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INSIDE THIS ISSUE

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A Tight Ship

By John J. Bowen Jr. ■ Founder and CEO, CEG Worldwide

The latest CEG Worldwide research reveals a key fact: Wealth managers run much more tightly focused businesses than do other advisors. Their specific business practices enable them to appeal to affluent clients, earn high profits and systematically manage their businesses in ways that generate tremendous competitive advantages.

It's well-known that wealth managers are much more successful than their peers. While wealth managers earn $881,000 on average, investment generalists—the vast majority of advisors, who focus on transactions rather than long-term, consultative relationships—earn just $279,000 on average.

That gap is largely the result of the targeted approach that wealth managers take with their businesses. For example, wealth managers focus greatly on services that will appeal to affluent individuals and are likely to generate substantial profits over the course of a long relationship—including life insurance (offered by 94.9 percent of wealth managers versus 58.9 percent of investment generalists), 401(k) plans (91.2 percent vs. 72.1 percent), derivatives (73.2 percent vs. 40.4 percent) and executive benefits (44.9 percent vs. 17.9 percent).

Advisors looking to make the transition to wealth management will need to offer the services most likely to appeal to the wealthy clients they want to serve. It is also vital that these advisors' institutional partners offer support in determining which

continues on page 3

First Word

By John J. Bowen Jr.

Journal of Wealth Management Consulting

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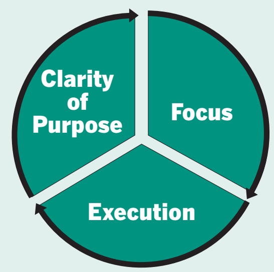
If you're like most advisors I know, you're frustrated. You know you can do more, but can't seem to hit your stride in terms of serving clients and growing your businesses. I hear that frustration from advisors after every presentation I make. And our research backs that up (see *Closing the Gap Between Knowing and Doing* on page 6).

On the other hand, some of you are making good livings—good enough, at least, to say "I'm doing okay. Mission accomplished." This is simply complacency taking over—and given the competitiveness of our industry, it's an extremely dangerous attitude to have.

Most advisors think of themselves exclusively and entirely as financial advisors. But my challenge to you is to rethink who you are. Instead of seeing yourself as a financial advisor, think of yourself as an entrepreneur who has chosen to be in the financial services industry. This is true whether you are independent or work as part of a team for a major financial institution.

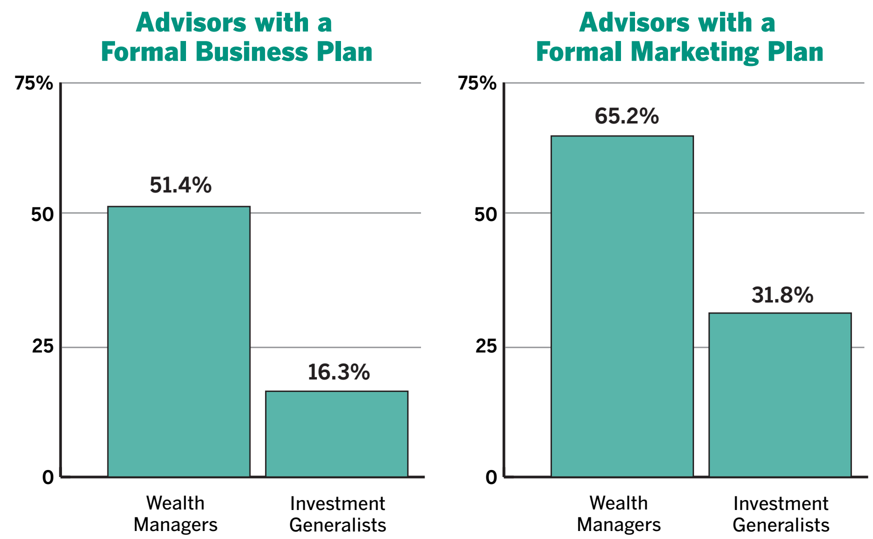
As such, it's time to start acting like a great entrepreneur. And as always, wealth management shows us the way. Great entrepreneurs start by having a compelling clarity of purpose. That purpose should have two main aspects: helping clients with their most important financial challenges and building a business that creates a great quality of life for you, your family and your stakeholders.

