



Right in Stride

An Advisory Practice Hitting Its Stride

Over the past five years, the financial markets in general and the retirement industry in particular have been faced with a constant and growing list of external and internal challenges to address. Yet, as complex and fundamental as all of these issues have been, a few advisory practices find themselves in surprisingly great shape, ready to grow their businesses like never before.

PLANADVISER recently interviewed three CAPTRUST executives about the changing retirement landscape: Fielding Miller (top left), CEO and co-founder of Raleigh, North Carolina-based CAPTRUST Financial Advisors, as well as CAPTRUST Chief Operating Officer Dan Doster (top middle), and Senior Vice President Rick Shoff (top right).



We strive to be the platinum brand advisory firm for middle-market companies and their executives—our success hinges on our ability to attract the best and brightest advisors.

Fielding Miller

PLANADVISER: Over the past several years, our industry has been buffeted by scandals like Enron, WorldCom, and market-timing, challenged by investment markets that were “choppy,” to put it mildly, and now we’re presented with the most significant piece of retirement plan legislation in more than three decades. How have things been going for your business?

Fielding Miller: It feels almost surreal to us. We’ve been on a journey in this retirement space for going on 18 years now and, for a majority of that time, the pace was gradual and somewhat predictable. Along the way, we tried to improve upon our ability to service the plan sponsor and our advisors. Now, all of a sudden, the pace has picked up dramatically in terms of new clients and new advisors joining the firm. If I were to point to a single thing that has guided our success, it is that the issues faced by plan sponsors have become more complex and, in return, the demand for talented and independent advisors has grown.

PA: Can you give me some examples?

Miller: Well, think about life from the plan sponsors’ point of view. You can paint a pretty turbulent picture given all of the stressful issues hanging over them the past five years. They are dealing

with numerous day-to-day benefit issues like recordkeeping platform changes, investment selection and monitoring, quarterly board review preparation, participant enrollment and education, fiduciary compliance, and unplanned audits. Simply put, our clients’ “to-do” lists just keep growing and growing and they aren’t getting any more internal resources to help trim down the list. Interestingly, advisors serving plan sponsors have the same “to-do” lists and resource challenges.

If we can lighten our clients’ daily load by providing innovative and creative solutions, we have the makings of a strong, lasting partnership.

Rick Shoff: You can see why plan sponsors are valuing clarity and advice, and the approach and mindset of advisors must evolve to meet that demand. The advisor’s role is no longer just to respond to change, it is to create it. Looking back, if we had all waited for 404(c) legislation in the past, people would have had no investment choices in 401(k) plans for many years. Instead, people focused only on that which was absolutely necessary and undeniable, charged forward, and the rest is history.

The same holds true today, and wise advisors look at things like legislation,

fee transparency, and being a fiduciary as welcomed opportunities to build stronger plan sponsor relationships.

PA: So, is it fair to say that the best advisors are setting a standard for the industry on behalf of their plan sponsor clients?

Dan Doster: Precisely. That is the intention. It is our belief that the best advisors know that it isn’t the tool but the outcome, the client experience, that needs to be special. Each plan sponsor has unique needs, so our focus is to try to create a culture in which unique solutions are delivered consistently to our clients.

PA: How do you instill that culture in the midst of all this change?

Doster: We’ve invested time. We’ve invested money. Most of all, we’ve invested in the people who make up our company. We look to find people with the same passion, the same vision, and hopefully a fresh new approach to how to serve clients. It’s almost like improving on a favorite recipe. New ingredients make the deliverable better, everyone likes it more, and, as a team, we can reach out to a broader audience with something better than before.

PA: Rick, I know that you built a very

I found new freedom and energy to focus on the things I most enjoy and, more importantly, clients value most.

