

Practice Management

The building blocks of a successful retirement practice

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President



***“If you really look closely,
most overnight success
took a long time.”***

- Steve Jobs



Sustainable Growth

Various business models have differing margins

What do you like to do the most?



2018 vs. Today

HUMAN ENGAGEMENT



Clients



Prospects



Employees

EFFICIENCIES



Engagement



Technology

Business Needs



**Marketing, Sales, Accounting,
Client Service, Client Onboarding**

Operational Support, Technology Infrastructure, Payroll,

accounts receivable,
financial modeling,
mentoring

**Compliance, RIA,
Broker/Dealer,
Core Services,**

Investment Research,
Phone Systems, Email
Systems

Recruiting

retaining, motivating, client legal,
company legal

**Human Individual Services, Finance,
Resources Profit Margins, Salary**

**Office Management,
Office Space,
Accounts Payable**

New Services Development,
Continuing Education

Planning

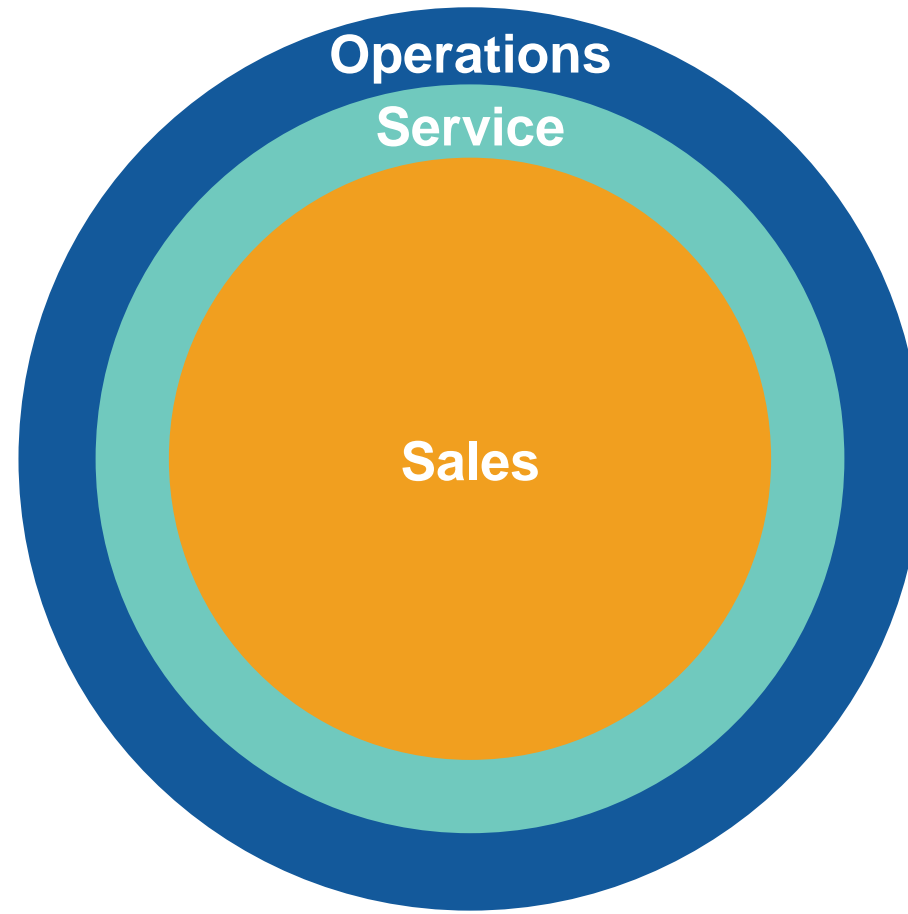
