



Industry White Paper Series

Syverson Strege & Company

A Case Study in How a Leading Wealth Coaching Firm is using Investment Policy Statements (IPS) and the technology platform of IPS AdvisorPro[®] as a competitive advantage in attracting and retaining individual investors and small endowments, foundations and charities.

Background

As part of our commitment to providing tools, information and best practices to help financial advisors succeed, we are pleased to present the following case study that illustrates how Syverson Strege & Company a leading “wealth coaching” financial advisory firm in the mid-west, is using Investment Policy Statements (IPS) and the technology platform of IPS AdvisorPro® as a competitive advantage in attracting and retaining individual investors and small endowments, foundations and charities.

We invite you to learn more how your firm can benefit from the use of IPSs and the advanced technology of IPS AdvisorPro® at www.IPSAdvisorPro.com.

Introduction

“We focus on wealth coaching as our service model as anyone can claim that they are a financial planner.”

Syverson Strege & Company (SSC) was founded in 1997 in West Des Moines, Iowa by Johnne Syverson, CFP®, AEP, CAP and David Strege, CFP®, CFA®, two financial services industry veterans who were looking to build a truly independent, client-centered and dedicated financial advisory firm.

Focused on “wealth coaching,” SSC takes a comprehensive, financial planning approach to helping provide financial clarity and confidence to business owners, professionals, executives, retirees and small endowments, foundations and charities. SSC’s mission is to coach individuals and families to become great stewards of their resources to enable them to pursue an enriched and fulfilled life.

Serving over 340 clients and overseeing \$200 mm in assets under management, SSC is a thriving and growing firm with 19 total staff. “We focus on wealth coaching as our service model as anyone can claim that they are a financial planner,” notes co-founder and Senior Wealth Coach, David Strege. “Our comprehensive approach includes all aspects of the client situation and we bring a complete solution to implementing financial and investment strategies to help clients meet their goals.”

Investment Policy Statements

“The IPS as a communication tool...enables us to provide a much higher level of service.”

A key aspect of SSC's approach is through the use of Investment Policy Statements (IPS). “Our comprehensive planning process is designed to help us and the client determine what they want to do with their financial resources,” commented Lance Gunkel, CFP®, CFA®, Senior Financial Analyst and head of SSC's Investment Committee.

“Critical to that objective is the use of an IPS as the key communication tool we use to document how we will invest their assets and monitor their plan over time. In our view it is critical to have an IPS, particularly in these times of market volatility. Otherwise how will we invest their money? Wild guesses?”

“We've found that in order to truly manage client expectations and provide the best service that we can in these choppy markets, it is imperative to have in place a document that has captured in writing the intent of how the assets will be managed. We have a copy and they have a copy, so when any conversations arise, there is a concrete document we can both refer to, otherwise it can quickly become “who said what.” The IPS as a communication tool quickly resolves any of these issues and enables us to provide a much higher level of service,” noted Gunkel.

Searching for a Technology Solution

“IPS AdvisorPro® is a comprehensive and complete system, allowing us to create IPSs that cover all aspects of what an IPS should address, customizable to how we want to present the information.”

David Strege has been a proponent of using IPSs with clients from his early days in the late '80s when he first became a CFA®. “Using IPSs has really been part of our routine since the inception of the firm,” commented Strege. “At the outset, we put an IPS in place for all of our accounts, however, at the time we felt that they were inadequate in that they didn’t cover all aspects. This was due to the fact that we were limited by the technology that was available.”

SSC was using SunGard and Frontier Analytics; however these legacy solutions were not customizable and couldn’t change to reflect SSC’s philosophy and approach. “We were very excited to learn about IPS AdvisorPro® and its advanced technology,” noted David.

“With IPS AdvisorPro® we are able to input all of our models into the system, making it very easy to select the custom asset allocation for each client. Additionally, IPS AdvisorPro® is a comprehensive and complete system, allowing us to create IPSs that cover all aspects of what an IPS should address, customizable to how we want to present the information.”