Rick Shoff



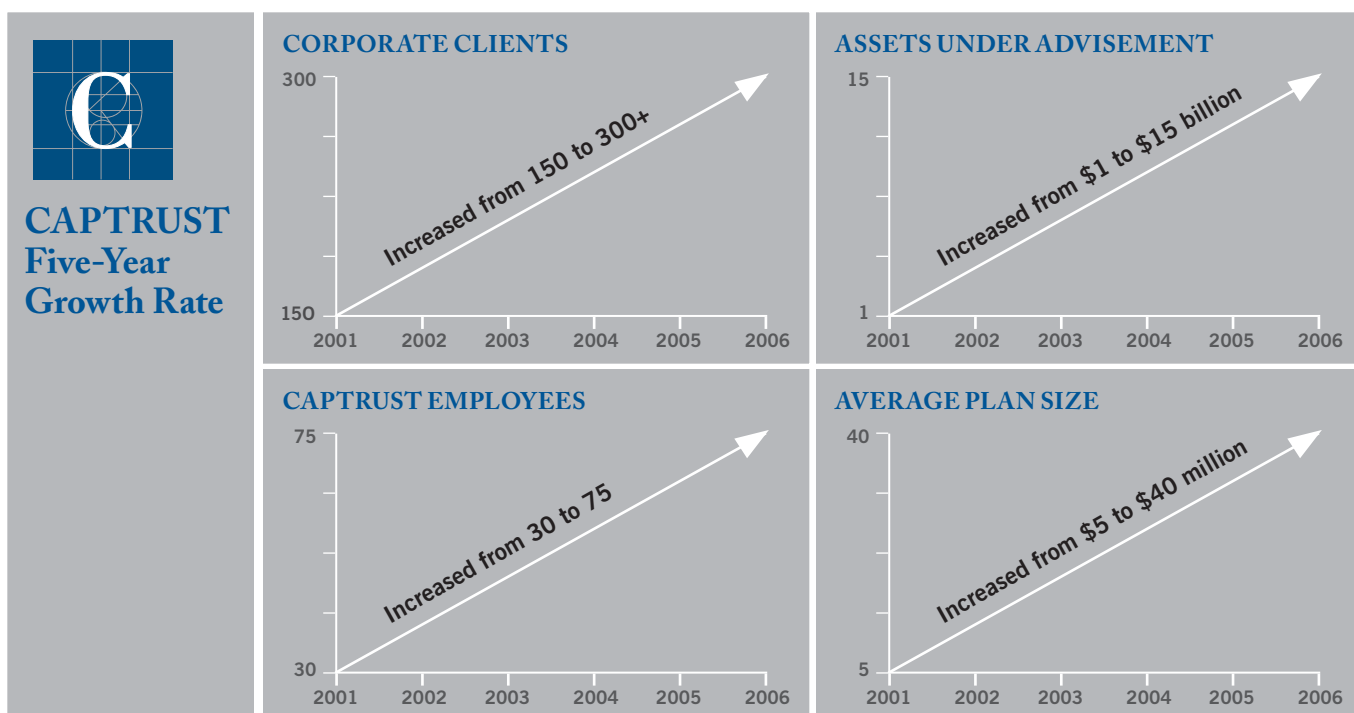
successful practice and recently merged it into CAPTRUST. That is a big step for someone who started and has been running his own company the past 14 years. What was the motivation behind that decision?

Shoff: For the past couple of years, I've been on my own journey outside of managing my practice, looking for ways to take my business to the next level. I was trying to figure out what I really wanted to achieve. I think I know what most advisors like myself want and

that is a way to redefine what freedom means to them. However, it is not just freedom to be your own boss or the perceived freedom that could come from selling your business, higher payouts, or going public. It is the freedom that you create by being able to see opportunities that others have not yet seen, and then turning that vision into success for you and your clients. It's that moment in a client meeting when you helped them feel confident in their decision and you think they believe you are the only person in the world who could have done it.

PA: How does your new arrangement foster that approach?

Shoff: I needed to find a firm that was built by retirement advisors, for retirement advisors, and there just aren't many out there. I needed a firm that gave me an infrastructure upon which to expand my practice creatively, and a firm that had a retirement culture within which to grow. I traded ownership of a "to-do" list of stuff that others can do better than me and, in return, I found new freedom and energy to





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Dan Doster

focus on the things I most enjoy and, more importantly, clients value most. CAPTRUST is all about helping advisors spend the majority of their time creating those moments for clients.

Doster: Advisors need a “home office” that can manage the minutiae and remove distractions and bottlenecks to their business. Less clutter should translate into more time, more freedom, more enjoyment, more profitability.

Miller: It is all built on this team concept. Advisors need to build trust in their colleagues and share the belief that specialized expertise and attention can leverage them to take their business to the next level. What we've found are plan sponsor clients who reap the benefits of the entire team's efforts and quickly share their positive feedback, and that helps the advisor build confidence in the process. Given that positive feedback, you'd be surprised how fast advisors abandon their “do-it-yourself” approach and warmly embrace the “do-it-with-you” model our team approach makes possible.

PA: So, in order to exceed plan sponsor expectations, some level of specialization is now required?