Career Development,
Benefits

Budgeting,
Capital
Management

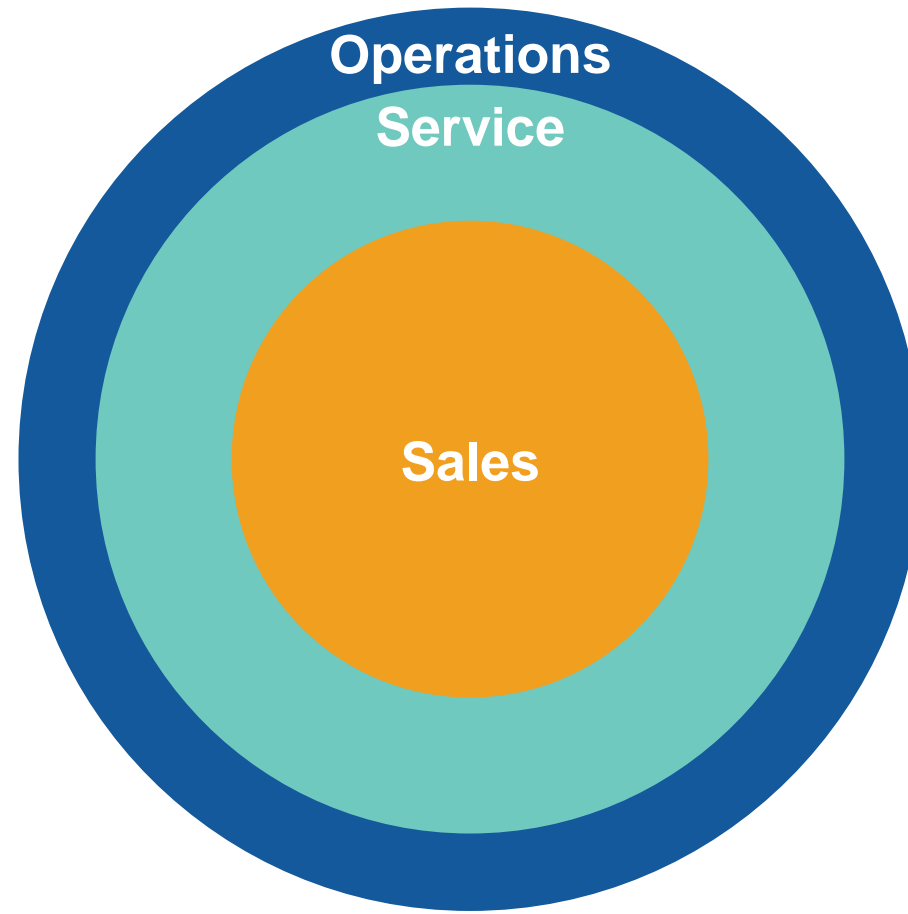
Business Structure

Sales/Marketing	Service	Operations		
<ul style="list-style-type: none"> • Marketing Plan • Marketing Materials • Sales Materials • Sales Presentations • Networking • Provider Relations • Entertainment • Referral Source Marketing • Event Marketing 	<ul style="list-style-type: none"> • Core Services • Client Onboarding • Investment Research • New Services Development • Continuing Education • Individual Services • Provider Relations • Entertainment 	Human Capital	Accounting	General Operations
		<ul style="list-style-type: none"> • Recruiting • Motivating • Retaining • Salary Planning • Career Development • Materials 	<ul style="list-style-type: none"> • Finance • Accounts Payable • Accounts Receivable • Financial Modeling • Profit Margins 	<ul style="list-style-type: none"> • Admin. Support • RIA Compliance • B/D Compliance • Information Systems • Legal • Travel • Office Space

