVISORS WORKING 61-70 HOURS A WEEK**

***“MOST OF US FIND A STRANGE KIND OF  
COMFORT IN BEING BUSY, AS IF ACTIVITY ALONE  
WOULD LEAD TO BETTER THINGS”***

*ADVISOR BENCHMARKING 2010 - VERES -FP MAGAZINE NOV 2010*



# STATISTICS ON COMPLIANCE

**TIME SPENT ON COMPLIANCE PAPERWORK > 2 WEEKS PER YEAR**

**TIME SPENT ON AUDIT WHEN NOT ORGANIZED > 2 WEEKS &  
ONSITE**

**TIME SPEND ON AUDIT WHEN ORGANIZED < 3 DAYS & OFFSITE**



# STATISTICS ON STAYING IN TOUCH WITH CLIENTS

**87% OF TOP FIRMS MEET WITH CLIENTS ANNUALLY**

**VS**

**48% OF AVERAGE FIRMS MEET WITH CLIENTS ANNUALLY**



# STATISTICS ON INVESTMENT MANAGEMENT

**56% OF ADVISORS SAY THAT APPROXIMATELY 20% OF THEIR CLIENTS HAVE ENOUGH MONEY TO MEET THEIR STANDARD OF LIVING**

**37% OF ADVISORS INCREASED INVESTMENTS IN NON CORRELATED PRODUCTS**

**OWNER SPENDS > 20% OF THEIR TIME ON INVESTMENTS (5- EE FIRMS)**

**APPROXIMATE COST OF RUNNING PROPER INVESTMENT GROUP IS \$500K (CIO, ANALYSTS, TRADERS, SOFTWARE)**



# STATISTICS ON MARKETING

**79% OF ADVISORS SAY MOST IMPORTANT DRIVER TO GROWTH IS REFERRALS FROM EXISTING CLIENTS**

**YET**

**61% DON'T HAVE A PLAN IN PLACE**



# STATISTICS ON NET REVENUE

**FIRMS WITH < \$50 M AUM HAD 16% PROFIT MARGINS**

**VS**

**FIRMS WITH > \$200 M AUM HAD 30% PROFIT MARGINS**

**AVERAGE REVENUE PER CLIENT = \$4,600**

**AVERAGE EXPENSE PER CLIENT = \$3,700**



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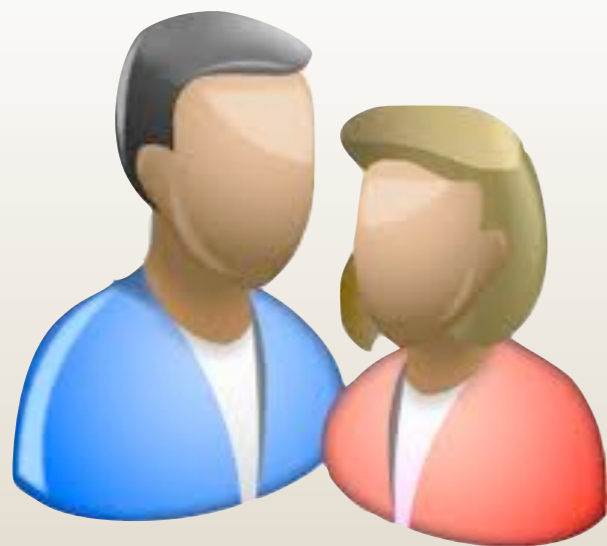
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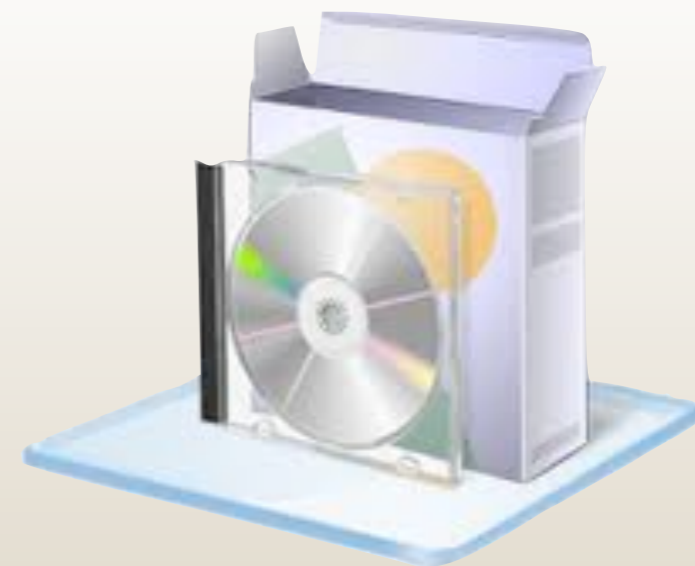
**AFFORDABLE SOLUTIONS**



# SOLUTIONS TO STAFF



**USE EXPERT  
OUTSOURCERS**



**MANAGE VIA CRM  
MANAGEMENT  
REPORTS**



# **SOLUTIONS TO ADMIN WORK & EMAIL**

**SUPPORT@ AND EMAIL BLOCKING TOOL**

**CREATE PROCESSES TO SELF-GUIDE STAFF AND OUTSOURCERS**

**USE TOOLS THAT DO THE ADMIN WORK FOR YOU**



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# **SOLUTIONS TO COMPLIANCE**

**AUTOMATIC EMAIL ARCHIVING**

**AUTOMATIC EMAIL-CRM INTEGRATION**

**EASY DOCUMENT MANAGEMENT**

**ADOBE STANDARD**



# **SOLUTION TO STAYING IN TOUCH WITH CLIENTS**

**RELY ON VERES, T3, KITCES SUMMARIES FOR SELF-EDUCATION**

**PRE-SCHEDULE ANNUAL REVIEWS WITH CLIENTS**

**REMOVE HURDLE OF TRYING TO SCHEDULE TIME WITH YOU**



# SOLUTIONS TO INVESTMENT MANAGEMENT

**CHOOSE AND IMPLEMENT:**

**AGGREGATION TOOL**

**PORTFOLIO MANAGEMENT SOFTWARE**

**PORTFOLIO RECONCILER**

**PORTFOLIO MANAGER(S)**

**REBALANCING SOFTWARE**

**TRADE EXECUTOR**

**PORTAL**

**OR OUTSOURCE IT ALL**



# **SOLUTION TO MARKETING**

**MATCH EVERYTHING TO BRAND**

**CREATE & SHOW SAMPLE OF DELIVERABLES**

**ASK CLIENTS FOR INTRODUCTIONS TO OTHER**

**ADVISORS AND ASSOCIATIONS**



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# **SOLUTION TO NET REVENUE**

**DO YOUR OWN FINANCIAL PLAN**

**ALIGN BUSINESS GOALS WITH YOUR  
FINANCIAL NEEDS**



**DO WHAT YOU LIKE BEST  
AND  
OUTSOURCE THE REST!**



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# RESOURCES



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# RESOURCES



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