

How Top-Performing Advisory Firms Got There

Best of the best share some of the same attributes; the business is a business

By Liz Skinner

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Top-performing financial advisers attribute their success to intensely focusing on the business of the firm, concentrating on the clients they can serve best and using adviser time wisely.

“Professionally managing our business has been a critical component of our growth to date and will be critical as we continue to expand,” Jeffrey Roof, president and founder of Roof Advisory Group Inc., said during an *InvestmentNews* webcast on Tuesday afternoon.

His firm was one of the top performers of those surveyed in the 2011 InvestmentNews/Moss Adams Financial Performance Study of Advisory Firms, which was sponsored by Pershing Advisor Solutions LLC. Roof Advisory also was a top performer in 2009.

The highest-rated performers among the 436 firms that participated last year fell in the top quartile based on earnings before owner's compensation, 2010-11 annual growth rate of revenue and 2011 revenue per head count.

Roof Advisory examines its performance every month and quarter to quarter to continually develop strategic growth plans, Mr. Roof said. The firm's management also uses industry benchmarking to see how the business is doing compared with other advisory firms.

Additionally, the firm makes sure its customers are those that it can serve better than competitors can, Mr. Roof said.

Another firm identified as a top performer in the 2011 survey is The Colony Group LLC, which has its own full-time professional management team. That includes a president who has no client responsibilities and a full-time business development officer.

“That allows our professionals to bring in new clients, serve clients and oversee staff,” said Robert Glovsky, the firm's vice chairman and senior financial counselor.

Colony's BDO works with all the RIA's senior financial professionals to help them expand the business and “overcome any fear of asking for referrals,” Mr. Glovsky said.

Another top performer, Fox Joss & Yankee LLC, uses interns to help leverage advisers' time, said Jon Yankee, partner and chief financial officer of the firm.

Hiring summer interns also gives the firm the opportunity to try out people who may become future employees of the firm, he said.

“The list of alums from our internships are the first people I think of when it's time to recruit new talent,” Mr. Yankee said.