Your Role as a Great Entrepreneur



It's this second part where advisors generally fail. They aren't happy with their quality of life. And this is almost always because of a lack of focus. They got into the business and were willing to try to be everything to everyone—doing one-off projects for whomever they got in the doors, regardless of their wealth. If that sounds familiar, it's time to stop—and instead focus your efforts on only serving clients who are ideal for your firm.

The other part of acting like a great entrepreneur is execution. The wealth management business model actually allows you to run your business in a simple and elegant way. By providing exceptional service to a few clients instead of "just okay" service to lots of clients, you can greatly enhance your life and the lives of your clients. In the end, you'll have a more meaningful impact on your clients while building the life you've always wanted.



N = 2,094 financial advisors. Source: CEG Worldwide.

products and services to provide and helping advisors provide them.

Additionally, wealth managers focus much more sharply on highly profitable business practices and the use of formalized business systems. For example, wealth managers are far more likely to have formal business and marketing plans (see the charts above)

Notice that only one in six investment generalists has a formal business plan, and one in three has a formal marketing plan. Absent such plans, a busy advisor must make important decisions—for example, how to attract and serve clients, build professional relationships and offer particular products—by the seat of his or her pants. Those decisions therefore become more subject to the advisor's hunches and emotions and less based on empirical data about sound business practices—making them unlikely to be consistent or consistently effective. Given the lack of structure, it is all but inevitable that investment generalists stray from best practices.

Conversely, more than half of wealth managers use a formal business plan, and nearly two-thirds use a formal marketing plan. Such formalized plans can help an advisor do much of his or her decision making ahead of time, providing the structure and discipline necessary to adhere to practices that are likely to be highly efficient and profitable. For example, wealth managers' conscious, proactive approach to their businesses helps them devote their time to the activities that add the most value—namely, cultivating relationships with wealthy clients.

The upshot: By implementing the best practices of wealth management, advisors can take their businesses to the next level of success. And by supporting those advisors in their efforts, financial institutions will earn the advisors' loyalty for decades to come.

About Wealth Management

Leading financial advisors are driven by a singular goal: to build highly successful businesses by delivering world-class service to their clients. Wealth management is the one business model that will help you accomplish that objective.

Wealth managers leverage three key steps to deliver tremendous value to their affluent clients' financial lives:

- Using a consultative process to establish close client relationships
- Offering customized solutions to fit each individual's needs
- Delivering these solutions in close consultation with clients and their other professional advisors

About CEG Worldwide

CEG Worldwide's founder, John J. Bowen Jr., first identified the key factors that contribute to a financial advisor's success while working with elite advisors. Recognizing that this knowledge would have substantial impact on advisors, their clients and the industry itself, Bowen and his partners launched CEG Worldwide.

The firm's mission is to provide financial advisors and the financial institutions that serve them with insights, strategies and tools to significantly grow their businesses and better meet their clients' needs. CEG Worldwide is uniquely positioned to combine leading empirical research expertise with pragmatic, proven business experience. The company offers practical guidance that works for elite financial advisors as well as those advisors aspiring to elite status.

Financial Diagnosis

David Robinson attends to his clients' financial well-being as head of Robinson, Tigue, Sponcil & Associates LLC

David Robinson and his team have more than 150 years of combined experience in wealth management.

Once upon a time, David Robinson, president of Robinson, Tigue, Sponcil & Associates LLC, wanted to be a doctor. These days he tends to his clients' financial well-being using asset allocation techniques, wealth management and financial planning.

The two fields are hardly dissimilar. Like medicine, financial advisory work is a profession grounded in science, including modern portfolio theory as advanced by Harry Markowitz, who won a Nobel Prize for his theories. In the mid-20th century, Markowitz developed the idea that risk was essentially volatility over time. By blending various asset classes, Markowitz proposed that investment volatility might be ameliorated—or at least be made more predictable—and that returns might be boosted or be made more predictable as well. This theory became known as modern portfolio theory, and financial advisors like Robinson practice variants of it today.