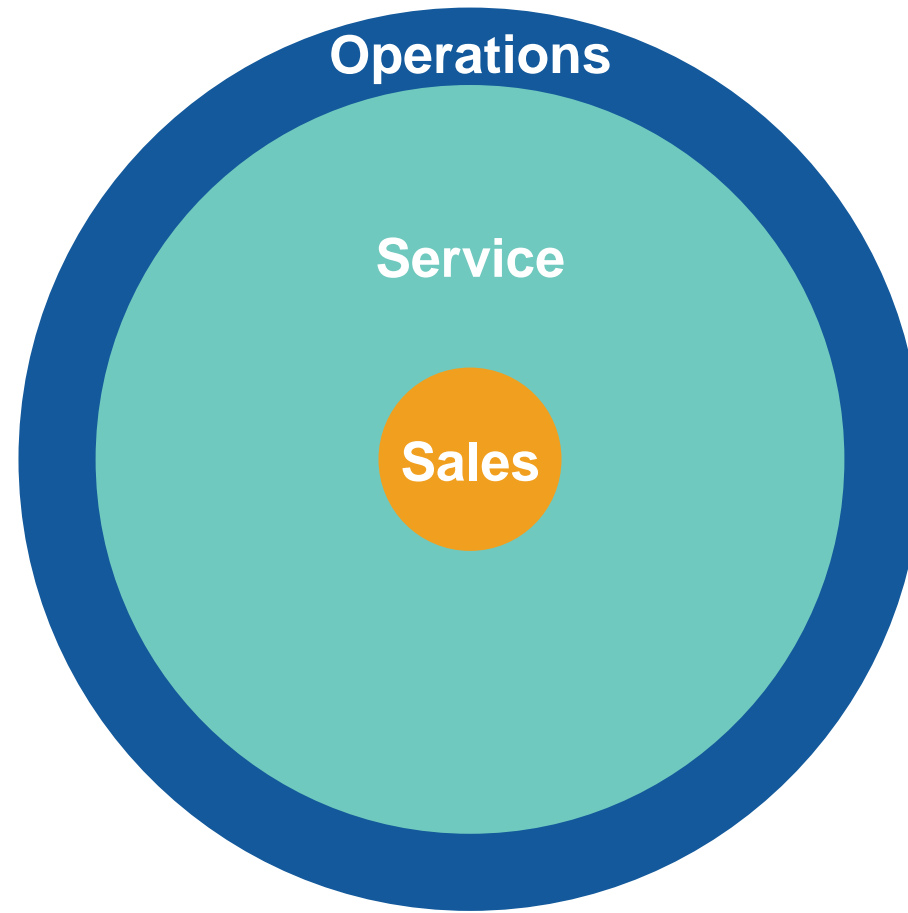
Business Focus



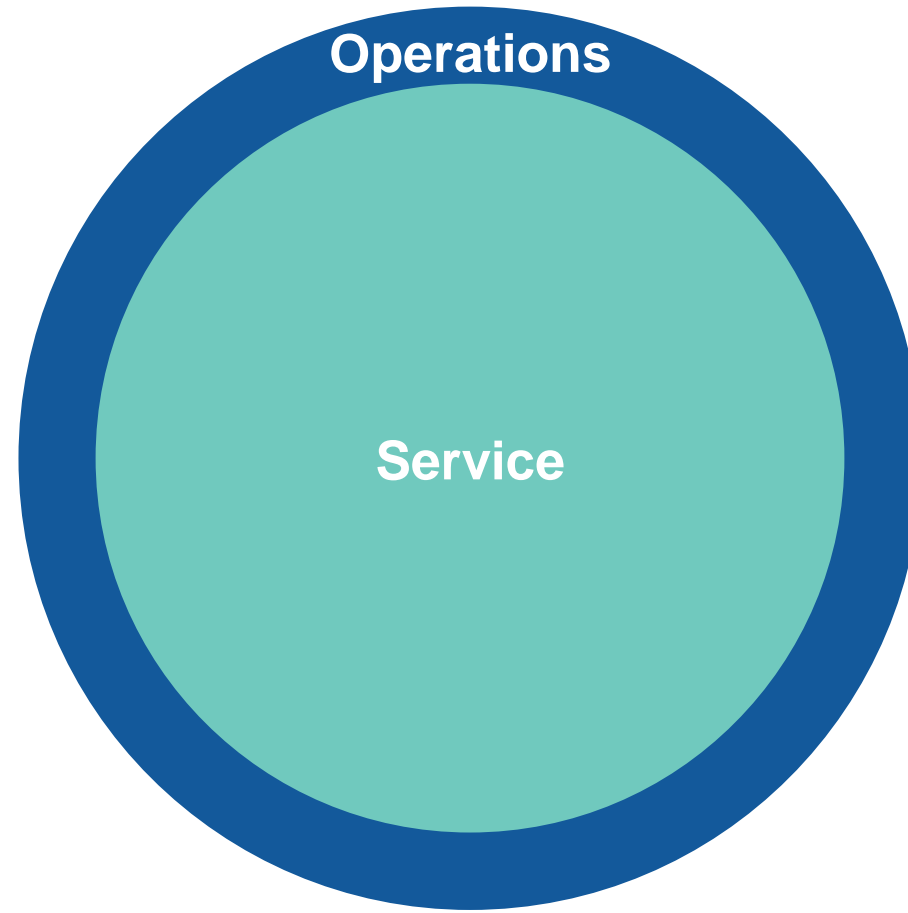
Business Focus



Business Focus



Business Focus



If your business depends on you, you don't own a business – you have a job. And it's the worst job in the world because you're working for a lunatic!

- Michael E. Gerber, *The E-Myth Revisited*



Who Should I Hire?

Sales?

Service?

Operations?

