Berkshire
DIVIDEND STRATEGY

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Practice Management Insights

Why Advisors Don’t Land Larger Accounts?

Its common advice to “fire small clients”. We’ve all heard it before….

But I’ve long believed the real reason advisors don’t get ever larger accounts is they continue to accept smaller ones. High-net worth investors seek to be members of an exclusive club. They want to believe their advisor is uniquely focused on particular wealth strata and in possession of a unique set of skills. They don’t want to think they are being served along with 300 other “small” clients. Being able to state high minimums and a narrow client list are critical to your brand. If you need a complicated surgery you want to go to a premier physician who only does that type of procedure - not a generalist. The same goes for clients with truly complicated financial issues: estate planning, tax, concentrated stock positions, sale of a business etc.

Define and articulate your focus so you only get the referrals you want. The higher your minimum and more unique your niche is, the easier it will be for clients to know which clients to refer. That way you are less likely to receive ones that don’t fit and you will avoid the awkwardness of having to tell a profitable client “I can’t take your friend’s account”

I strongly believe YOU, (not someone from your home office) need to become the expert on the advanced problem solving techniques that accompany larger relationships. “Studied like crazy” are the operative words in the article below. This gives you the opportunity to claim legitimacy as a premier expert in your field. Get on the speaking circuit, educate other professionals, and write articles. Develop your own content under your authorship. Despite the compliance headaches, the PR is worth it. Be known for skills that are specific and rare.

Here is a quick article which offers more support to this view:

http://www.financialadvisoriq.com/c/617064/69654/held_back_small_clients?referrer_module=emailMorni

For more practical business building ideas or information about our Dividend Strategy call or email.

Best Regards,
Gerry

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Berkshire is a fee-based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Over the past 29 years, we have successfully implemented highly focused equity, fixed income and balanced portfolios. Our guiding principle is a belief that success is achieved by combining rigorous, well-crafted investment processes with an exceptional level of client service and attention to detail. Asset Management with a Difference... Diligence, Integrity, and Focus.

Dividend Highlights

- Dividend growth can often provide transparent insight into a company’s fundamentals and vitality.
- Dividend growth can provide an attractive stream of increasing cash flow to satisfy many financial objectives.

Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Berkshire Asset Management is a fee-based, SEC registered advisory firm serving the portfolio management needs of institutional and high-net worth clients. The Dividend Growth Composite contains portfolios invested in Berkshire's Dividend Growth Strategy with an equity allocation target of 90% - 100%. The Dividend Growth Strategy's primary objective is to generate a growing stream of equity income by investing in a diversified portfolio of equities with stable, high, and growing dividends. The benchmark is the S&P 500 Index. The index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested, does not include any trading costs, management fees, or other costs, and the reinvestment of dividends and other distributions is assumed. An investor cannot invest directly in an index. Gross returns are presented before management and other fees but after all trading expenses. Net returns are calculated by deducting actual management fees from gross returns. Returns reflect the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars. To receive a complete list of composite descriptions and/or a compliant presentation, contact Jason Reilly, CFP® Tel: 570-825-2600 or info@berkshiream.com. Past performance does not guarantee future results.

Definitions: The S & P 500 Index is a market capitalization weighted index of the largest 500 U.S. stocks. It is a market-value weighted index (stock price times # of shares outstanding), with each stock's weight in the index proportionate to its market value. The index is designed to measure changes in the economy and is representative of most major industries. You cannot invest directly in an index. Beta is a measure of volatility vs. an index. Upside/Downside capture ratios refer to a portfolios performance as a percentage of either positive returns (upside) or negative returns (downside) vs. an index. Standard Deviation is a measure of total risk. Alpha, Beta and capture ratios are represented as calculated by Morningstar.

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**Platform restrictions may apply. Preliminary returns are based on composite estimates only. Individual accounts will vary.*