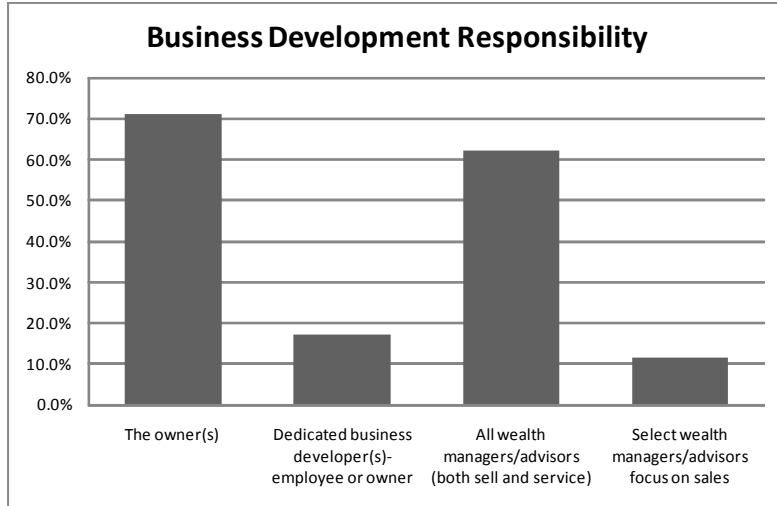


## Who Will Help Us Grow?

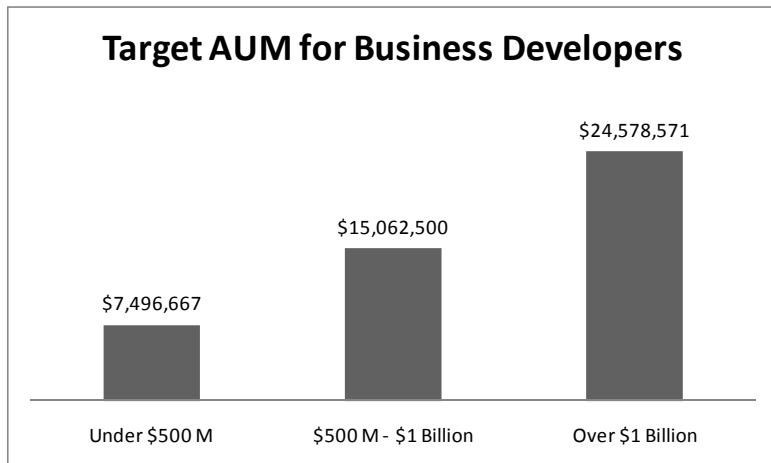
By Philip Palaveev

The responsibility to grow the firm still remains largely with the firm’s owners. In 71% of firms, the responsibility to bring new assets is part of the owners’ job description. The rest of the staff is also encouraged to develop new business. Use of dedicated business developers, on the other hand, is very sporadic. Only 17% of all firms have a position dedicated to business development, and another 11% charge select wealth managers with business development.



The dependence on the owners for business development has always been one of the vulnerabilities of independent wealth management firms. In general, the idea of “sales” is counter to the culture of consultative, client focused service. At the same time, the firm’s growth depends on the ability to attract clients and assets; the reactive but comfortable process of referrals from existing clients is not always enough. In fact, more than a couple of firms responded to the question “Who is responsible for sales in your firm?” with “We don’t sell anything!” The “anti-sales” culture has been a strength for wealth management firms, but the relatively slow referral growth process cannot always meet the ambitious goals for career development that the staff has.

For firms that have dedicated business developers, typical development targets are close to \$25 million per business developer for the largest firms, \$15 million for the mid-sized firms and approximately \$7.5 million for the smaller firms. Again, not many firms use dedicated business developers, so the statistics on targets are coming from a relatively small sample, but correspond well with our experience working with advisory firms.



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