



MDRT

The Premier Association of
Financial Professionals®

MDRT Minute

The Untapped Frontier — Professional Partnerships with Financial Advisors

For most of us, the most challenging aspect of being a successful financial advisor is generating new business and qualified opportunities on a consistent basis. Substantial marketing efforts are directed toward accountants and attorneys in an attempt to establish a partnership or referral network. However, most of us completely overlook one of the target audiences that potentially have the highest return on our investment. That market is other financial advisors.

Joint work versus professional partnership

Joint work is often defined as a working relationship between (a) a junior and a senior partner for (b) a limited period of time until (c) the junior partner learns enough to be able to survive on her or his own. A professional partnership between two financial advisors is the opposite of joint work. It can be defined as a working relationship between (a) two or more successful, experienced advisors for (b) 5, 10, 15 or 20 years or for the duration of their career time frame to (c) aggregate the strategic strengths of the advisors so that they *both* do more business.

Shared goals equals high return

Creating a relationship with another financial advisor has the potential to provide the highest return on our investment because they are in the same business and have a good understanding of what we do and how we work with clients. Attorneys and accountants typically are concerned that we're going to damage the relationship they have with their clients. They're concerned we're either going to come on too strong, sell the wrong product or simply be offensive. However, other financial advisors understand that our primary motivation is to assist clients in determining if they have a problem we can help them solve, and then to actually help them solve it.

Synergy with ease

It is easier to create a synergistic relationship with another financial advisor by sharing revenue produced from working together. In most cases, the other financial advisor is already licensed and subject to regulatory requirements, so there is almost nothing that needs to be done to enable a financial relationship. Accountants and attorneys need to go through the licensing process and complete a significant amount of paperwork. In addition, by participating in the revenue that is produced by working together, accountants or attorneys are adding an additional level of regulation and liability.

Addressing barriers

Creating a professional partnership can be extremely beneficial in the right situation, but there are also some barriers to entry to deal with prior to working with another financial advisor. Together, you must address the issues of trust — the concern one will “steal your clients”; the perception of joint work versus a professional partnership; and clarifying how a professional partnership is mutually beneficial for all parties.

Anthony A. Martin, CFP, MBA, is an 11-year MDRT member with two Top of the Table and four Court of the Table qualifications, and he has qualified for MDRT every year in the business. He is a partner in Martin Financial Group (MFG), where he is fortunate to work with his father and brother, who are both MDRT members. Martin specializes in working with privately held businesses to integrate their business, tax and financial strategies. He and MFG have created multiple professional. Purchase his entire presentation at <http://www.mdrtstore.org/>.