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Top Advisors Know a Few Key Secrets

CEG Worldwide survey reveals that simple practice management decisions can make all the difference in building a successful firm.

SAN MARTIN, CA—July 7, 2009—CEG Worldwide research shows that financial advisors who serve relatively few clients, specialize in serving a particular type of client or niche, and actively seek referrals outearn their peers.

“We have consistently found that specialization allows advisors to position themselves as experts in meeting the needs of a particularly wealthy niche,” said Patricia J. Abram, Senior Managing Principal, CEG Worldwide and co-author of *Breaking Through: Building a World-Class Wealth Management Business*. “This makes it easier to build trust with those clients, which in turn helps them retain clients and capture additional assets.”

CEG Worldwide’s comprehensive survey of 2,094 advisors from across all channels revealed four distinct quadrants:

- **Quadrant One:** Advisors with 150 or fewer clients and income of \$300,000 or less
- **Quadrant Two:** Advisors with more than 150 clients and income of \$300,000 or less
- **Quadrant Three:** Advisors with over 150 clients and income exceeding \$300,000
- **Quadrant Four:** Advisors with fewer than 150 clients and income exceeding \$300,000

CEG Worldwide has found that nearly half (45.7%) of the elite advisors who make up Quadrant Four—a group of advisors who earn the most money from the fewest clients—specialize in serving a particular client or niche. Far fewer advisors in other studied quadrants do this, as shown in the following chart.

Advisor Type	Average Income	% Who Specialize in a Niche	% Who Ask Clients for Referrals
Q4 Very high income, relatively few clients	\$416,000	45.7%	45.0%
Q3 High income, many clients	\$386,000	15.4%	12.7%
Q2 Lower income, many clients	\$221,000	11.8%	11.0%
Q1 Lower income, relatively few clients	\$126,000	25.7%	13.3%

N=2,094 advisors.

Source: CEG Worldwide.

It's Also About Referrals

What's more, elite advisors are far more likely to ask their best clients for referrals. Nearly half of Quadrant Four advisors (45.0%) regularly ask their clients for referrals. Only a small number of other advisors do so, as shown in the chart above.

“It shouldn't come as a shock to learn that top advisors get three referrals a year on average from each of their top 20 clients,” said Abram, adding that Quadrant Three advisors average just 1.8 referrals annually from top clients and that advisors in Quadrants One and Two garner less than one client referral on average.

About CEG Worldwide, LLC

CEG Worldwide is passionate about coaching financial advisors and institutions to build a Simple and Elegant Wealth Management BusinessSM. Using state-of-the-art research methodologies and analysis combined with proven strategies and tactics for building highly successful advisory practices, CEG Worldwide provides uniquely powerful insight into what allows elite financial advisors to thrive.

CEG Worldwide delivers fully scalable financial advisor training programs at many of the world's largest financial institutions. The firm's proprietary institutional strength intelligence is based upon empirical studies of more than 10,000 advisors and 14,000 high-net-worth individuals. By combining research expertise with pragmatic and proven business experience, CEG Worldwide helps institutions achieve measurable gains in productivity, retention and assets under management and provides advisors with proven business-building strategies and tactics.