Robinson has focused his practice around wealth management techniques that have evolved from the financial planning disciplines of the 20th century. Wealth management calls for the financial advisor to act as a client's personal chief financial officer, organizing the different details of a client's financial life into one comprehensible and efficient whole. Wealth management therefore can involve taxes, retirement planning, estate planning, investing and more.

One of the most important aspects of wealth management is its ability to align values with wealth. It is this ability that provides the most satisfaction for David Robinson. "I have a pre-med background but I saw that health care in this country was increasingly headed away from entrepreneurship, and that's why I took the path toward financial services," he says. "I've always had a drive toward helping people, but doing so from an independent platform."

Robinson studied at the College for Financial Planning at Boston University and later became a member of the Financial Planning Association in Phoenix. He initially worked with a partner in an estate planning firm in Phoenix, Arizona, before founding his company. He started with $5,000 in borrowed money and today, only a decade later, manages some $165 million for about 200 clients. "I am helping people with all that is important in their lives," says Robinson. "It's very satisfying."

Robinson and his team specialize in advising retirees, with a focus on estate planning, protection of principal and tax efficiency. With more than 150 years of combined experience in wealth management, Robinson, Tigue, Sponcil & Associates' mission is to grow clients' wealth through independent, customized solutions designed to mirror each client's values, goals and objectives.

These days, Robinson stays busy in and out of the office. He is the financial instructor at the Franciscan Renewal Center for couples about to be married in the Phoenix Catholic Diocese, a co-chairman of Money Smart Kids of Arizona (a nonprofit organization that educates parents and children about smart choices with money) and a board member of Catholic Charities. He is also a member of Desert Mountain, one of the world's premier private residential communities. Robinson's exposure to some of Arizona's most significant wealth through the Desert Mountain community has helped him build up his practice over the years.

The wealth management approach that Robinson has adopted at his firm has been supported by California-based CEG Worldwide, a pre-eminent leader in wealth management coaching for advisors. "CEG Worldwide has made a great deal of difference to us in terms of providing a knowledge base on which we can build a fully scalable wealth management system," Robinson explains. "Its expertise has helped us provide a more sophisticated and energetic experience to our clients—one for which they're increasingly appreciative."

Clients show that appreciation in many ways, but perhaps the most significant marker of success is that the firm has significantly raised its minimums, from $250,000 to $1 million. That increase represents the success of the wealth management approach and also of the active asset allocation strategies that the firm uses.

The driver of the firm's investment policy is the expanding professional middle class in America and around the world. "We like to think we will have an international middle class with roots in Asia and India by 2030," Robinson explains. "This has a direct impact on investment strategy. We want to seek out companies domestically rooted but with great worldwide exposure. These companies will have products and services designed to appeal to this worldwide middle-class explosion."

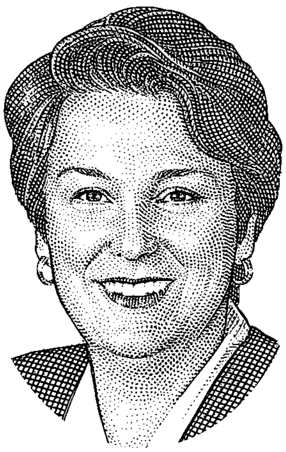
Robinson has implemented a wealth management strategy and an investment perspective that provides services not ordinarily offered in aggregate. On the client side, his spiritual perspectives and positioning within some of Arizona's wealthiest communities provide his firm with an exposure to those clients who are well-positioned to benefit from his suite of services. As Robinson points out: "We are attracting sophisticated clients who enjoy living well but also have acquired a critical mass of wealth that needs tending, especially from a retirement perspective."

Robinson may not be a doctor, but he's clearly built a healthy business—one that provides necessary support to his community of valued clients.

"I've always had a drive toward helping people, but doing so from an independent platform."

Closing the Gap Between Knowing and Doing

By Patricia J. Abram ■ Senior Managing Principal, CEG Worldwide



It's an unfortunate reality that many advisors feel they aren't fully living up to their potential. Our latest research reveals a mere 16.0 percent of advisors overall are very satisfied with their current level of success. Even fewer—just 11.7 percent—say they're very satisfied with the growth of their practices during the last two years. Meanwhile, a full 40.3 percent of advisors believe they are not as profitable as they could be.

