Aiming High—6 Strategies for Success

UBS’ Ira Walker offers key strategies for reaching the top.

BY BILL GOOD
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Much of any success you enjoy in life is about transitions.

How does the rookie transition from endangered species to survivor? How do you, the survivor, transition to affluence, and from there to the pinnacle?

All these transitions are tough. If 100 rookies start today, in two or three years only a handful will still be in the race. Of those who survive, some get stuck at a low level, and still more fall on the way to affluence. From there, only a handful of them make the toughest transitions from affluence to the uppermost reaches.

Let’s say you’ve made it to affluence. You are bringing home $250,000 a year, certainly a good living. But that’s not all you wanted. You want to go to the top.

How do you get there?

To answer that question, I recently had a series of conversations with an advisor at the very top of his game—Ira Walker. Previously in Research, I have said Ira and his team are the “No. 1 team on Wall Street.” OK, he’s in New Jersey, where he was ranked first for the state in Barron’s rankings for 2010 and 2011. Note that the highest-ranked tend to be advisor teams that more resemble branch offices. Ira is one advisor with a very well-organized, well-disciplined team supporting him.

To see my previous coverage of Ira go to www.billgood.com/IraWalker. There you can also download some resources on team building and the Model Day.

Coach Is Also Student

Some background: I first met Ira in October 1988. By that time, he had been in the business three years. He was just wrapping up a year of $300,000 in gross revenue at Dean Witter. He bought into my system. I remember well a comment he made during class that week, “I’m going to be the biggest broker on your system.” My immediate thought was, “Yeah, you and everyone in this room, and everyone I know.”

But I started paying very close attention shortly thereafter when he went out and borrowed $25,000, put the full team in place, and hit the ground running with a full attack on the New York City area pension and profit-sharing marketplace.
Since then, Ira and I have formed a loose partnership. I have both helped him and learned from him, and vice versa.

**How High Is Up?**

In the early 1990s, Ira and I used to argue, “How high is up?”

I argued that for most advisors, “up” was $2 million a year tops. I based that conclusion on my discovery that the average financial advisor was worth $1,000 an hour working as a financial advisor. I have discussed this conclusion in several Research articles and will not revisit it here. Let’s just assume it’s true.

Based on $1,000 an hour, I felt “up” was $2 million a year in gross revenue—40 hours a week times $1,000 times 50 weeks equals $2 million.

Ira argued—correctly—that “up” was much higher than $2 million a year. When he blew past the $2 million mark about 1993, he won the argument.

**Understanding Leverage**

The key is leverage. You and everyone else have exactly the same amount of time each week. Why then do some make it to the end of the rainbow and others don’t?

Obviously some are smarter. Some may be gifted speakers. Some are investment geniuses. But there is one force that must underlie all of your gifts: leverage.

Ira Walker understood and implemented the concept of leverage better than anyone I’ve seen.

Once I grasped the concept of the $1,000 hour, simple logic dictated the team concept and Model Day. By the way, I still believe that a single advisor with a correctly structured team operating in the mass affluent market will peak out around $2 million. To get beyond that, there are two other points of leverage: How money is managed and having wealthier clients.

To transition from affluence to pinnacle, the concept of leverage must permeate the entire business. The rainmaker only makes rain. He or she does not scrub the sidewalk, clean the gutters or take a day off when the sun shines because the sun never shines at the top of the mountain. There, it’s all about rain.

Ira extended my concept of leverage to money management and high-net-worth marketing. In his view, it doesn’t take any more time to manage $1 billion than it does $100 million, or $50 million or $10 million. It doesn’t take any more time to manage 100 high-net-worth clients than it does to manage 100 affluent clients.

**The Strategy**

In our conversations, Ira and I concluded that a six-part strategy over perhaps five years would set a decent producer on a path that could arrive at the pinnacle. As an aside, yes, Ira is the top retail producer at UBS, a national wirehouse. And yes, there are services available at a national firm that help the rich become richer. But independents and RIAs as well can make this transition. I’ve seen and helped them do it.

Here is the six-part strategy. I will now let Ira speak in his own words:

1. **Manage Your Own Assets**

   “You have to be very, very good as a financial advisor to handle high-net-worth clients.

   “You have to be very well versed in diversification, asset allocation, estate planning, derivatives, structured products, and things of that nature. So you become an expert in those areas.

   “One of the biggest mistakes I made in my career is that I was more of a money management consultant researching and
recommending a diversified group of investment advisors. I can count on one hand the number of great money managers who are still responsible for their track record and still performing well. I don’t even know if I can get to five.

“In the early 2000s, due to money managers selling their businesses, retiring or underperforming, I decided to take over management of my client assets.

“Because of intense study for years and because of my own record in managing my own money, I felt I could do as good or better job than these money managers.

“Due to the expansion, liquidity, fee structure and tax benefits of ETFs, I decided to utilize ETFs as the basis for my money management strategy, and today, we have seven different models, six of which are ETF-based. We have conservative, moderately conservative, moderate, moderately aggressive, aggressive, that kind of thing. The seventh model is a blue-chip, large-cap blend. The reason why we have it is that some people prefer to see the names of companies they are familiar with. I have been doing this now since 2002, and I can tell you that ETFs are a better way to manage money.

