

## Advisor Networking for Fun and Profit

By Wendy J. Cook

April 10, 2012

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Over the years, I've seen what works well and what doesn't for advisors. I've noticed that even the best-intentioned, highest-minded advisor usually struggles if he or she operates in a vacuum.

Sure, there's a lot to be said for rugged individualism. The allure of independence rightfully appeals to those of us (myself included) who are attracted to the fee-only RIA model for investment and wealth management. But what I've come to believe over time is that we do our best work when we intentionally assert our independence *within a network of unaffiliated colleagues* – those people otherwise known as your competition.



When you commit time and energy to regularly network with the right peers, I've seen magic take place. In my business and yours, it enhances business growth; it enhances the personal satisfaction you get from your career; and, most important, it helps you better serve your clients.

### **You get smarter**

One of my favorite quotes comes from chemist Linus Pauling, who said: *"If you want to have good ideas, you must have many ideas."*

Pauling was the only person ever to receive two unshared Nobel prizes, one in chemistry and the other the peace prize. Having many ideas worked well for him, and the best way to generate more ideas is to collaborate with others. The more we interact with colleagues, the more we all learn. Meaningful networking can deepen and broaden your areas of expertise in unexpected ways.

This is especially so if you're willing to interact with those who may occasionally challenge you with constructive criticism.

Whether we're talking about business or life, it's healthy to temper your own beliefs, even those you hold most firmly, by letting someone poke at them from time to time with objective, critical thinking. Like aerating a well-tended lawn, such critiques help new ideas to sprout as well as expand your existing knowledge. I'm not talking about petty name-



calling or knee-jerk finger-pointing; I mean those fertilizing exchanges during which you can almost feel your brain stretching across newfound turf.

### **You can be a better advisor to your clients**

I was cheating in the last section, because Pauling's quote doesn't actually end where I left it. He continued his thought: *"Most of [the many ideas] will be wrong, and what you have to learn is which ones to throw away."*

That's an important addendum. Brainstorming with a network offers you a peer-reviewed reality check on your assumptions, as well as a chance to practice the discussions that you inevitably will need to have with your clients and prospects. If you can't defend your ideas among your colleagues, you may need to rethink your position – or keep practicing. If it doesn't make sense to your peers, it's likely to make even less sense to your clients.

### **You can operate more efficiently**

On a nuts-and-bolts level, a network offers you access to relatively like-minded colleagues who can:

- Help you think through your business operations, swapping best-practice tips on matters such as fee structure, growth strategies, succession planning, service development, technology infrastructure, and so on. From what I've seen, for every good idea you contribute, you're likely to gain four in return. That's a better return than you get in the market!
- Recommend which outsourcing resources to explore – and which to avoid.
- Negotiate group discounts when it's reasonable to join forces.

When I work with advisors who are *not* engaged in some form of networking, they may still be good people, working intelligently and diligently to serve their clients. But I also can't help but notice they often seem to be working twice as hard to get half as far.

### **You make deep, lasting friendships**

When you network, you stand a good chance to form personal as well as intellectual ties with your colleagues, sharing not only financial and business acumen but also personal victories and defeats, inspiration and support. As one of my clients describes his NAPFA "mix" group, which gathers twice annually: "I'm intrigued by how we almost always discover that people all across the country have relatively similar feelings and experiences with respect to the economy, market conditions, political environments (regardless of party affiliation), negative news, and so on. My biggest take-away from this particular meeting was: We are all in this together."



Who doesn't need a little more of such *esprit de corps*?

**With whom?**

So what are you waiting for? If you're not yet involved in some form of networking, why don't you take this blog posting as your call to action – your post-tax-season, "New Year's" resolution? (And by the way, on-line social media is useful too, but it's not the same and it doesn't count.)

Besides [NAPFA](#) and its various subgroups, there are [Dimensional](#) study groups to consider. Trade shows, such as custodian-sponsored events or [T3](#), can also be useful venues for finding colleagues with whom to launch formal networking groups. Basically, any group of advisors who have common interests, along with enough differences to make things interesting, can be useful to one another.

Naturally, I've got more than a soft spot for the networking opportunities to be found within the [BAM](#) Advisor Services community. To offer one example: A couple of years ago, a subset of BAM advisors launched an interesting networking resource called the [Bright Sky Group](#). Each member of the group is an independent RIA who also happens to be a BAM client. Meeting in person at least annually and on-line during the interim, they collaborate on a group message – a brand – based on demonstrating high standards for membership and a shared approach to wealth management. Each independent firm in the group can thus leverage its membership to broaden its resources and presence in its own community. For example, on this firm's site, you'll see a Bright Sky banner, pointing to the Bright Sky page at [FMF&E Wealth Management](#) (a founding member).

Whether or not you're eligible for Bright Sky, it's an example of the power of networking. Keep your rugged individualism, but benefit from a team. What could be better than that?

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*Wendy J. Cook is owner of Wendy J. Cook Communications, LLC, offering writing, editing, presentation and related services expressly for the fee-only, passive/DFA, Registered Investment Advisor community. Wendy helps such firms communicate their distinct messaging to clients, prospects, media and the general public using traditional and leading edge communication resources ranging from print to social media/Web and e-newsletter forums. Visit [www.wendyjcook.com](http://www.wendyjcook.com) or [www.linkedin.com/in/wendyjcook](http://www.linkedin.com/in/wendyjcook).*

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