For many advisors, the main problem comes down to one issue: the gap between knowing what to do to be more successful and actually doing it.

This gap between knowing and doing is often ingrained in us at a very deep level. Think about how we are educated throughout our lives. In general, teachers provide us with facts and theories that we commit to memory. Then we repeat those facts and theories during tests.

Unfortunately, such conceptual learning doesn't really help us actually do things in the real world. Think about any seminar you've taken or book you've read on how to turn your practice into a world-class business. Those books and seminars can, at best, expand or reorient how you think about your business. They simply aren't designed to move you to the next step—from better thinking into successful action.

To close any gap, you've got to start by knowing where you are now and where you want to go. There are a number of levels with the knowing-doing gap that can help guide you:

- **Level Zero.** At this stage, you are satisfied with how things currently are and you aren't considering any changes or big actions. As we know from the research on satisfaction cited above, few of you fall into this category.
- **Level One.** At this stage, you're frustrated with your current business and you know that much more is possible. Often advisors in this position are good at investing their clients' wealth but lack the entrepreneurial skills needed to take their businesses to a higher level of success.
- **Level Two.** At this level, you know what needs to be done but you

haven't fully committed to making the proper plans and taking the appropriate steps. Often this is due to a lack of motivation or clarity. You may be letting relatively unimportant day-to-day duties block you from implementing change. What's required at this stage is a full commitment to making the plans and acting accordingly.

- **Level Three.** Here, advisors are fully committed to being successful on purpose. But because things can go wrong or turn out differently than planned, they often get stuck or stop short of building their ideal businesses.
- **Level Four.** At this point, the gap has been closed and the advisors are on their way to building the businesses they've dreamed of. This is your ultimate goal if you're among those advisors who currently aren't satisfied with their level of success.

Certainly there will be challenges when you try to act. Often, advisors seeking to make significant changes bump up against barriers. You might find that no one—managers, partners, clients, employees, regulators, custodians and so on—behaves quite as you hoped. Encounter enough hurdles and you may very well give up in frustration.

To overcome those barriers and make real progress, it's important to not act in a vacuum. Instead, you'll want to create a link between your actions and those of the people around you.

For example, say you decide to narrow your focus by serving only a select client niche. You might start by determining the specific niche that you can serve best and most profitably, and commit to serving only these clients. Ask yourself what you are learning by taking these actions. Have a conversation about it with colleagues or a partner. See how you can incorporate what you learn from talking with them back into your actions as you move ahead. Then take another action and repeat the process—see how the action has improved your self-knowledge, talk to your colleagues about it and use their feedback to create stronger actions going forward.

Another effective way of turning knowledge into action is to enlist the help of a professional coach. Coaching programs operate differently than seminars in that their main goal is to help advisors apply what they've learned and incorporate it into their specific firms. Some programs help turn knowledge into action by employing peer coaching techniques. Peer coaching enables advisors to work with each other and hold each other accountable for various weekly, quarterly and annual goals. This process allows advisors to clarify their goals and create vivid images of the optimal outcomes, keep on track toward goals, listen carefully without judgment (a key skill to have with clients as well), and organize their thinking.

In the end, no amount of classroom or conceptual learning can take the place of real-world action and feedback from others—be they staff, loved ones, coaches or other advisors. That means that closing the gap between knowing what to do and really doing it rests squarely on your shoulders. Remember this: The greatest rewards come to advisors who seek out knowledge about what works, and take action to succeed.

To close any gap, you've got to start by knowing where you are now and where you want to go.

Beating the Odds

Cutting-edge wealth management helps **Randy Garcia** serve his corporate and private clients

Randy Garcia founded The Investment Counsel Company, which manages some $600 million for more than 100 clients.

Randy A. Garcia is the founder and chief executive officer of the oldest and largest Nevada-based investment management consulting firm, The Investment Counsel Company. He manages some $600 million for more than 100 clients from a variety of categories—including high-net-worth families, qualified retirement plans and eleemosynaries.

What has helped with Garcia's success? Innovation accompanied by discipline is a key factor. "We believe in taking advantage of current industry trends," explains Garcia. "But we rethink, re-engineer and systemize them."