**Wealth
Management?**



Milestone Revenue	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$3,000,000	\$5,000,000	\$10,000,000
Average Retirement Client Revenue	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000	\$25,000	\$25,000
Number of Clients	25	40	50	57	75	89	120	200	400
Estimated Face to Face Service Meetings	13	60	75	86	113	133	180	300	600
Estimated Face to Face Social Reviews	13	20	25	29	38	44	60	100	200
Estimated Virtual Service Meetings	25	40	50	57	75	89	120	200	400
Total Client Meetings	50	120	150	171	225	267	360	600	1200
Revenue/meeting	\$5,000	\$4,167	\$5,000	\$5,833	\$6,667	\$7,500	\$8,333	\$8,333	\$8,333

Team Members									
Administrative Team Size	1	1	1	2	3	4	6	8	12
Total Cost (Average All in \$67,500)	\$67,500	\$67,500	\$67,500	\$135,000	\$202,500	\$270,000	\$405,000	\$540,000	\$810,000
External Service Team Size			1	1	2	2	3	5	10
Total Cost (Average all in \$135,000)			\$135,000	\$135,000	\$270,000	\$270,000	\$405,000	\$675,000	\$1,350,000
Salesperson or Wealth Manager							1	2	4
Total Cost (Average all in \$200,000)							\$200,000	\$400,000	\$800,000
Operations Mgt. #						1	1	2	4
Average cost (Average all in \$125,000)						\$125,000	\$125,000	\$250,000	\$500,000
Total Team Members (including owner)	2	2	3	4	6	8	12	18	31
Personnel Costs	\$67,500	\$67,500	\$202,500	\$270,000	\$472,500	\$665,000	\$1,135,000	\$1,865,000	\$3,460,000
Personnel Costs as a % of Revenue	27%	14%	27%	27%	32%	33%	38%	37%	35%
Overhead	\$100,000	\$175,000	\$255,000	\$325,000	\$480,000	\$620,000	\$900,000	\$1,450,000	\$2,800,000
Overhead % of Revenue	40%	35%	34%	33%	32%	31%	30%	29%	28%
Total Cost	\$167,500	\$242,500	\$457,500	\$595,000	\$952,500	\$1,285,000	\$2,035,000	\$3,315,000	\$6,260,000

Profit & Owner's Salary (Revenue less Cost)	\$82,500	\$257,500	\$292,500	\$405,000	\$547,500	\$715,000	\$965,000	\$1,685,000	\$3,740,000
Profit & Owner's Salary % of Revenue	33%	52%	39%	41%	37%	36%	32%	34%	37%



Milestone Revenue	\$500,000
Average Retirement Client Revenue	\$12,500
Team Members	
Administrative Team Size	1
Total Cost (Average All in \$67,500)	\$67,500
External Service Team Size	
Total Cost (Average all in \$135,000)	
Salesperson or Wealth Manager	
Total Cost (Average all in \$200,000)	
Operations Mgt. #	
Average cost (Average all in \$125,000)	
Total Team Members (including owner)	2
Personnel Costs	\$67,500
Personnel Costs as a % of Revenue	14%
Overhead	\$175,000
Overhead % of Revenue	35%
Total Cost	\$242,500
Profit & Owner's Salary (Revenue less Cost)	\$257,500
Profit & Owner's Salary % of Revenue	52%



