Berkshire
DIVIDEND STRATEGY

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Practice Management Concepts

Fresh Takes on Developing a Wealth Management Practice Niche

Average advisor: “I have some high-net-worth retirees, rely on some referrals then I put them in a bunch of different strategies depending on what their needs are.”

Niche advisor: “I design marketing campaigns tailored to a highly specialized group of clients with a unique set of financial needs that match my planning expertise. I allocate assets to a narrow list of investment strategies I know exceptionally well that align with their specific financial objectives.”

Think its too hard or not worth developing a niche?

Michael Kitces's analysis demonstrates how a niche pays off and creates elite advisors:

- Spend 150+ more hours every year on high-value, client-facing activities (or 28% more time with clients and prospects, while spending 13% less time doing middle-office and back-office tasks)
- Are able to deliver a more focused and customized financial planning process (as not every possible area of financial planning is applicable to every particular niche)
- Serve an average of 14% more clients (since advisors with niches can more easily scale their practices)
- Have clients with an average of both 25% more investable assets and higher net worth
- Are able to set their AUM fees 9% higher, and generate 20% higher standalone planning fees
- Earn an average of $660,000 (versus $395,000 for non-niche advisors at the same income percentile)

Source: Kitces Research On Advantages Of Niching In Time Use, Planning Approach, Pricing, and Productivity

Combine: specialized marketing messages, social media combined and remote work, and scaling your niche has never been easier.

Here’s 7 Unique Examples of Advisor Niches:

- Desert Crest Financial - Serves women experiencing life changes
- Highball Advisors - Serves ex-railroad professionals
- PharmD Financial Planning - Serves Pharmacists
- C.L. Sheldon & Company – Serves active and retired military
- Cornerstone Wealth Consulting Services LLC – Serves contracting industry
- Wealthkeel, LLC - Serves Gen X and Gen Y physicians

Source: https://blog.twentyoverten.com/6-examples-of-unique-advisor-niches/

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