Discipline and innovation are very much at the core of the firm, which Garcia founded in 1978. Making a life-changing commitment from the brokerage industry to the newly developing wealth management industry took hard work and an aspiration to be the very best. The foundation for this was Garcia's academic career. After graduating from the University of Nevada, Las Vegas, with honors, Garcia attended the University of Santa Clara School of Law as a scholarship recipient. He then completed postgraduate classes at Harvard University and the Wharton School of Business and later became Nevada's first Certified Investment Management Analyst (CIMA). Today, he holds seven National Securities Industry professional licenses and has also received the Accredited Investment Fiduciary Analyst (AIFA) designation from the Center for Fiduciary Studies.

Garcia's professional career has seen several "firsts." During a ten-year tenure at UBS Paine Webber, prior to establishing The Investment Counsel Company, he was recognized by *Money* as one of the nation's best investment advisors. Paine Webber recognized Mr. Garcia every year for outstanding service and utilized his expertise to provide best-practice information to the firm's brokers. Garcia was recently recognized in *Forbes* as one of the Most Dependable™ Wealth Managers of the Southwest by Goldline Research.

One best practice that Garcia has paid close attention to is prudent wealth management. While wealth management is the latest financial discipline to be adopted by leading financial advisors—and thus of interest to Garcia as an industry leader—it also likely marks an endgame in the financial industry's current philosophical and technological construct. That evolution began in the 19th century with the evolution of Wall Street wirehouses and continued after the computer revolution of the late 20th century with financial planning. Wealth management goes beyond financial planning. It seeks to align investors' values with wealth via a chief financial officer's due diligence approach by establishing a procedurally prudent process for coordinating and implementing numerous investment, legal, and accounting issues to support investors' beliefs, attitudes, and objectives. By helping the client align wealth with values and then implementing the strategy, the financial advisor helps the client utilize wealth to its best advantage.

"I've been involved in wealth management as a discipline for 30 years," Garcia says. "As the industry progressed, we've observed that most wealth advisors still don't apply the concepts in a disciplined fashion. The term is fashionable now, but that doesn't mean it is any better understood."

For Garcia, many who use the term "wealth management" are simply latching on to a buzzword, much as some did in the late 20th century with financial planning. But while financial planning may be seen as supporting the growth of wealth management, Garcia does not see anything superseding the latter. The concepts of wealth management will be further refined over time, he says, but the idea of providing a service that aligns wealth with values has become a fundamental one. "There will be further areas of advancement as technology improves and as more advisors provide real wealth management services," Garcia points out. "But like law or accounting, I think wealth management provides the industry with a building block that is not apt to be replaced. The fundamentals of the practice and the discipline to implement it will stand the test of time and not be unseeded by future developments or trends created within the industry."

Garcia says that his approach to wealth management was influenced greatly by the advisor coaching firm CEG Worldwide. "This is not an industry where you want to go it alone, especially when it comes to a concept as complex as wealth management," he says. "While we understood wealth management, we knew we could immediately benefit from CEG's recommendations on best practice implementation steps."

Garcia had been aware of CEG Worldwide throughout much of the 2000s and was impressed by the similarities between its philosophy and his approach to the financial services industry. "They have a strong focus on innovation and installing internal systems that give the client a successful experience on an ongoing basis. Equally important, they are able to integrate best practices within wealth management into a larger business methodology and help us apply it in a disciplined manner. Their approach is the one I've used while building the firm, and having CEG Worldwide on board from a coaching perspective has only enhanced what I set out to accomplish."

"We believe in taking advantage of current industry trends," explains Garcia. "But we rethink, re-engineer and systemize them."

Measuring Up

By Jonathan Powell ■ Senior Managing Principal, CEG Worldwide

One of the best ways to develop a strategy for becoming more successful is to determine where you stand today relative to wealth managers. By benchmarking yourself against the best advisors in the business, you'll be able to see your overall position—and identify those areas of your practice where you are lagging, on par and (one hopes) leading the pack. Armed with that information, you can start formulating specific plans to enhance those areas of your practice where you are weak and build on areas of existing strength.