Miller: This industry is evolving every day, and has become fairly complex. The

key is to be in a position to respond to it. What I found early in our history was that, as a smaller practice, we were never at optimal staffing, we either were over- or understaffed, and everyone was wearing all kinds of different hats, not just the ones that fit well. Now, thankfully, that has changed.

Doster: We also realized that the home office must have a service-oriented culture, always striving to do things faster, easier, cheaper, and better. Throughout all levels of the firm, there needs to be a shared passion for teamwork, collaboration, and the sharing of best practices.

PA: How has that approach played out at CAPTRUST?

Miller: Well, over the past five years, we've grown our employee base from 30 to 75, our advisor base from 10 to 30, our corporate client base from 150 institutional clients to more than 300, and average plan assets from \$5 million to \$40 million. We have plans on 42 different recordkeeping platforms and conduct proprietary investment research on more than 500 investment products.

I think the most telling figure is that it took us 11 years to raise \$1 billion in assets under management; yet, in the

last five years, we have grown that figure to more than \$15 billion. Plans are growing, and plan sponsors with larger plan assets have embraced the trend toward partnering with the independent advisor community.

Doster: What excites me the most is that we've been able to help a wide range of advisors grow their business. One of our advisors was a retail broker with no retirement background. Combined with our training, tools, and teamwork and his drive to succeed, he has built a book of business from zero to more than \$500,000 in less than 26 months and will be above \$750,000 by the end of his third year. All that has happened within 200 miles of our office. At the other end of the spectrum, two of our more seasoned advisors, working as a team, decided it was time to broaden their reach. They, too, are based here in Raleigh, yet picked Washington as their target. Three years later, they have successfully penetrated a very competitive marketplace, welcomed twenty new institutional clients totaling just north of \$1 billion in assets, and broadened their geographical reach more than 400 miles: two success stories so varied in approach yet so consistent in results.

PA: What about the future?

Success Story

Jon Strickland joined CAPTRUST in 2004 from a national brokerage firm and shifted his focus from retail clientele to the institutional retirement and wealth marketplace. Jon maintained his passion for prospecting, yet channeled his energies into building a network of plan sponsors within a 200-mile radius of Raleigh.

Jon quickly replaced his “do-it-myself” model with a “do-it-with-me” approach as CAPTRUST supported his efforts with a team of professionals handling all facets of the business, including RFP/proposal preparation, marketing and public relations, recordkeeping platform analysis, investment research, daily client servicing, and strategic planning. Fewer hurdles and distractions led to more time spent exclusively building and nurturing sponsor relationships.



The results are impressive. In less than three years, Jon has welcomed eight new institutional clients to CAPTRUST, totaling \$320 million in assets. “I’m pretty excited about what we’ve accomplished, but I’m even more excited about what’s ahead!”



Jon Strickland

Shoff: I’m energized by creative types... people in our business and clients who passionately go about their business like great athletes, painters, or symphony conductors who strive to make every performance memorable. If you’re not worried about losing all your clients tomorrow unless you continually strive to exceed their expectations, then you’re missing out on all the fun...think about it!

PA: You realize some might not consider that perspective “fun.”

Shoff: It’s so exciting for me to have a vision or idea that actually causes others to see things in a new way and act on it. The magic is not found in better data or tools. It’s about listening carefully to our client’s issues, and then designing and implementing solutions that simply blow them away. CAPTRUST has that

attitude and, in joining forces, I am on the ground floor of something special.

Miller: Rick’s attitude is exactly that of the kind of person we want to join our firm or be our client. Our ideal advisor is one who shares our passion and our vision, has ambition, and wants to be a part of a team committed to delivering to plan sponsors a level of services at an exceedingly high standard.

In turn, our ideal plan sponsor client is one that feels the burden of this industry and understands and can appreciate the significance of things like fee transparency, fiduciary responsibilities, independence, and the benefits of having a financial advisor that strives to be objective.

Doster: We’ve built a winning

environment predicated on the freedom to be innovative, to be creative, and with a passionate focus on the absolute necessities of the plan sponsor client.

Miller: The very fact you are launching this magazine speaks volumes for this industry, and we at CAPTRUST feel very fortunate to be a part of this white-hot retirement industry. We feel like we are in the right place, at the right time, with the right stuff. Our vision is to be the most valued retirement advisors for middle-market companies and their executives. To us, it isn’t a matter of wanting to be the biggest. It has more to do with wanting to be considered one of the best. Our growth in the future will reflect that of our past, and that is plan sponsor clients partnering with talented advisors and hitting their stride together.



CAPTRUST | Financial Advisors

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