

Star profile

Follow New Model Adviser® on the move at
m.citywire.co.uk



Star profile



Charting a growth story

Almary Green has been growing rapidly in the past decade as Carl Lamb uses acquisitions, referral relationships, niche specialisms and an egalitarian approach to low-net-worth clients in his business strategy

TIM COOPER

Norwich-based Almary Green is proof that you can run a large, profitable IFA firm and service a large bank of non-high-net-worth clients.

Since its managing director Carl Lamb was interviewed for our cover star feature in 2007, Almary Green has gone from strength to strength. The firm, which is about to celebrate its 10th anniversary, started with a staff of two in 2001 but now has 26 employees and 7,400 clients, around 1,500 of which are group scheme members.

The firm continues to grow thanks to an aggressive acquisition policy, a new model portfolio investment proposition and a focus on introducer relationships and specialisms in divorce and advice for women.

Unlike many IFA firms, Almary Green has maintained good profit margins and capital adequacy throughout recent lean years. It has done so while adhering resolutely to its egalitarian principles, whereby customers can speak to an adviser whether they have £30,000 or £3 million to invest. The average wealth of clients has risen but 85% of them still fit into the firm's bronze category, which means they have less than £50,000 to invest.

Lamb insists he will not strip out low-net-worth clients as other firms have. And he stands by his maxim: 'If you can't give somebody half an hour of your time, it's a sad world.'

'Society is divided between those people who can afford to get good quality financial advice and those that can't. Then there is a rump in the middle who think it is too expensive. That's about education really. We are not prepared to write these people off.'

Having said that, he has changed the way he classifies clients. Previously the categories were A (£50,000 or more to invest), B (£30,000-£50,000) and C (under £30,000). Now they are platinum (£300,000 and more), gold (£150,000-£300,000), silver (£50,000-£150,000) and bronze (less than £50,000), each with a different service proposition.

Lamb stresses that the new classification is not all about invested assets. Clients can receive a higher level of service if they add to the business in other ways, for example if they are an active referrer. 'Platinum clients get four valuations a year with a fund breakdown and as many meetings a year as appropriate,' says Lamb. 'Some years we may not see them at all; others it may be four or five times.'

'Gold clients get two meetings a year, silver get one and bronze is reactionary. We do continue to attract higher-net-worth clients through word of mouth and by how we promote ourselves. We now have a corporate brochure, we email or mail everybody twice a year with industry news. We're always looking for feedback and actively gather client feedback roughly every three years. It's a good data capture exercise.'

'We continue to sharpen the service levels but we don't ignore bronze,' says Lamb. 'We should never forget that we are only here today because of the people we dealt with in the first place.' Bronze clients bring in an average of £200 a year in fees.

Divorce and advice for women

Since 2007, Almary Green has acquired Hopkinson Financial (and taken on board its principal Peter Hopkinson) and Finance4Women (including advisers Fiona Sharp and Stephanie Clark). It has recruited advisers Russell Hall and James Harrison, and now has 13 registered individuals.

Four of the advisers are Resolution-accredited divorce specialists. Resolution work accounts for only about 5% of the firm's business but, says Lamb, it is valuable in helping to build

Star profile



'For every [adviser] who has joined us, we've probably turned 10 away. We're at a size where I can't see us going backwards'

Growth trajectory

Lamb is hungry to achieve more growth through acquisition. 'We always keep money in the company to take advantage of opportunities. This year six firms have approached us so far, one of which we are in serious negotiations with.'

'Many people thought RDR would go away. Many people thought they wouldn't have to do qualifications. Now the ostriches have to lift their heads out of the sand and see what their options are,' he says.

'We are looking for people who have the same ethos as us in terms of client care. The need might arise through capital adequacy; having got to an age where they don't want to continue; or where the shape of the business needs turning around. We are looking for businesses where we can make an impact on that, and absorb the clients and the income stream.'

'The only things we are interested in are those with quantitative value: funds under management and trail. A lot of people think their business is worth more than the true value.'

Acquisitions

Hopkinson Financial was a good example of how an acquisition can be structured. Peter Hopkinson (whom Lamb has known for 20 years) is due to retire soon but RDR 'forced that issue', says Lamb. 'When we bought his business, it was [for] a fixed percentage of renewal upfront, a fixed percentage at the end [when Hopkinson retires

after three years] and we share the income in between. That way we share the risk. We have three years to brand his clients to Almary Green so when he leaves the clients stay with us.'

As RDR implementation draws closer, acquisitions get trickier, he says. 'As we get closer to December 2012, you have to factor in the risk. Normally we would try to keep people on board for two or three years, so you have a proper hand over,' says Lamb. 'Suddenly, if you only have a year or six months left, your risk factor is multiplying quite considerably.'

Exciting times

Getting ever larger does not worry Lamb and he has no optimum size in mind for the business. 'We're not growing for the sake of growing; it's been controlled growth,' he says. 'For every person who has joined us, we've probably turned 10 away. We're at a size where I can't see us going backwards.'

'The next 18 months is going to create some opportunities. There will be good people out there who have to make serious decisions about their futures. We are in interesting and exciting times.'

'I am good at spotting opportunities and creating the right environment to make it work. If they come along and we continue to grow, fantastic, but if we are still at this point, that's okay. The key is not to get complacent.'



Page 43: Company profile

Centric Wealth Management

Star profile

reputation and relationships with solicitors. 'In any one year, 16 or so different companies refer work in, and roughly 60% of those are lawyers,' he says. 'The three formal referrer relationships are all with accountants, though – the lawyers are on an informal basis. We did talk with one law firm about a joint venture but didn't feel it was right for us.'