Here's a look at how wealth managers overall measure up in several key practice management metrics, based on our survey of 2,094 advisors across all industry channels. Ask yourself how you compare in the following areas:

- **Financials.** While success can be defined in lots of ways, at the end of the day it comes down to whether or not you make a healthy enough profit to stay in business. We learned that the typical wealth manager as defined by CEG Worldwide (see *About Wealth Management* on page three) earned an annual net income of $881,000 in 2006, and saw that income grow by 15.4 percent in 2006. We also examined the advisors' assets under administration—which totaled $645.2 million on average.
- **Client acceptance.** One way that many wealth managers generate success is by instituting minimums that allow them to focus on serving only affluent investors. Through our research, we discovered that 73.2 percent of wealth managers overall have a minimum asset size for accepting new clients. Even more (84.1 percent) institute a minimum fee requirement for their clients. As a result of these minimums, wealth managers serve fewer clients—but those they do serve are larger and more profitable for the advisors. The advisors we surveyed have 101 clients on average.
- **Client relationship management.** Wealth managers know that it's much easier to garner business from existing clients than it is to attract new clients to your door. That's why 65.9 percent of them regularly ask clients for referrals, and 42.8 percent regularly ask clients for additional assets to manage.
- **Relationships with top clients.** Your best clients can obviously be an excellent resource to tap when

trying to build and enhance your business. We found that wealth managers on average control 76.1 percent of their top clients' investable assets. What's more, wealth managers typically received $273 million in additional assets from their top 20 clients in 2006.

- **Practice management and business development.** The vast majority (65.2 percent) of wealth managers have developed formal marketing plans for their businesses, and more than half (51.4 percent) have formal business plans in place. These numbers reveal that wealth managers take the time to focus on their business practices and think strategically about the future.

Upon reviewing the results and characteristics of the overall wealth management community, you will likely find that you are behind the curve in one or more areas of importance. That's not surprising. True wealth managers make up only 6.6 percent of the overall advisor community—so only a small number of advisors are at the very top of their games. The point to remember: Don't be discouraged. Instead, use your benchmarking efforts as a motivational tool for you, your partners and your staff. You almost certainly didn't get into a career in the financial services business so you could be "average" or "just okay." Therefore, your overarching goal—the one governing all others—should be to bring yourself to the level of those elite advisors who are enjoying the highest possible amount of success.

Above all else, think big! Truly meaningful change that will have a great impact on your practice will not come from making little shifts or tweaks. The key to making significant progress as an advisor is to set audacious goals that take you out of your comfort zone. Think about ways to create a significant level of change in your business in order to achieve goals that are hugely important to you—both on professional and personal levels. Several successful advisors that CEG Worldwide works with, for example, have set a combined goal of doubling their incomes while also tripling the amount of time they take off from work. Achieving those goals will require creative thinking and developing their firms in a way that allows the entire organization to work smarter instead of simply working harder.

As you move forward, remember to think big about what you really want and go for it. By refusing to settle for being average, you'll put yourself in the best possible position to create meaningful success in all aspects of your life and career.

How Do You Compare?

73.2 percent of wealth managers overall have a minimum asset size for accepting new clients, while 84.1 percent institute a minimum fee requirement for their clients.

65.9 percent of wealth managers overall regularly ask their clients for referrals, and 42.8 percent regularly ask for additional assets to manage.

65.2 percent of wealth managers have developed formal marketing plans for their businesses, and 51.4 percent have formal business plans in place.

The typical wealth manager earned an annual net income of $881,000 in 2006 and generated income growth of 15.4 percent while managing $645.2 million in assets under administration.

Use your bench-marking efforts as a motivational tool for you, your partners and your staff.

Entrepreneur to Manager

Robert Pyle's entrepreneurial tendencies have resulted in a successful wealth management business

Robert Pyle provides comprehensive wealth management to executives and entrepreneurs.

Robert Pyle's Boulder, Colorado-based Diversified Asset Management, Inc., provides comprehensive wealth management services to a client base consisting primarily of successful business executives and entrepreneurs. Pyle himself has entrepreneurial tendencies that he has parlayed into a successful business: Diversified Asset Management currently manages some $50 million in assets for nearly 100 clients.

