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The Advisor Growth Guide:

How to Win Back More Time, Overcome the Biggest Challenges, and Scale Your Business

How Can Financial Advisors Strike a Balance Between Their Business and Their Clients?

Being a financial advisor requires an independent spirit. Whether working with a broker-dealer or as an RIA, many advisors operate within small practices, which allows advisors to serve clients to the best of their ability, but also presents unique challenges.

These nimble organizations all follow the beat of their own drum, with no two firms offering financial services to their clients in exactly the same way. But this independence comes at a price.

While the business processes of large wirehouse organizations can restrict an advisor's ability to serve their clients, those processes also alleviate advisors from the many challenges of running a business. Independent advisors carry the burden of being both business owners and wealth managers.

Payroll, marketing, client onboarding, sales, client success—these functions have to work together to ensure that the business can operate smoothly.

Within their practice, independent advisors have the freedom they've always wanted, but they must also build the business processes that ensure their business can run successfully.

How can advisors balance their dedication to serving their clients' best interests and their need for a functioning and thriving business?

In this eBook, we'll explore the biggest challenges facing independent financial advisors, the myths that prevent advisors from tackling them, and a path forward to a better financial advisory practice.



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The Most Common Business Challenges Facing Advisors

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CHALLENGE #1



Providing a Compelling Digital Experience

One might argue that the most important part of being a financial advisor is the facetime you spend with your clients, not a fancy website.

It's true that clients still want to see their advisors face to face (or at least over video conferencing software), especially since they're entrusting you with such a large portion of their wealth. But this doesn't negate the fact that a prospective client's first touch with any business is through its website, or that today consumers take just 50 milliseconds² before they decide whether they like a website and intend to stay or leave.

It's not just your website, either. The status quo for conducting business is increasingly digital-first. Consumers expect the products you sell and services you offer to be provided via digital media. Financial advisors who use data to present complex and sensitive information can differentiate themselves. By creating compelling digital experiences, advisors have a big opportunity to connect with clients like never before.

Financial advisors are aware of this challenge too. **More than a third of financial advisors³ believe that implementing new technologies to support the client experience is the biggest obstacle standing between them and long-term growth.**



Advisors know that digital experiences are important—they just don't know how to mobilize the right resources, build the right plan, and acquire the right expertise that it takes to deliver these experiences.

Often it's easier for advisors to plug into an existing solution. At AssetMark, independent advisors and their clients utilize a suite of integrated digital tools, like AssetMark PortfolioEngine[®] and the Investor Portal. Using existing solutions like these enable advisors to provide visualization, account access and management, communication, and other capabilities to their clients without the burden of building a custom tool.



Marketing and Prospecting

Contrast this with high-performing advisors (i.e., those with a revenue of more than \$1 million in annual sales) who tend to commit at least 4 percent of revenue to marketing and sometimes as much as 10 percent⁶.

These figures paint a picture for how advisors approach marketing and prospecting. On the one hand, it's clear that marketing and prospecting are priorities. On the other, advisors aren't dedicating the budget needed to plan and execute impactful marketing campaigns. **The likeliest culprit behind this disconnect? Time.**

Advisors are usually busy attending to their existing clients, the back office, or their clients' investment portfolios. Without the extra time to focus on marketing, there is little reason to dedicate budget and effort toward it—even though advisors recognize its importance.

Instead, much of advisors' time is taken up by transactional, nonstrategic work. For example, when we surveyed advisors who outsourced their investment management to AssetMark, we found that advisors regained nearly 8 hours⁷ in their work week.

That's a whole work day they would have otherwise lost to asset research, due diligence, investment reporting, and other managerial tasks.

With an extra day in their week, advisors would have a much easier time crafting and executing an effective marketing campaign. The audience is out there and ready to listen—in fact, **AssetMark research revealed that 46 percent⁸ of non-investors haven't started investing with an advisor because they don't know where to start.** This lack of understanding is the exact problem that effective marketing addresses.

Finding the right advisor, deciding how they want to invest, understanding the language of the financial industry—these are complicated tasks for someone unfamiliar with investing. The onus is on the financial professional to reach out to potential clients and provide them with the educational information they need before they can make the decision to work with an advisor in the first place.

It's just a matter of finding the time to do so.

CHALLENGE #3



Finding the Right Expertise

There's a reason why recruiting is an industry all of its own—finding, hiring, and retaining top talent isn't easy. Yet, the demands of a modern advisory firm require diverse expertise and enough capacity to meet client needs. If there were enough support staff, technologists, and junior advisors on staff, running a business wouldn't be so difficult.

For the most part, advisors aren't delegating tasks to junior staff or specialists; they're doing it all themselves.

This can lead to a vicious cycle. How can advisors hire experts to help them if they don't have the time for hiring, developing, and retaining talent? How can they get the time they need if they don't find the right expertise? AssetMark provides the front, middle, and back-office support that independent advisors need to operate a scalable, efficient business.

Many of the advisors that work with AssetMark were asking themselves the same question. By gaining front-, middle-, and backoffice support with AssetMark, the independent advisors we work with have been able to operate scalable, efficient businesses.

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CHALLENGE #4



Professional Isolation

The obstacles described are surmountable, even if it's not easy. But the professional isolation common to independent advisors can seem impossible to overcome.