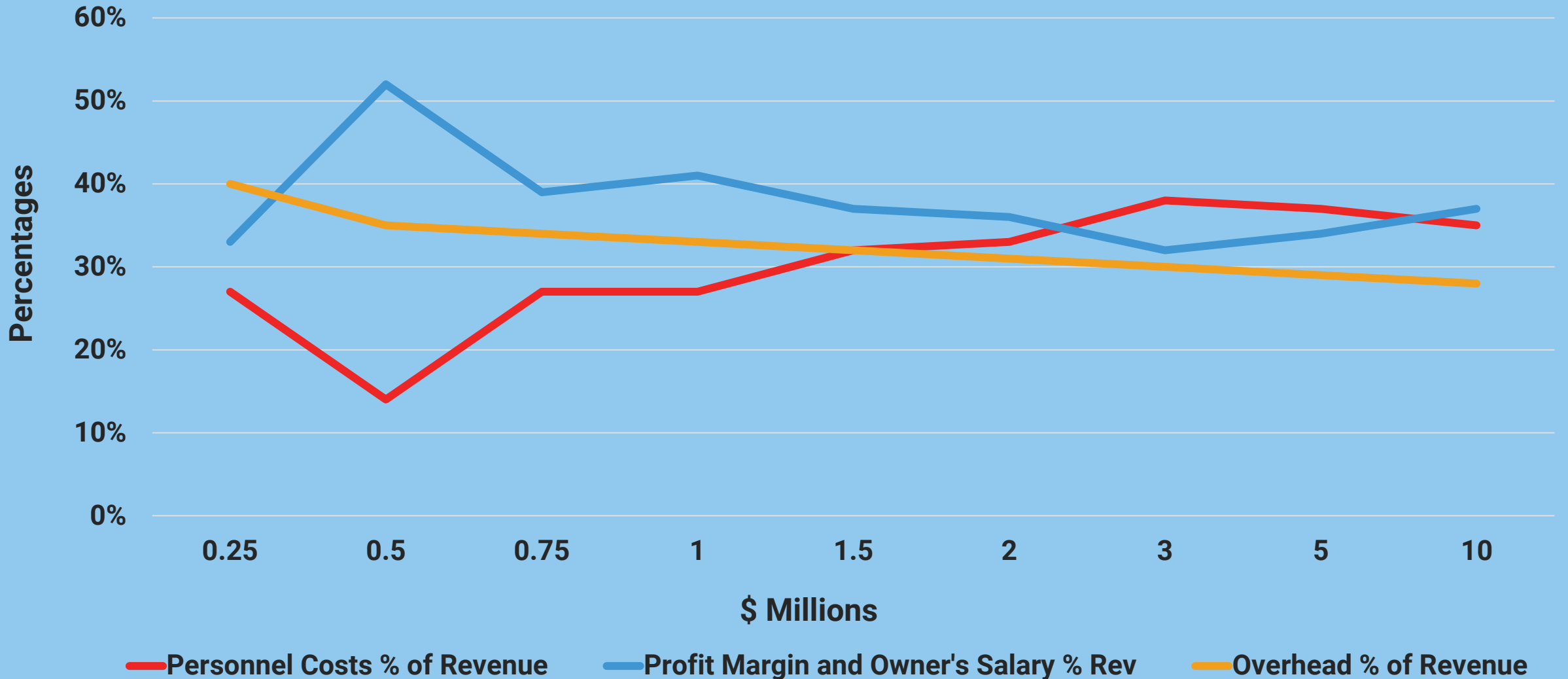
Milestone Revenue	\$1,000,000
Average Retirement Client Revenue	\$17,500
Team Members	
Administrative Team Size	2
Total Cost (Average All in \$67,500)	\$135,000
External Service Team Size	1
Total Cost (Average all in \$135,000)	
Salesperson or Wealth Manager	
Total Cost (Average all in \$200,000)	
Operations Mgt. #	
Average cost (Average all in \$125,000)	
Total Team Members (including owner)	4
Personnel Costs	\$270,000
Personnel Costs as a % of Revenue	27%
Overhead	\$325,000
Overhead % of Revenue	33%
Total Cost	\$595,000
Profit & Owner's Salary (Revenue less Cost)	\$405,000
Profit & Owner's Salary % of Revenue	41%



Milestone Revenue	\$3,000,000
Average Retirement Client Revenue	\$25,000
Team Members	
Administrative Team Size	6
Total Cost (Average All in \$67,500)	\$405,000
External Service Team Size	3
Total Cost (Average all in \$135,000)	\$405,000
Salesperson or Wealth Manager	1
Total Cost (Average all in \$200,000)	\$200,000
Operations Mgt. #	1
Average cost (Average all in \$125,000)	\$125,000
Total Team Members (including owner)	12
Personnel Costs	\$1,135,000
Personnel Costs as a % of Revenue	38%
Overhead	\$900,000
Overhead % of Revenue	30%
Total Cost	\$2,035,000
Profit & Owner's Salary (Revenue less Cost)	\$965,000
Profit & Owner's Salary % of Revenue	32%