Pyle's entrepreneurial spirit has influenced many aspects of his life ever since he was a child. Growing up in Maryland, he watched his father build a successful construction-products business, and Pyle internalized many of his father's management perspectives in the process. After several years working in the field of meteorology, the entrepreneurial urge took over. "I began to realize that I wanted to work for myself and choose my own destiny," he explains. "I'd always been interested in investing and more and more it seemed like the right move to try to build a career in that arena."

Pyle went back to school, earning an MBA in finance from the University of Colorado in Boulder. He later received his CFP (Certified Financial Planner) and CFA (Chartered Financial Analyst) designations. And he began working for an acquaintance running an independent financial office. He recalls: "My father always told me that if you wanted to be a success in a given field and do it on your own, then you better work for someone else who was already there so you could see for yourself how it really worked."

That approach paid off. With an MBA and hands-on experience, Pyle was ready to open up his own shop in 1996. He says that the business has had the expected ups and downs, but far more "ups"—and that the rocky economy of late has actually been a fortuitous event for his kind of investment approach. "Being mathematical, I've been attracted to analytical approaches to investing and haven't been tempted to do it on my own," he says. "That helps when the markets go through one of their less cooperative cycles."

In line with this thinking, Pyle has cultivated a strong relationship with the asset-class manager Dimensional Fund Advisors. DFA is well-known as a pioneer in modern portfolio theory (MPT) and provides funds that allow advisors to blend assets for their clients in highly specific ways. By combining asset-class investing with other kinds of customizable investments, Pyle believes his clients gain much-needed access to sophisticated, flexible choices and added value. "DFA provides us with customizable tools that clients wouldn't necessarily be exposed to when doing business with a Wall Street firm," he points out.

As part of his analytical and customized approach to finance, Pyle has emphasized the discipline of wealth management—a concept that is increasingly being adopted by the top financial advisors in the industry today. Wealth management is to some degree an outgrowth of technology. With the advent of personal computing power in the 1980s, it became possible to bring different kinds of financial efforts—insurance, investing, taxes and other services—under one roof. The financial discipline that emerged from the computer revolution came to be known, initially, as financial planning.

Wealth management differs from financial planning in that wealth managers do not simply create a bottom-line financial plan, but seek to create a customized approach to building and maintaining wealth that takes into account clients' most important values and their lifestyles. Additionally, true wealth managers make it a point to work in close consultation with their clients to implement the right plan that can achieve their biggest goals throughout all phases of their financial lives. Wealth managers, says Pyle, essentially act as their clients' personal chief financial officers, and even bring in other professionals to provide the necessary expertise that affluent investors require in areas such as accounting and law.

Pyle's wealth management expertise has been greatly enhanced by his exposure to California-based CEG Worldwide, a leading wealth management coaching firm that has helped thousands of top financial advisors apply proven wealth management concepts in their firms. Pyle had been aware of CEG Worldwide's expertise for a number of years, and he joined its coaching program last year. It has been an exceptional experience. "As someone who constantly searches for best practices, I had already implemented much of what CEG Worldwide recommends," he explains, "But they provided invaluable reinforcement and advanced techniques that have further improved our level of client service."

Pyle also values CEG Worldwide for its entrepreneurial culture. "Here is a group that launched a quiet revolution in the industry and provides competence that has real-life applications," he says. Pyle believes the same could be said for Diversified Asset Management. "We're forward-looking and not afraid to be early adopters if we believe the concept is right. Many of our clients have the same characteristics. Success attracts success, and we believe that our wealth management approach will be attractive to those with considerable wealth and an independence of vision."

Wealth managers, says Pyle, essentially act as their clients' personal chief financial officers.

A Better Way

By focusing on wealth management and asset-class investing, Brett Robison and Clay Esplin have maximized client service

Brett Robison focuses on addressing the unique issues faced by highly successful families.

Brett Robison of Sanctuary Wealth Management in Pocatello, Idaho, has found a better way to provide financial advisory services. It is a solution that he has been building since he worked for a small firm and was not pleased about conflicts of interest between the firm and client offerings. He knew there must be a better method to deliver the kinds of financial advisory services that clients needed.

Robison soon switched to another firm and brought on a business partner, Clay Esplin. The two founded Sanctuary Wealth Management to provide the exceptional personal service and conflict-free approach that he and Esplin believed were lacking in their area.