Due to their independence, many advisors miss out on opportunities to:

- Use their peers as a sounding board for new ideas or challenges
- Learn about the latest industry developments
- Connect with experts that could elevate their practice
- Advertise their practice and identify partnerships

Summits and networking events exist, but their utility is limited if you don't have an existing reputation or some unique characteristic to your practice that makes you stand out. Independent financial advisors who learn to make the most of these events and other networking opportunities can find solutions and recommendations among their peers.

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What's Standing in the Way of Solving These Challenges?

One thing that most financial advisors seek is the independence to run their practice as they see fit.

Some independent advisors love diving into investment management work, building perfectly tailored portfolios and conducting sophisticated market analyses. Others love building a connection with their clients, watching as they help clients grow their wealth, support their families, and take on new and exciting endeavors. **Still, others are ambitious about growing their practice and building the best business they're able to build.**

Many seek independence to take more control over how they support their clients. Whether affiliated with a broker-dealer or operating as an RIA, advisors are equally well-equipped to protect their investors' financial well-being.

The freedom and flexibility to provide clients with the best possible outcomes don't need to come at the expense of the business goals described above. To mitigate this tradeoff, advisors can work with a turnkey asset management platform (TAMP).

TAMPs provide investment management services that give advisors more time in their day to attend to business concerns and client needs.

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What's more, many offer business consultation services and technology solutions that more directly address the challenges facing today's advisors.

That's why more independent advisors than ever are deciding to work with TAMPs. In fact, of the more than \$2 trillion-worth of assets hosted with TAMPs, over \$117 billion comes from RIAs and independent broker-dealers.¹¹

For those that aren't already working with a TAMP, this figure might come as a surprise. The truth of the matter is that there are two major myths circulating in the advisor community when it comes to working with TAMPs.



Financial advisors are concerned that:

1. **They'll lose control over their service offering**
2. **They'll have to increase their fees**

The facts, however, don't back these myths up.

MYTH #1 ● ●

Working With a TAMP Means Less Control Over My Service Offering

There's a good reason why many advisors believe this myth to be true. For much of the history of TAMPs, it was true.

When fee-based financial advisors first emerged in the early 80s, there wasn't a great understanding of the sorts of challenges they would face. Back then, TAMPs were generally just outsourced investment management solutions, with third-party investment managers executing trades for the advisor's clients according to their investment strategy.

Since then, TAMPs tailored their services to more closely align with broker-dealers. Today, TAMPs have capitalized on innovations in technology, learned more about the unique needs of independent advisors, and adjusted their service offerings accordingly.

Modern TAMPs have grown quite diverse in their approach to providing investment management—some still provide the same rigid, one-size-fits-all investment strategies that dominated the older days, while some others provide more of a supermarket of investment solutions.

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For most advisors, their ideal TAMP sits somewhere in the middle: a TAMP that offers curated investment solutions and a service offering that balances due diligence with flexibility.

At AssetMark, advisors can outsource as much of their investment management as they want. We also have the full capabilities in place to build portfolios tailored to advisors' clients and their unique financial goals. We provide support on the full range of services across the front, middle, and back office — whether it's investment management, marketing and prospecting, financial planning technology and support or any other task that keeps the financial advisor from devoting their time to their client.

MYTH #2 ● ●

TAMPs Add Additional Fees That Drive Up My Costs and Fees

Some advisors have the mindset that working with a TAMP may make their day-to-day easier, but that ease comes at a cost that must be either absorbed by the advisor or passed onto the client.

However, this myth doesn't take into account that working with a TAMP provides additional time to tackle the business challenges facing the practice, as well as access to business development experts that can provide consultation and strategic guidance.

Working with a TAMP is more of an investment in and of itself; advisors should expect that doing so will improve their business outcomes.



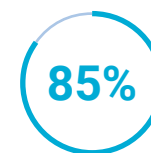
In fact, a 2022 study conducted by 8 Acre Perspective¹² found when advisors outsourced over 90% of their investment management to a TAMP:



90 percent
experienced a
growth in total
assets



91 percent
experienced
higher personal
income



85 percent
lower operating
costs

Being an Advisor is Challenging: We Are Here to Help

Even with the flexibility found in today's TAMPs, too many TAMPs expect all advisors--regardless of their business model or broker-dealer affiliation--to benefit from the same service offerings. That's where AssetMark fits in. We offer:



Comprehensive, integrated technology:

Working with AssetMark provides access to a suite of easy-to-integrate solutions that support client engagement, account opening and administration, portfolio management and analytics, investment monitoring, trading and rebalancing, and reporting and billing.



Personalized, responsive service:

The number one reason advisors recommend AssetMark is because of our service and operations support. **Eighty-five percent of calls are answered within 20 seconds**, and we provide a dedicated team familiar with your business and your clients.



Operational support:

Spend more time focusing on clients' needs and less time managing back-and middle-office tasks.



Sophisticated, flexible investment solutions:

AssetMark provides a curated spectrum of investment management solutions designed to meet your clients' changing needs.



Community and business consulting:

We provide business consulting services to help you strike a balance between running a financial advisory practice and running a business. Our experts can serve as a sounding board for your greatest business concerns, and we provide networking events and access to like-minded peers to help you find your community.



Client experience:

AssetMark also provides engaging client communications and tools that you can use to stay connected with your individual clients and to ensure they know where they stand on the path to financial well-being.



Finally, there's a solution designed with independent advisors in mind.

[REQUEST A CONSULTATION TODAY](#)

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