Retirement Consulting Practice Blueprint



Human Capital Management



Recruiting



Motivating

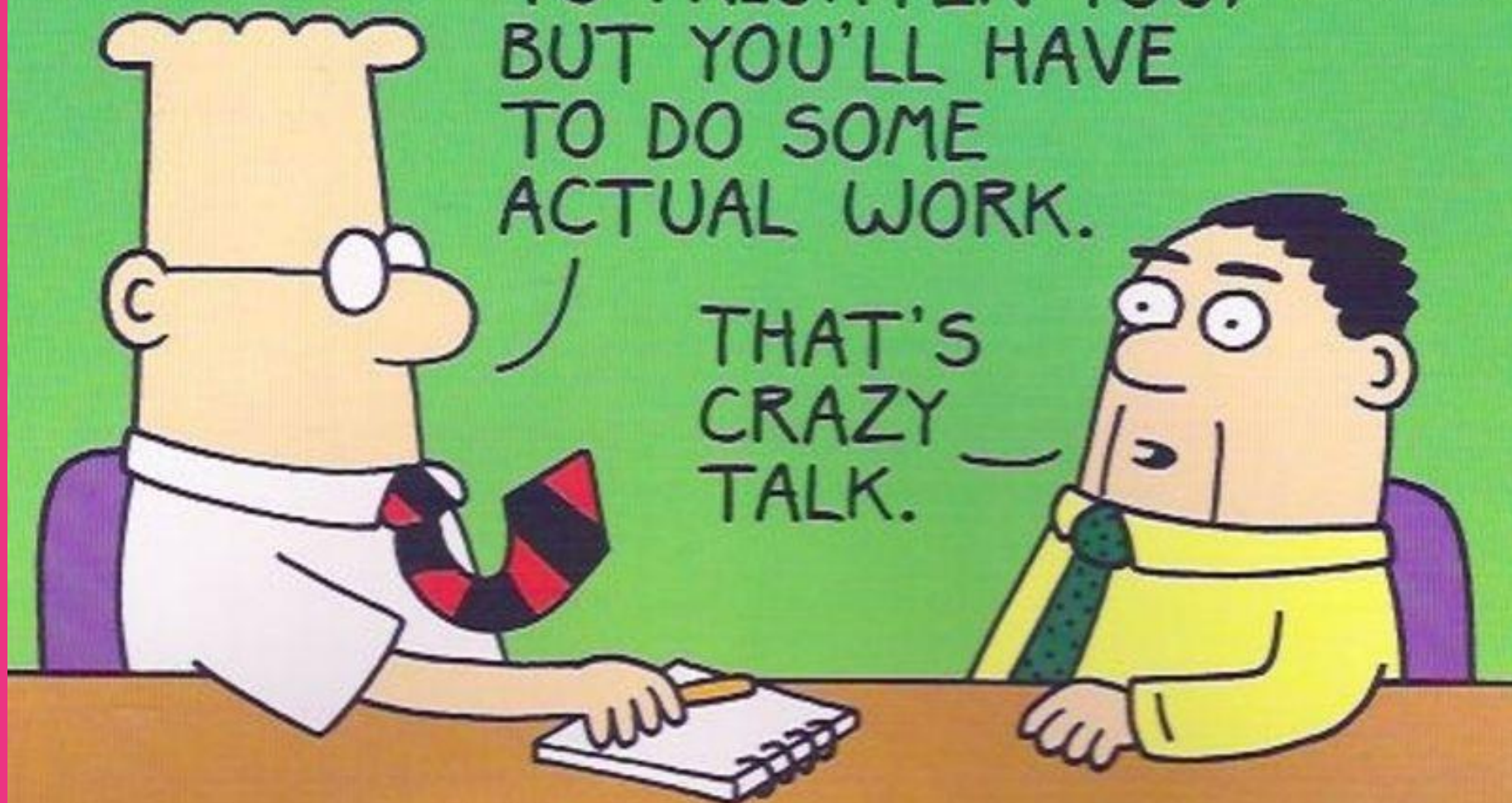


Retaining



I DON'T MEAN
TO FRIGHTEN YOU,
BUT YOU'LL HAVE
TO DO SOME
ACTUAL WORK.

THAT'S
CRAZY
TALK.



Recruiting



**Third-party
recruiters**



**Reputation with
service providers**



Indeed.com



**Bright &
energetic**



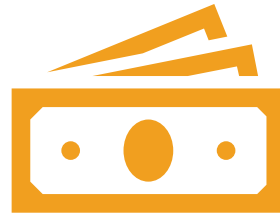
**Creating
talent paths**



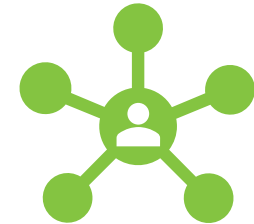
Motivating



**Company success =
financial success for all**



**Multi-year
compensation plan**



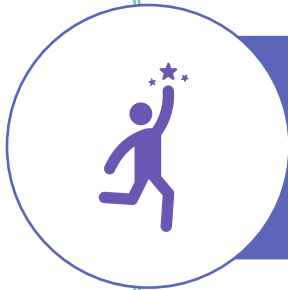
**Advancement
opportunities**



Retaining



Understand you won't have 100% retention



Avoid temperamental superstars



Mutual respect & transparent culture





Retaining

FUN!

- A culture of caring
- Activities

Summary

If you put yourself out of the sales business, you are not alone!

Sustainable growth only comes with a commitment to human capital management

