

What is the Fiduciary Flywheel? The Best Way to Grow Your Advisory Firm



According to a 2021 Harris Poll on behalf of Northwestern Mutual, about **26% of Americans** believe their most trusted source for financial advice was a financial advisor.

That number feels a little low, doesn't it?

Despite that number trending upward post-pandemic (it was only 22% in 2020, with 30% of survey respondents saying they trusted themselves the most), it begs another question: what about the other 74%?

20% still consider themselves their most trusted source, and 16% cite a spouse or partner. Considering Orion's own findings this year on younger investors having a more positive outlook on the economy and their own financial futures (*especially* when working with an advisor), that 74% becomes even more important.

For advisors, it's an opportunity for growth.

Here at Orion, we believe the key to that growth is the advisor-client relationship. Yes, that means building a great rapport with your clients to further their financial goals, but it's more than that — as our CEO Eric Clarke has shared time and time again, it's a proven process; a blueprint to help any advisor optimize their businesses.

We call it the **Fiduciary Flywheel**. Here's how you can harness it to help your clients and grow your firm.

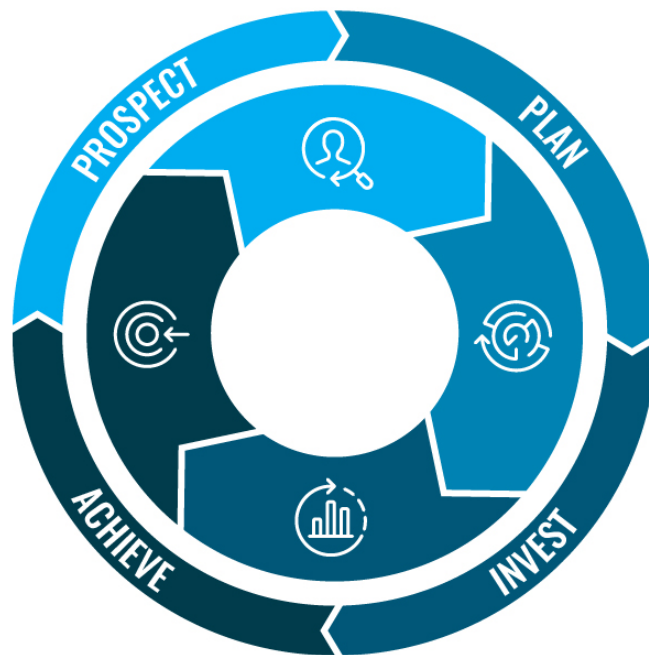
What is the Fiduciary Flywheel?

The Fiduciary Flywheel is a tech-enabled process that empowers fiduciary advisors to seamlessly attract new clients, connect planning goals to investment strategies, and ultimately help achieve each investor's goals.

Let's go back to the advisor-client relationship, which is the basis for this process. It isn't just the core of what you do — it's a clear pattern that can be iterated on and improved:

1. First, you look for prospects who need your help (that 74% potential),
2. Then, you help them create financial plans designed to help them reach their financial goals.
3. Next, you execute investment strategies in alignment with that financial plan to put them on the right path, and
4. Finally, you share the results, check to see if their needs have changed, and search for any new opportunities.

We've distilled the process, or *flywheel*, into four distinct but broad stages: Prospect, Plan, Invest, and Achieve.



Why the Flywheel?

When you fully embrace each of these stages, it's a catalyst for creating deeper advisor-client relationships, increased growth potential and best of all, the ability for you to realize your unique vision for success.

The concept is based on mechanical flywheels that power rowing machines and other devices — once you get going, it takes less effort to keep it moving and spur greater momentum. The flywheel effect happens when small wins for your business build on each other over time and eventually gain so *much* momentum that growth almost seems to happen by itself.

The Fiduciary Flywheel Stages: Prospect, Plan, Invest, Achieve

The Fiduciary Flywheel is the method of growing your advisory business by building meaningful, lasting relationships with current and future clients. It's about valuing and empowering them to reach their financial goals at *any* stage in their journey with you.

Why? Because when your clients succeed, you succeed.

Let's dive a bit deeper into each stage of the Fiduciary Flywheel to illustrate how you'll apply them to your business.

- **Prospect** means attracting the right clients for your firm — people who need and want your help, and who in turn may help you grow. Your goal in this stage is to utilize tactics that will help you have conversations designed to meet them where they are in their financial journey while also sharing your expertise.
- **Plan** means just that — planning! Unsurprisingly, this is where you work with your clients to build financial plans tailored to their financial goals. Your goal in this stage should be to have a plan for everyone you work with and help your clients strive for financial independence. You'll know you're on the right track when you see them spending more time logging into their planning tools than checking their investment performance.

- **Invest** means employing investment strategies that ladder up to the financial plan you created for your client to deliver the best possible investment outcomes. Your goal in this stage is to continue your collaborative conversation and maintain a rapport that lets you connect their investments to their specific goals and planning needs.
- **Achieve** means bringing the entire process together and demonstrating your results. It's crucial to take the time to tell your clients exactly how you've helped them; to bridge that gap, your goal in this stage should be to tie your reporting back to achieving a client's planning goals. Business intelligence and analytics tied to the proven process of the advisor-client relationship allow you to follow through on the promises you made while prospecting. When these tools work in lockstep with the other three pillars, you'll know... because you'll be sharing the kind of success stories with clients that excite them enough to refer you to their friends.

Fiduciary Flywheel Strategies

Below, you'll see a few specific strategy examples for each stage of prospecting, planning, investing, and achieving for your clients to keep your flywheel spinning and help your business grow at scale.

Prospect Strategies

Consistently promote unique messaging through marketing content that provides value.