To deliver that exceptional service, Robison and Esplin knew they would have to focus their efforts to be especially effective instead of trying to be all things to all people (and diluting their value in the process). Therefore, the firm limits its services to fewer than 100 highly successful families, and has set a minimum investment of $1 million—giving the firm's principals the ability to provide what they consider to be industry best practices to solve the often unique challenges faced by their clients. As part of their efforts, Robison and Esplin utilize the services of California-based Dimensional Fund Advisors to provide asset management services to their clients, while Sanctuary itself provides the reporting, repositioning and other back-office services. DFA is a leader in offering asset-class portfolios, managing some $153 billion for more than 450 institutional clients and a select number of registered financial advisors, including Sanctuary. This, they say, allows Sanctuary to keep costs low and provide clients with broader diversification than most firms.

DFA's approach is focused on applying modern portfolio theory (MPT) to investors' portfolios. MPT holds that risk can be defined as volatility over time. By identifying asset classes that have identifiable levels of volatility over time, DFA provides investment tools to firms such as Sanctuary and their principals. By placing clients' portfolios in certain asset classes, depending on how much risk the client wishes to assume, Robison and Esplin either try to raise the return (more risk) or lower it (less risk).

Through DFA the pair was introduced to California-based CEG Worldwide, a wealth management coaching firm that works with financial advisors and financial institutions. The wealth management paradigm that Sanctuary now espouses thanks to working with CEG Worldwide integrates nicely with DFA's approach of disciplined asset-class investing. While the DFA approach is specifically focused on investing, wealth management concerns itself with delivering a full range of financial solutions in a consultative way throughout all phases of clients' financial lives. The main components of Sanctuary's wealth management philosophy include:

- **Investment Consulting.** This involves selecting investments based on needs, goals, risk, tax efficiency and cost—as well as rebalancing the portfolio and implementing proactive ideas to meet specific investment needs.
- **Advanced Planning.** This allows the firm to address their clients' financial needs beyond investments—such as income tax planning, charitable giving, estate planning, asset protection and insurance planning.
- **Relationship Management.** This involves fully understanding clients' critical needs and working in close consultation with clients to achieve them. To accomplish this mission and deliver truly exceptional client service, Robison and Esplin guide their clients through a five-step consultative process that first seeks to uncover investors' most important financial and life goals. The pair then develops and implements specific investment plans based around those goals—and conducts regular progress meetings with clients to ensure that those plans remain relevant at all times. Along the way, Robison and Esplin oversee a team of experts whose purpose is to develop individualized recommendations for each client.

While wealth management is an expansive concept, its overarching goal is to bring wealth into alignment with values. Once upon a time all that an individual rep or broker had to offer to a client was a particular transaction (for example, a stock that looked promising). Over time, as technology improved, reps began to offer more expansive services—such as comprehensive financial planning. Wealth management is the logical outcome of the current technology and offers the most expansive interpretation of financial advisory services. It includes the investment focus itself and broad-based financial planning. But it doesn't stop there. Implementation is also part of the process, as is constant monitoring of wealth to ensure that it is doing the job that is intended, providing the resources necessary for an individual or family to pursue their goals and "live" their values.

By organizing the professional team that provides the necessary services and by bringing to bear wealth management capabilities and asset-class investing, Robison and Esplin have built a firm that fully leverages industry best practices—and provides clients with the service they expect and deserve.

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CEG Worldwide Coaching

Proven Programs for Capturing the Wealth Management Opportunity

CEG Worldwide's coaching programs are designed to help you put the best practices of wealth management to work to build a truly remarkable businesses. **We offer two programs:**

Breaking Through. Our intensive one-year coaching program is focused on the essential strategies and key tactics required to build a great wealth management business that will successfully attract, win, service and retain the private affluent client.

Cultivating the Affluent. This comprehensive coaching program offers independent broker-dealer representatives and registered investment advisors invaluable tools for building more profitable businesses.

Each program provides specific steps and **real-world tools for growing your business,** along with expert coaching to ensure that you will put what you learn to work to see significant results.

To learn more about CEG Worldwide and its coaching programs, visit www.cegworldwide.com or call 888-551-3834. To participate in any coaching program offered by CEG Worldwide, check with your company representative in charge of training.

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