“People who manage a unique portfolio for each client are severely limited on the number of clients and assets they can manage. It does not take any longer to manage $1 billion dollars than it takes to manage $10 million.

“This is leveraged money management.”

2. Build a Great Team

“We keep people. We do that by training and developing them. Even when people have severe life problems, we are very supportive as a team. This is not just me being supportive. We’re all supportive. That’s what kept us together all these years. I am not an easygoing guy. It’s not my personality. But they stay because I let them do their jobs, because of the compassion we have in the office and the respect we have for each other. Part of the key is getting good people, training them well, and then letting them do their jobs.

“Early on, in the late ‘80s and early ‘90s, we were a cold-calling team. Then we evolved into a seminar team. There was a time we were doing two seminars a month. Andrea [Andrea Dagnelli is Ira’s marketing director] would go to these things, and no one left without turning in their report card. We were out of the office a tremendous amount. Dinah McCoy and Josette Pelle kept the office running.

“Now we are a world-class high-net-worth service team. Obviously as your business changes, your team has to evolve.

“The team enables you, the advisor, to spend your time doing your job, which is managing money and developing new clients.

“Let me just amplify what Bill has said countless times: No one makes it to high six figures without a team. And certainly no one makes it into the high-net-worth sector of the market without a great team. The Walker Group is a great team.”

3. Evolve Your Model Day

“Of course you need a Model Day. That was probably the second thing I learned from Bill. The Model Day keeps you focused. It makes certain you do all of the things necessary to succeed, and that you don’t do things other people should do.

“Early on, my Model Day was drastically different than now.

“In our cold-calling phase, from 7–8, I ate breakfast at Dean Witter’s World Trade Center branch. At 8:00, my callers got on the phone. While my qualifier was running my calling team, I was calling clients and following up with existing prospects. At noon, I left the office. I tried to see 10 new prospects a week, and five second appointments. That was the 15 people a week Bill told me I needed to see.
“Today, my Model Day is completely different. When I get up, I do my research and money management. From 9-12, I call clients. Around noon, I’m meeting a client or prospect for lunch, and then I’m playing golf with clients and prospects. I’m going to charity and various fundraising events. I’m doing what I should be doing, which is networking.

“If you don’t have a Model Day, build one. Make sure you get out of the office. Your team doesn’t need you there.”

4. Master Advocate-Based Marketing

“I don’t ever ask for people to refer me business. But I am able to meet all kinds of people through my clients who have become my advocates.

“The reason this works is that I become my clients’ biggest advocate. I am their advocate first. Let me give you an example.

“A client of mine owns a Mercedes dealership. Whenever any client is thinking about buying a new car, I will do my best to connect them. Because I know that my Mercedes dealer client does a great job, I also know that my other client will have a great experience. Ultimately the Mercedes dealer feels comfortable referring business to me because he knows they will have a great experience with my team.

“A major focus of my day is finding out how I can help my clients. Sometimes it’s making a critical introduction. Sometimes it’s helping them get tickets to an event that is otherwise unavailable. Sometimes it’s referring them business. Some of the people I advocate for appreciate it, and they become great advocates for me.”

5. Have a Drip Strategy

“Sometimes high-net-worth people take a long time to decide to invest with you. I recently spoke at a conference Bill gave in Baltimore. I presented several case studies of people who had recently become clients. The first case study I presented showed how we interacted with a prospective client for six years. When I meet someone who I really want as a client, I don’t even think about when they will become a client. But I do pay a lot of attention to keeping them engaged. We mail them material we think they will find of interest. And we pay very close attention to what they like to do.

“As we are planning our events, we try to plan events around what we know people like to do. Of course, Andrea keeps track of all that in Bill’s system.

“Over these six years, this client attended six events. These ranged from a wine event, to a fundraiser for a group we both supported, to an economic dinner. I sent him an announcement when I changed firm. I added him to my newsletter list. In February of this year, he called our office. I met with him and he said he wanted to become a client.

“You have to keep your name and face in front of them.”

6. Master Social Media

“One of the case studies I presented at Bill’s conference took two months to go from prospect to client. This person was researching financial advisors, found me and called the office. Andrea sent him our media kit and risk tolerance questionnaire, and set an appointment. Within two months, we had opened a multi-million-dollar account.

“More and more people seem to be using the Web now to search for and evaluate professional advisors of all kinds. I’m building a house now, and I found my architect by a Web search.

“People who don’t have a financial advisor or are unhappy with one certainly ask their successful friends and acquaintances for recommendations. But we know for certain that some of them just get on the Web and go look.”

“What do they look for?
Some of them, we know, search for ‘best financial advisor New Jersey.’ As of right now, if you make that search, the Walker Group shows up in the No. 2 spot on Google search results.

“How did we get there?

“Search for ‘Best financial advisor New Jersey.’ Click on the link to my site. Read the 10 bullet points under ‘About Ira.’ That’s how you do it.”