FINANCIAL ADVISOR IQ
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Can You Start an RIA With No Prior Experience?

By Chris Latham June 25, 2014

Shortly after leaving the Army in 1973, **David Diesslin** got a job as a packing-division manager for popcorn king **Orville Redenbacher**. A few years later he was working in warehouse distribution at **Abbott Laboratories**. Later he became a real estate broker. He had been interested in investing since childhood, eventually taking care of his father's money as well as his own. But it wasn't until 1980 that he became a professional advisor — by opening a solo practice in Fort Worth, Texas.

Diesslin says he thought about working first for a brokerage or insurance company but found their sales culture at odds with his desire to put clients' needs first. So, armed with little but an MBA and determination, he made the leap. It took him nearly a decade to surpass $10 million in assets, during which time he earned his CFP designation and relied on his wife's income, as well as her gift for finding prospects.

Today, **Diesslin & Associates**, a fee-only firm, has 15 employees and manages over $723 million in assets. Its very first client, booked in 1980, is still a client today. Diesslin attributes his success to simply not giving up. "That's about persistence — building up experience and reputation and competence," he says.

Experts say although a good number of wannabe advisors consider entering the business this way, only a few actually do. And no wonder. Entering the profession with no formal training is tough, even with an inherent knack for investing and financial planning. A supportive social network is a must, since initial clients are often friends and their referrals. And a working spouse is frequently the one to cover personal expenses during the early years.

David Diesslin

Establishing credibility is the biggest hurdle for advisors who take this route, according to consultant **Eric Sheikowitz**, cofounder of **Focus Partners** in Paramus, N.J. The firm provides practice-management guidance to advisors, broker-dealers and wholesalers. He recommends that self-made advisors attend national conferences to pick up industry knowledge, adding that FAs from other regions are more likely to be generous about sharing tips with a newcomer who works a different territory.

The large custodians on which new RIAs rely for operational support can also serve as knowledge hubs. Meanwhile, Sheikowitz says, to build a brand in their community, rookie advisors should join charitable and civic groups where they can meet local influencers and chat about finance with people open to guidance. Advisors who already have a good reputation in their communities will find prospects more easily than those who are unknown — or worse, saddled with bad reputations.

"They need to know what story they're going to tell, since they're not coming from industry experience," Sheikowitz says. "They have to focus on what they are bringing to the table — maybe breadth and depth of knowledge of a particular niche, or their own former career."

Confidence to Commit

The prospect of getting dismissed while telling people what to do with their money can be terrifying, according to **Cathy Curtis**, who runs **Curtis Financial Planning** in Oakland, Calif. After starting out in 2001, it took her a couple of years to gain the confidence to withstand rejection while networking, she says.

Like Diesslin, Curtis began her professional life doing something wholly unrelated to personal finance: She was a marketing executive in the packaged-food industry. Her gift for picking winner stocks and passion for magazines like *Fortune* and *Forbes* drew her to financial planning. In the lean years right after launching her practice, Curtis relied on her husband's mortgage-brokerage firm for income, even working for a time as a salesperson there to learn more about real estate. Also like Diesslin, she got her CFP designation as fast as she could.

Her fee-only firm, which caters to women clients, manages $46 million in assets; a third of its revenues come from retainers and flat fees. Curtis now has two part-time staffers, a paraplanner and an administrative assistant. But when she began, she did everything herself. Business picked up in 2008, after she targeted women and overhauled her marketing. Now Curtis is on virtually every social-media platform, her website features vibrant colors and she speaks at finance events. After merging briefly with an investment-management firm, in hopes of leveraging its operating resources, she’s back on her own and committed to growing on her own terms.

“At first I felt insecure about my background,” she says of her early days as an advisor. “But that was a total mistake. You can be a good financial planner from the start.”