

# Success where many have gone to the wall

**Y**ou might assume that new ventures with the words "wealth management" in the title have little chance of succeeding in the current economic environment. Yet the business launched by Martin Smith in February last year broke even within 12 months and is expected to double its income this year. How has Mr Smith succeeded in a field where many financial advisors are going to the wall?

"There are still people who are asset rich and time poor who are looking for someone they can trust to help them keep their investments on track," he says. "We provide a high level of personal service - my clients know they can phone me 24 hours a day and sometimes, if they're travelling on the other side of the world, they do!"

Mr Smith has a solid background in finance. He set up a large independent financial advisory business, then established wealth management companies for stockbrokers Close Brothers and Brewin Dolphin. He had worked with Michael Burn for 15 years, and with Mr Burns' wife Shirley they formed SMB Wealth Management in 2007. The company had to be authorised by the Financial Services Authority, which took four months. Meanwhile, Mr Smith went through a steep learning curve.

"I'm not by nature an administrator, so there were lots of things that I was doing for the first time. We were introducing systems which I had to understand, and it was a challenge to make time to do this properly."

Mr Smith had some long-established clients who moved with him to the new business. "I'd

worked with chief executives and chairmen in a position of trust, which is an important commodity in the current climate, and they wanted to stay with me in my new role as an independent financial advisor. They were the



### FACTFILE

**Company** SMB Wealth Management  
**Founders** Martin Smith, Michael Burn and Shirley Burn  
**Founded** February 2008  
**Start-up costs** £60,000  
**Staff** 3 founders  
**Turnover** 150,000  
[www.smbwealth.co.uk](http://www.smbwealth.co.uk)

seed-corn of the business. The joy of not having a parent organisation demanding quick growth is that we had time to get everything bedded in before going out to find new clients."

Referrals are an important part of developing the business, says Mr Smith. "We can't afford a big marketing push so have to work smarter in attracting clients. In large companies we did a lot of

direct mail and inviting people to seminars, but with a small budget I'm focusing on a bit of advertising and building up public awareness through other means. For example, we recently

came second in *The Daily Telegraph* Wealth Management Awards newcomer category, which has raised our profile considerably in the sector." With plenty of experience of start-ups, Mr

Smith claims that knowing your colleagues' strengths and weaknesses as well as your own is key to success. "Otherwise cracks will appear in the team. I deal with investments and am at the front end of the business in sales and marketing, while Michael has lots of experience in pensions, and he and Shirley are strong on research and technical capabilities."

He concedes that the present difficult climate affects their operations. "Our clients have significant portfolios and are incredibly worried. In bad-news times you must stay on the front foot, tell them what's happening and what you propose to do."

Businesses that survive the bad times stand a good chance of success in the upturn. So far, Mr Smith and his partners are riding high. He suggests the reason may be partly due to one crucial element of their business plan. "We wanted to enjoy doing it well."

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### RECESSION BUSTERS

**AVOID** committing to a lease, it kills flexibility and could be a millstone round your neck. Find a serviced office to keep down admin costs.

**NEGOTIATE** hard on your cost base. If potential suppliers want your business they'll be prepared to talk terms.

**FOCUS** on customer service - 24/7 if appropriate - it could make the difference to get you ahead of your competitors.

### STARTING OUT

**DON'T** be surprised if your cost and income projections turn out to be wrong. There are always unexpected costs.

**DO** have belief in your own experience and abilities.