



SUCCESS STORY

Advisor Wins \$4.7M Client and Increases Efficiency



QUICK LOOK

Advisor: P.J. Herb

Firm: WealthCo Financial Group, LLC

Broker-Dealer: Cetera

Tech Stack: Pershing, AdviceWorks, Envestnet

HIGHLIGHTS

- "Riskalyze has become an invaluable part of our business, and we now use it across every client—current and prospective," P.J. said.
- Riskalyze recently helped P.J. and his team win a \$4.7 million client by quickly showing her that her risk profile and investments did not align. She was a risk 48, and she was invested like a 69.
- Cetera and Riskalyze together have increased P.J.'s firm's efficiency. "What used to take days now takes a couple of hours," P.J. said.
- "Riskalyze allows you as the adviser to make a personal connection right off the bat," P.J. said.
- "I believe if you want to truly be a fiduciary with your client, you have to use Riskalyze. You almost have no choice," P.J. said.
- "Even if you don't use the tool for anything other than just supplementing your risk profile questionnaire, Riskalyze is worth every penny," P.J. said.

MEET ADVISOR P.J. HERB

P.J. is a CFP® and has earned his Series 7 (General Securities Representative), Series 63 (Uniform Securities Agent State Law Exam), and his insurance license. He received a bachelor's degree in financial management from Abilene Christian University and now works with his dad at their firm, WealthCo Financial Group, LLC, under Cetera. Their three-tiered firm provides financial planning and investment services, small business consulting, and CPA tax and accounting services. With ten years of experience in the industry, P.J. is motivated to find solutions for clients every day.

"My favorite part of this job is problem-solving. I thoroughly enjoy the process of identifying a client's issues and developing recommendations and strategies. It brings me great satisfaction to see a client's issue resolved and their dreams fulfilled. That's what gets me up and motivates me to continue doing this day after day," P.J. said.

BEFORE RISKALYZE

P.J. was ahead of the curve when it came to risk. He was unsatisfied with the status quo and believed that traditional ways to assess risk did not capture clients' unique needs and goals. Though he had to have the typical six-question risk assessment on file for clients at the two previous broker-dealers he worked at, P.J. believed the questionnaires weren't clear or accurate.

"We've always been frustrated by the traditional risk profile questionnaire. I never liked using six questions to identify what somebody's risk tolerance was," P.J. said.

Often, P.J. would walk a client through the questionnaire to explain the questions. He remembers countless times that the assessment results were not accurate to how the client really felt, and he would have to check the box that read, "Would you like to use a different risk profile for this client?" essentially circumventing the entire

questionnaire he had just taken the client through.

“The only other tool I’ve used is a yellow pad to take notes from client meetings in order to identify their objectives and time horizons for those objectives. We’d then identify what risk tolerance was appropriate for each goal. As bad as it sounds, that is really what we used before Riskalyze: a yellow pad in conjunction with a questionnaire that we were required to have on file for the advisory account,” P.J. said.

Early on, P.J. was exposed to an alternative to a risk profile questionnaire: an attempt to assign risk to specific goals and objectives. P.J. affirmed, “Implementing this philosophy across client accounts was always very difficult if not impossible until we found Riskalyze.”

ADOPTING RISKALYZE

When they switched to Riskalyze via Cetera as a preferred technology partner, P.J.’s team was astounded by the software’s many capabilities. Instead of integrating Riskalyze into every client all at once, P.J. brought Riskalyze into his process incrementally.

“Initially, Riskalyze was a bit overwhelming. I thought, ‘I now have this incredible tool, resource, and technology. How do I use it so that it’s implementable immediately?’ Rather than getting our hands on the whole thing at once, we’ve incorporated different aspects of the software in bite-size, digestible chunks.”

“By incorporating it little by little, we’ve used the tool more and more. It has become an invaluable part of our business, and we now use it across every client—current and prospective,” P.J. said.

There are two main ways that P.J. uses Riskalyze in his process:

1. Checking in with Clients

Riskalyze has become an integral part of P.J.’s existing client meetings, and the risk assessment is the first agenda item on the docket. When a client takes the risk assessment, P.J. can talk them through it and contextualize the results. He and his team also take clients through one annual meeting dedicated to the client’s risk analysis, risk assessment, and risk across all their different assets and life stages. As Riskalyze is more integrated, P.J. believes that client meetings will become even more helpful, meaningful, and impactful.

2. Winning Prospective Clients

The other way P.J. uses Riskalyze, where he’s had a lot of success with new assets, is using it in a prospecting application. Not only does P.J. have prospective clients take the risk assessment, but also P.J. will benchmark their Risk Number with where the client’s current portfolio is from an investment standpoint. Often, a client’s risk score will be at odds with their investment portfolio’s risk score. “With Riskalyze, we easily show clients when there is a disconnect from where they are and where they want to be,” P.J. said.

“Riskalyze is part of every client conversation we have. When a client is coming in for a meeting, whether they’re an existing client or a new client, it’s almost like when you go to the doctor, and they ask, ‘Has any of your information changed?’ We use Riskalyze like that,” P.J. said.

WINNING A 7-FIGURE CLIENT

Riskalyze recently helped P.J. and his team win a \$4.7 million client by quickly showing her that her risk profile and investments did not align. She was a risk 48, and she was invested like a 69—a 35.9% difference.

“Riskalyze has been an incredibly powerful tool that aided in winning that big case for us because the client was invested way more aggressively than she thought she was. It was eye-opening that her current firm hadn’t identified that.”

