

Outsourcing may be Key to Your Growth as an Advisor

By Brad Miksek, Innovative Portfolios

A 2013 article in *thewealthadvisor.com*¹ titled, “Grow Your Practice With Outsourced Portfolio Management Options,” pointed out that the volatile market environment was making it more difficult to add value through investment management than it had been during the past 20 years! It encouraged advisors wanting to focus on their core competencies to consider outsourcing options.

Today’s market may be an even greater reason to consider this approach. Retirement portfolios are, by necessity, very different from those of earlier generations, and it *can be* much more difficult to add value in investment management. Advisors oriented toward practice growth must ensure sufficient time for the many different aspects of managing clients’ retirement income portfolios, including investment selection, modeling, trading, and performance reporting.

Portfolio management actually represents only one of seven tasks on which advisors need to focus, every one of which is crucial to success:

1. compliance
2. operations
3. employee management
4. financial planning
5. customer relations/service
6. sales & marketing
7. portfolio management/trading

Besides relieving the burden and costs of account administration, outsourcing investment management can give financial advisors greater access to investment product strategies and free up time for other activities. Having more time to spend working with clients and finding new ones is a benefit that can really pay off, according to research by SEI Advisor Network and FP Transitions, referenced in *AdvisorPerspectives.com*.² “Those advisors able to spend more time nurturing clients and prospects bring in \$1 million more in revenue over a 10-year period than those who manage their clients’ portfolios in-house...” and “advisors who outsource add...on average—twice the amount in-house investment managers have added to their asset growth.”

Certainly, there are tradeoffs to outsourcing, such as higher cost and slightly less control, depending on your resources. Yet Innovative Portfolios provides you with additional support, strategies, and experience in wealth management. The more your practice grows, the more likely unique client situations will arise, calling for more specialized portfolio constructs and techniques.

Could outsourcing be the key to *your* growth as an advisor?

Innovative Portfolios is a strategic resource to help RIAs offer their clients innovative, option-based investment strategies, taking somewhat traditional investment portfolios and striving to increase diversification and enhance incremental income. Innovative Portfolios is backed by the knowledge and resources of an experienced money management team. Contact Brad Miksek, Vice President, at [317.689.6450](tel:317.689.6450) or brad.miksek@innovativeportfolios.com, or visit innovativeportfolios.com for more information.

¹ <https://www.thewealthadvisor.com/article/grow-your-practice-outsourced-portfolio-management-options>

² <https://www.advisorperspectives.com/articles/2018/10/09/the-benefits-and-tradeoffs-of-outsourced-investment-management>