

How to Help Clients Achieve Their Personal Goals

Published April 21, 2020

Peter Mallouk, JD, MBA, CFP

President & Founder of Creative Planning

For this series, we have asked guest bloggers from established financial advisory firms to provide their views on a range of topics. Creative Planning is a growing wealth management firm with \$50 billion in AUM as of this writing, dedicated to a financial planning-led approach designed to help clients achieve their personal goals. We asked Peter Mallouk, JD, MBA, CFP®, President & Founder of Creative Planning—recognized by Barron's, Forbes, The New York Times, Ernst & Young and many others—to participate in a Q&A around trends in the industry.

WisdomTree: How big is Creative Planning currently?

Mallouk: We have about 700 employees, including about 300 investment professionals and several hundred lawyers, accountants and other support staff. We have offices in 26 states but serve clients in all 50. And we currently manage about \$50 billion.

WisdomTree: That's impressive. To what do you attribute your success?

Mallouk: I believe it's due to the way we work with clients. We go through an intense discovery process with each and every client to truly understand not only their financial picture, but also their unique concerns, desires and needs. Then, rather than simply putting clients into models based on risk tolerance or age, the way other advisors might, we build a customized, comprehensive financial plan before we even consider a single investment.

And our planning-led approach is just one thing we do differently. When clients come to us, they don't just get a financial advisor, they get a team that includes the advisor, a financial planner and a money manager. And that team is able to pull in CPAs, lawyers and other experts as needed, to build strategies that truly take tax, estate and other planning needs into consideration.

Further, while I believe clients come to us because of how we manage money, I think they stay because of all these extra things we offer. We are able to evolve their plan and our services with their changing needs. Plus, everyone here is a fiduciary, so every single person at Creative Planning truly works together in the clients' best interests.

WisdomTree: So, when it comes to advisors, how do you support them in working with clients?

Mallouk: Well, first, the advisors benefit from all the same pieces as the clients. They get a team of people working in concert to help them provide everything their clients need and want. They also get:

1. The technology, HR, processes and comprehensive back office services they need to be effective, efficient and compliant
2. The potential to be more competitive as they become part of a recognized brand
3. An environment where clients will come to them—and more

WisdomTree: How do you see the industry evolving for advisors?

Mallouk: We believe that the big firms are going to control what happens in this space. Just like with custodians; how they've all pretty much been eaten up by Fidelity and Schwab. We believe the same will happen in the brokerage space. In addition to fee compression and the rising costs of compliance and technology, advisors will need to include more services for a lot less. Only the firms that can maintain the margins will be able to survive. That's where firms like ours come in.

WisdomTree: What advice would you give to independent advisors?

Mallouk: Well, I believe that if a smaller advisor is going to maintain their independence, they should focus on finding a niche. It will be challenging to compete with larger firms over time, but if they can focus on a specific audience or planning area, that may be a very prudent thing to do.

WisdomTree: What do you think is next for Creative Planning?

Mallouk: First, we want to keep growing organically, with clients continuing to find us on their own. Next, we intend to keep expanding into major metropolitan areas by partnering with like-minded firms—those that are already focused on a planning-led approach or that are interested in moving to that type of approach. We want to work with them to grow together. Creative Planning has a robust planning process, a strong investment approach, all the technology and support advisors need—plus the client referrals that can help them grow. We think that's a winning combination.

Important Risks Related to this Article

This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy or deemed to be an offer or sale of any investment product, and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein.

This material has been prepared without regard to the individual financial circumstances and objectives of any investor, and the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Investors and their advisors should consider the investor's individual financial circumstances, investment time frame, risk tolerance level and investment goals. Investors should consult with their own advisors before engaging in any transaction.

Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise, the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

WisdomTree makes no representation as to the suitability of any advisor, including the advisor providing this information, and WisdomTree does not endorse, recommend or guarantee the services of any advisor, including the advisor providing this information. WisdomTree urges each investor to carefully evaluate any advisor whom such investor may consider hiring, and such investor is responsible for monitoring the advisor's investment performance, fees and all other aspects of such relationship. WisdomTree will not supervise or monitor the advisor's activities or an investor's account, nor is WisdomTree responsible for the selection or performance of an investor's investments.

WisdomTree has no discretionary authority or control with respect to how any advisor manages an investor's investment assets. WisdomTree disclaims any responsibility or liability for any damages arising from an investor's decision to engage the services of an advisor, and encourages each investor hiring an advisor to ask about the advisor's relationship with WisdomTree and whether it has any arrangements with WisdomTree or its affiliates (such as the opportunity to provide information on WisdomTree's website), which may cause the advisor to recommend WisdomTree ETFs over other investments.

WisdomTree and Foreside Fund Services, LLC, are not affiliated with the entities mentioned.