Prospect strategies that attract the ideal prospective clients revolve around content and customized materials that provide *value*.

We already detailed how prospective clients are seeking financial advice they feel confident in. Creating content and communication materials that showcase your understanding of their pain points, needs, and financial aspirations will drive their consideration. Examples include accessible educational content on financial planning and investment topics they're interested in, quick guides on how you'll partner with them to solve their challenges, and testimonials from other satisfied

clients to provide social proof.

The mediums with which you can share that valuable content to reach your target prospects include social media, digital advertising, blogs, content offers, and so much more.

There are many effective tactics within the Prospect stage that we'll cover in greater depth on this blog, but in summary, your goal with Prospect strategies will be to connect with prospects and current clients on a consistent basis by driving engagement through content and conversations on timely, relevant topics — ideally, using best-in-class execution technology to streamline your efforts.

Plan Strategies

Identify and define client goals with financial planning.

Employing **Plan** strategies are the heart of what you already do, so this should be well within your comfort zone. It's important to note, though, that specific planning strategies should aim for an enjoyable experience for your clients over an exhaustive one.

As we've mentioned before, too many of us want to be exhaustive in our planning approach, and oftentimes, we just end up exhausting our clients instead. Your goal should be to deliver a tailored approach and plan for everyone you work with, to earn more wallet share and help your clients strive for financial independence.

Planning strategies should speak to the reasons why your prospects came to you in the first place — incorporating behavioral finance psychology and risk analysis to paint a complete picture. One example we use at Orion is our goals-based investing tool, "Protect, Live, Dream." This approach helps improve the investment experience and reduce investor concerns about short-term market volatility using a customizable set of mental accounting buckets that help clients keep calm during market volatility, improve financial outcomes, and guide them to better financial planning habits.

You can better engage clients through a modern and collaborative goals-led financial planning experience that helps to keep them on track to achieve their goals while showcasing their full financial picture — ideally utilizing a financial

planning tool that provides connected planning and performance data to help scale the delivery of holistic advice to your clients.

Invest Strategies

Establish custom-tailored investment management.

Like the **Plan** phase of the Flywheel, **Invest** strategies are intrinsic to your business. Investment management requires more than just the foundational first step of risk tolerance assessment. Again, you should be aiming to connect investment strategies and products directly to investors' unique needs, values, and goals.

A few examples: for the investor looking to proactively save on taxes or customize their portfolio in alignment with their values or beliefs, a direct indexing strategy may be on the docket. For a more conservative or new investor, you might opt for a balanced risk model that limits volatility with a long-term lens. For high-net-worth clients, you may need a strategy that incorporates even more customization and wealth planning services, such as banking and lending, trust services, business valuation, and more.

Every client will bring you a new puzzle to solve and a new portfolio to put together — the key here is arming yourself with enough resources to deliver for their needs, whether you're interested in an open model marketplace, third-party strategists, SMAs, UMAs, or even more sophisticated or boutique investment management services.

Achieve Strategies

Easily share your client's wins by connecting the dots.

Finally, your **Achieve** strategies should entail leveraging a technology solution that enables you to bill however you want and, on all services you provide — through one platform, creating a streamlined experience for your firm and your clients. Inevitably, helping to eliminate the need for a separate financial planning billing application, create a consistent billing experience for both recurring and one-time fees, provide more accurate projections of cash-flow and revenue across your entire business, and offer clients a single, straightforward process to view and pay fees.

In addition, with evolving changes to regulatory requirements—and the inevitable possibility of an impending audit—it's imperative that you have the tools in place to secure compliance procedures. Maintaining your compliance and portfolio accounting data in one system helps to consolidate your tech stack, eliminate compliance outsourcing costs, reduce the possibility of a data breach, and gain efficiency in securing your firm.

Lastly, providing clients with dynamic reporting empowers them to dive deeper into their financial health and future goals. This means giving them access to their balance sheets, reports, quarterly performance statements, documents, and more — ideally all in one intuitive and easy-to-use interface for them *and* for you.

By delivering a more connected, customizable experience that allows investors to view and update financial plans and goals, review investment performance, open and fund accounts, and connect to every aspect of their financial lives, you actively demonstrate what you're doing for them — and in turn, make good on the promise you made to them back in the **Prospect** stage.

Best of all? With the right platform — i.e., something that brings together financial planning, guided proposal generations, streamlined digital account opening, comprehensive trading, account management tools, intuitive reporting, compliance tools, 3D Risk profiles and portfolio stress testing — that connected experience helps you grow and scale your business, too.

How We Use the Fiduciary Flywheel at Orion

As a financial advisor, your goal is to attract new prospects to your firm, work with them to build plans and investment strategies to reach their financial goals, and report on the outcomes in a way that keeps them engaged and invested in their own financial future. It's a lot to do, but the Fiduciary Flywheel and everyone here at Orion has your back.



Prospect Tools

- CRM
- Redtail Campaigns
- Risk Intelligence

Plan Tools

- Client Portal
- Planning

Invest Tools

- Model Marketplace
- Custom Indexing
- Trading

Achieve Tools

- Portfolio Accounting (including Billing and Reporting)
- Compliance

- Business Intelligence

Use the Fiduciary Flywheel to Scale & Grow Your Firm

The Fiduciary Flywheel is more than just our methodology — it's how we look to build our technology. Orion's premier wealthtech platform includes all the tools you need to keep clients engaged and invested. These tools are powerful alone, but they're even better when used together.

As in the case with any flywheel, friction in the system can slow it down. With the right technology, you can release that friction and become a more efficient advisor, keep your clients happy, and ultimately, grow and scale your firm.

Contact us today to see how Orion's open architecture tech stack can help you scale operations and enhance your client relationships.

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