

CASE STUDY

J.P. King Advisors, Inc.

Successfully passing the baton

J.P. King Advisors, founded back in 1981 by Jim King, is one of the original pioneering, fee-based independent firms. The illustrious history of the firm, now in its 4th decade of serving clients in the San Francisco Bay Area, is a fascinating example of how a focus on business and practice management can keep a firm alive, well and growing into the next generation of management.

From a technology perspective, J.P. King has gone through the many evolutions prevalent in the advisor technology ecosystem. Back in the '80's and '90's cutting-edge technology was PC and server based on-premise software. These legacy systems have improved over the years, but still have limitations that curtail firm growth and capacity.

When we last visited J.P. King, the story was their switch from that legacy desktop performance reporting, billing and portfolio accounting system to Black Diamond® Wealth Platform. Their old system created many manual workflow and paper-based processes to deliver their quarterly reports and billing.

Black Diamond immediately brought them the latest cloud-based technologies, streamlining and accelerating their reporting and billing, particularly in solving the client meeting preparation problem through its flexible platform.

The next chapter in the business management and technology story of J.P. King begins in 2008 when Jim King expanded his practice to bring in Scott Horton as a firm partner to facilitate the transition of the day-to-day management of the firm and to begin planting the seeds for outsized growth. Also joining the firm was Justin Dodson as the third principal of the business.

At the time, J.P. King had \$200 million in assets under management and has since more than doubled to just under \$500 million in assets under management. Key to that growth phase was their firm's reliance on the scalability of Black Diamond.

"We are a financial planning based firm, but also differentiate ourselves with our expertise in investment management," said Horton.

” By leveraging Black Diamond technology, the portal, and the mobile app, we have been able to grow, adding dozens of new clients every year without having to increase staff. To us, that is true scalability.

— Scott Horton, President for J.P. King Advisors

J.P. King Advisors, Inc.

Walnut Creek, CA

Description: RIA

AUM: \$480 million

Implementation: 2012

BACKGROUND:

- Pioneer in fee-based financial planning and investment management
- Successfully completed succession planning with new management team
- Needed expanded technology to fuel their growth strategy
- Now pursuing inorganic growth through M&A

BENEFITS:

- Provides a scalable platform to accelerate their growth strategy
- Enhances business development through highly visual portfolio displays
- Expands capacity to easily onboard new and retiring advisors with books of business

“Because we use multiple custodians and asset managers, we need a powerful system that can aggregate and report quickly and accurately, which led us to Black Diamond in the first phase of our growth strategy.”

J.P. King uses a model-based approach to providing investment management services, including 5 core strategies, with another 30 different iterations based on clients’ account size, goals and risk profiles. According to Dodson, the ability to provide clients a highly visual display of their portfolio allocations, along with being able to drill down “on the fly”, goes a long way to helping explain their value-add and approach to helping them understand how everything works together.

“Black Diamond makes it very easy to explain a portfolio to clients and verify their allocation,” he says. “Particularly with prospects, with just a few clicks, we can show their exposure to the markets, their timeframes and how the broadly diversified portfolios that we deploy will better meet their goals and objectives.”

Going forward, Horton and Dodson are excited about the capabilities of the Black Diamond portal, particularly the new features available in BD3, the latest generation of the Black Diamond Wealth Platform. “We rolled out the portal about 3 years ago with the goal to get everyone on electronic delivery of reports,” notes Dodson.

“Currently the default setting is for new clients to only get reports through the portal and the reception has been excellent. Anything that saves us from having to print and mail reports will further allow us to scale our back office.”

Horton also sees the power of Black Diamond in helping the firm increase capacity and productivity. “By leveraging Black Diamond technology, the portal, and the mobile app, we have been able to grow, adding dozens of new clients every year without having to increase staff. To us, that is true scalability.”

Next up for J.P. King is to start planning for the further growth of the firm through inorganic strategies, most notably the onboarding of new advisors with existing books of business, as well as mergers and acquisitions.

“We’ve successfully completed the transition of the business from generation one to us as generation two,” Horton notes. “However, to keep our growth trajectory we also need to think about generation three.” As part of this approach, Horton and Dodson have been active in identifying younger advisors to join the firm, including recently completing the acquisition of an early 30’s advisor.

“Once she saw how powerful our back office was with Black Diamond and our processes, she was able to easily onboard her clients to the

firm and can now spend her time on managing and growing relationships instead of preparing quarterly reports,” says Dodson.

At the same time, Horton and Dodson also see retiring advisors as another target market. “We are now scalable to the point that we can easily add bulk transfers of new clients, particularly for aging advisors who haven’t necessarily planned,” notes Horton. “No one wants to outlive their doctor or their advisor, so we can be the solution to provide an enhanced client experience for advisors looking for the next chapter in their careers.”

To learn more about J.P. King Advisors, visit their website at www.jpkingadvisors.com.

FOR MORE INFORMATION

If you’d like to learn more about how the Black Diamond Wealth Platform can support your business, please call 1-800-727-0605 or email info@advent.com.

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— Justin Dodson, Principal, COO for J.P. King Advisors