This client was older, divorced, and recently inherited a substantial amount of money. This client didn't really understand investment terminology. P.J. and his team had her take the risk assessment, and then we showed her a side-by-side comparison of where her accounts were and should be according to her risk profile. It was drastically different than what she expected. That was eye-opening for her. She told P.J., "You guys are clearly doing something these other firms aren't doing. I'm interested."

Because she was getting the income she needed from the account, she figured that she must have been invested conservatively and that she was safe. Unfortunately, she had a false sense of security. Riskalyze was the ace P.J. needed. P.J. believes that Riskalyze helped his firm to win this client over.

"Riskalyze was key to winning that business. And it wasn't just the risk questionnaire; it was the entire technological experience of Riskalyze. Without naming the firm our client was working with, they have incredible technology. They're large and definitely in the top four or five firms in the country from an asset management standpoint. Being a small boutique firm, having software like Riskalyze that looks and feels so professional gave us clout and name recognition and established that we have great technology behind us," P.J. said.

INCREASING EFFICIENCY WITH CETERA AND RISKALYZE TOGETHER

Cetera and Riskalyze together have increased P.J.'s firm's efficiency. The two big things P.J. found that made his firm more efficient since moving to Cetera include, one, all the investment research that Cetera produces. And two, the ability to analyze models and automatically update them across platforms. When P.J. makes a change in his trading system, the change appears in Riskalyze too.

"What used to take days now takes a couple of hours. To say I'm more efficient is a gross understatement," P.J. said.

P.J. manages his firm's models internally, and he's been able to use Riskalyze as an additional tool in the due diligence process of benchmarking models. With Riskalyze, P.J. can plug the models in, utilize the partner store to download other firm models, and optimize Riskalyze as a benchmarking tool for models when he does due diligence.

"The one thing that I have been most impressed with about Riskalyze is the stats page. I've been able to use this tool in a very impactful way immediately from day one," P.J. said.

TAKING CLIENT CONNECTION TO A NEW LEVEL

Since adopting Riskalyze, P.J.'s team has won all three of their prospective clients. P.J. appreciates that Riskalyze presents a very different way to think and talk about risk, aligning with his own philosophy.

"As I've experienced it, the past nine years working on this side of the fence with my dad, when you want to get someone to work with you when it's their money, it's a very personal decision. If you can touch on something personal and emotional in a prospect meeting, you have a much better chance of that client connecting with you. Riskalyze allows you as the adviser to make a personal connection right off the bat," P.J. said.

According to P.J., building a portfolio is a commodity in the advising business. Managing somebody's risk and having a unique tool to demonstrate that is a differentiator. With Riskalyze, P.J. has made deeper connections, won clients faster, and retained them for longer. Riskalyze creates clarity and develops trust.

"Riskalyze is part of every prospect meeting. Whether or not a client works with us, I guarantee you, 100 percent of the time, they think differently about risk after leaving our office," P.J. said.

RISKALYZE CUTS THROUGH THE NOISE

Riskalyze offers a best-in-class solution to guide investors towards better short-term decisions that drive beneficial long-term outcomes. P.J. points out that no matter what turmoil may arise in the world, Riskalyze is what the modern-day advisor needs in their toolbox.

"There's conflict right now with Russia's invasion of Ukraine, all the domestic issues going on, and a lot of political turmoil, and, economically,

interest rates will go up. Amid all of this, if you want to know how clients are doing, send them a Riskalyze questionnaire and see if their risk number changes. If you have a client drastically change, that is a signal to call them and see how they're doing. That could lead to a very thought-provoking and necessary conversation." P.J. said.

P.J. has a solid commitment to his fiduciary duty, striving each day to discover the best solutions and build extraordinary portfolios for his clients. He is at the forefront of the fearless investing movement, helping clients grasp risk with each check-in and conversation. He believes that Riskalyze is a core technology that aids the success of his business and aligns with his values.

"I believe if you want to truly be a fiduciary with your client, you have to use Riskalyze. You almost have no choice—you need to have an effective way to manage and talk about risk with clients. Riskalyze is a tool that makes you look more professional and allows you to manage risk and talk about it with clients in a way that is easier for them to connect with," P.J. said.

Is Riskalyze worth the investment? P.J. certainly thinks so:

"Even if you don't use the tool for anything other than just supplementing your risk profile questionnaire, Riskalyze is worth every penny. You will reframe a conversation with the client in a meaningful way at least once, which will pay for Riskalyze 10 times over. It's an incredible tool, and there's nothing else like it in the market."

Riskalyze has Made a Positive Impact on These Three Areas:



PROSPECTING



MAXIMIZING ROI




EFFICIENCY


Want to see how other Cetera advisors are using Riskalyze?

Sign up for a product demo at riskalyze.com/advisors and get to know the power of the Risk Number.

Special thanks to P.J. Herb, CFP®, for his candor and commitment to empowering the world to invest fearlessly.

Riskalyze is the company that invented the Risk Number®, which powers the world's first Risk Alignment Platform and was built on top of a Nobel Prize-winning academic framework. Advisors, broker-dealers, RIAs and asset managers use the Riskalyze platform to create alignment between clients and portfolios, leverage sophisticated analytics to increase the quality of their advice, automate trading and client account management, and access world-class models and research in the Riskalyze Partner Store — all with the mission of empowering the world to invest fearlessly. To learn more, visit riskalyze.com.

 Riskalyze
470 Nevada Street
Auburn, CA 95603

 855-RISKALYZE
530-748-1660
Fax 530-748-1661

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