“What really impressed us with IPS AdvisorPro® was the advanced functionality around rebalancing rules that we could specify within the system. We are able to be very specific about our approach, more than just quarterly. Also, in our old system we couldn’t state what the withdrawal requirements would be or take into consideration the tax issues around carry-forward losses. With IPS AdvisorPro® we can include those specific client details.”

“Lastly, because the system is web-based and has a very intuitive interface, it really is a “no-brainer” to use.”

Time Savings

“If there is a change to the models or allocations, we can actually change it on the fly and print out a new document right then and there...and we’ve saved multiple steps in the process.”

SSC has found a number of areas of time savings and return on investment (ROI) with IPS AdvisorPro®.

According to Strege, “A key area of efficiency we realize is in using the templates within the system to set up our models and allocations, so that when it is time to create a new IPS, it is all ready to go. It is simply a matter of a few key strokes to customize for each client.”

“Additionally, if there is a change to the models or allocations, we can actually change it on the fly and print out a new document right then and there, oftentimes during the client meeting where the client will sign the new IPS and we’ve saved multiple steps in the process.”

“If we tried to create our own word document, the problem we see is that it would be extremely difficult to maintain consistency, what with re-entering and re-casting the allocations for hundreds of clients, we would be challenged if we had to do it on our own. By using the templates in IPS AdvisorPro® we know that we are achieving a big time savings and ROI.”

“From the compliance point of view, having IPS AdvisorPro® is also an excellent benefit. We were audited last year and the SEC found comfort in that we had written IPSs for our clients,” commented David. “The IPS serves as an important tool to document the investment process used for each client relationship.”

Using IPS AdvisorPro® With Non-Profits and Charities

“We’ve been able to use IPS AdvisorPro® as an excellent marketing tool in that we can quickly and easily put together IPSs on a consulting approach for these charities and foundations.”

SSC has been very successful in building their business by focusing on smaller Non profits, Charities, Foundations and Endowments. Often, many of these smaller organizations don’t have adequate resources for professional investment consulting, and therefore are either doing it themselves or not following the appropriate procedures.

“We’ve been able to use IPS AdvisorPro® as an excellent marketing tool in that we can quickly and easily put together IPSs on a consulting approach for these charities and foundations,” noted Strege. “This has opened the door for us to provide our services and work with additional clients.”

“Our approach is really quite simply to ask these organizations if we can review their IPS. The response is often that they don’t have one, which provides us the opportunity to walk the Trustees through the IPS process, educating them as to their responsibilities to the investments and enlightening them into what they should be doing.”

“For example, Trustees have a responsibility to prudently manage the investment of funds or hand that duty over to a professional. The IPS spells that requirement out in detail for who makes decisions, whether that is a majority vote, a single person, as well as for other issues, such as how the assets should be managed, and many others. Once these factors are pointed out to them, from there it is a very short process for us to help them find a solution and become clients of SSC.”

Conclusion

“To us, that is what good advice is all about.”

Syverson Strege & Company has been innovating on its approach to wealth coaching, financial planning and investment management since its inception over a decade ago. Going forward, SSC is dedicated to continuing that spirit of innovation and client service using IPSs and the technology platform of IPS AdvisorPro®.

“In our view, just going through the IPS process forces us as advisors to follow a consistent approach with corresponding documentation of what was discussed and implemented,” concluded Strege. “To us, that is what good advice is all about.”

About IPS AdvisorPro®

Created by financial advisors for financial advisors, IPS AdvisorPro® is designed to work with all types of wealth management professionals and their practices. IPS AdvisorPro® offers a flexible solution to creating and managing Investment Policy Statements that are easy to use through an encrypted, secure web-based environment. With over 1,000 users and 16,000 IPSs created, IPS AdvisorPro® is the industry's leading technology solution. IPS AdvisorPro® was named in 2006 by Morningstar as the "Software of the Year" and was a CPA Wealth Provider "Financial Planning Awards Winner" in 2009. For more information, please visit www.IPSAdvisorPro.com

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