The acquisition of Finance4Women has helped develop this specialism. Almary Green has six female advisers, which gives it an edge, says Lamb. 'We make it clear that if someone would prefer a female adviser, they have a choice. It works really well on the Resolution side as we have two male and two female advisers. Divorce can be quite traumatic and some people do prefer a female IFA.'

The well-known Finance4Women brand no longer exists following the acquisition. Was it too niche? 'With Fiona it was a meeting of minds. We are both ex-RAF and our ethos mirrored hers,' says Lamb. 'But with RDR, compliance, capital adequacy and all the rules coming through, we can take away all the hassles for them. Society has changed – one thing they looked at was making themselves available to everyone. You have to keep evolving and reinventing yourself. We always try to portray female advisers as having their own unique characteristics but you can do that within the wider context of the firm.'

Another niche area for Almary Green is commercial property syndicates. Lamb has helped to set up 16 of them. 'One of my specialties is using pension funds to buy either commercial property or agricultural land,' he says. 'Property prices may vary, but there is clear demand for both types of property with the right tenants.'

Model portfolio service

A model portfolio service was launched last year and involves a tripartite agreement between Almary Green, Skandia and discretionary manager Principal Investment Management. 'We started the project three years ago, looking at how to provide seamless investment advice and the technology to drive it,' says Lamb. 'At the touch of a button, it had to rebalance the portfolios and find the clients attached to each portfolio. The Skandia platform technology did exactly what we wanted it to.'

'At the moment we have 265 clients, with an average portfolio of £58,000, on the service. Over the next five years, we'd like to have at least half our clients' funds either run by model portfolios or in true discretionary fund management (DFM).'

Lamb denies such a service is expensive and says the annual management charge is less than 2%. 'We also like that every quarter we get the DFM's quarterly

report on how they see what the market has done but more importantly what they see as happening in the future,' he says. 'We top and tail that report and send it to all the clients. So when the rebalancing takes place, they can see what is going on behind the scenes. Communication is crucial.'

He says the firm has signed an agreement for a similar service with the Ascentric platform and Vestra fund managers. The main aim of this is to offer a choice to clients and spread the firm's risk.

Fee hike

Lamb is keenly awaiting the retail distribution review (RDR). 'We've always worked as new model advisers,' he says. 'We've always tried to play fair with clients, so the maximum commission we have ever taken is 3% [upfront] and the rest is rebated back into the plan. Trail has always been an important facet of the business and clients have always known upfront whether we take a commission.'

His fees have gone up substantially since 2007. Previously the hourly rate ranged from £150-£175, now the upper limit is £250 an hour. These rates are used to calculate a set fee agreed with the client. Almary Green also charges 0.5% a year on investments.

Freedom to develop

Lamb is keen on training and giving his team a free hand in their own development. To this end, he offers to pay for any training and qualifications they think they need and their salary increases by £500 every time they pass an exam first time.

'If you motivate people and give them the freedom to develop themselves, you get a lot more out of them and it



CARL LAMB CV

CAREER
 1979-88 RAF, fighter control branch
 1988-95 London Life, sales representative
 1995-2001 Equitable Life, sales representative
 2001 Almary Green Investments, managing director
 -present

PROFESSIONAL MEMBERSHIPS/ QUALIFICATIONS
 FPC 1, 2, 3
 G60
 J01, 4, 5, 8
 AF3
 CF2
 R05
 Resolution accredited divorce specialist

BUSINESS FIGURES: ALMARY GREEN INVESTMENTS

	2006	2007	2008	2009	2010
Total number of employees	10	13	17	23	25
Total number of clients	3,100	3,900	4,500	5,795	6,500
Total income	£1,018,908	£1,340,320	£1,048,882	£1,520,583	£2,112,960
Total costs (ex. dividends/drawings)	£650,000	£750,000	£867,245	£900,000	£1,200,000
Funds under management	£90m	£120m	£130m	£180m	£250m
Recurring income	20%	25%	43%	48%	52%
Total number of active private clients	3,100	3,900	4,500	5,795	6,500

It's in the numbers

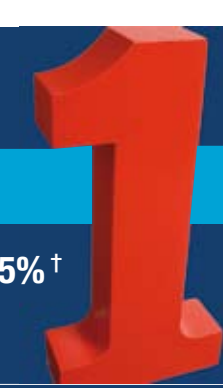
Ranked Number One for 10-year performance*

Our investment trust has an average annualised return of 13.5% †

British Empire
 Securities and General Trust plc

visit www.british-empire.co.uk/ifa or call 0845 850 0181

Asset Value Investors



For Investment Professionals only, not to be relied upon by Retail Investors. The value of investments & income from them may go down as well as up, & an investor may not get back the amount invested. Issued by Asset Value Investors Limited, the investment manager of British Empire Securities and General Trust plc, which is authorised & regulated by the Financial Services Authority. * Ranked #1 by J.P. Morgan Cazenove Investment Trust Global Growth category 10 Year Ranking to 30 Sep 2010. † Average annualised return of 13.5% has been calculated from Jun 1985 to Dec 2010.

brings minimal turnover. If you are losing people, you have the cost of recruitment and training, so in the long run it would cost you more.'

To celebrate the anniversary, the firm is paying for a night out for staff and their partners at the Hoste Arms in Norfolk, as a 'thank you'. Staff also have a family day in the summer which involves sailing or climbing; and are taken out with their partners at Christmas. 'It's all about building a culture and ethos where people want to stay,' says Lamb.

In recent years, the firm has entered a team in the Norwich Dragon boat races. 'We treat it as a team-building day as well as raising money for charity,' says Lamb. Last year it raised money for leukaemia charity, the Anthony

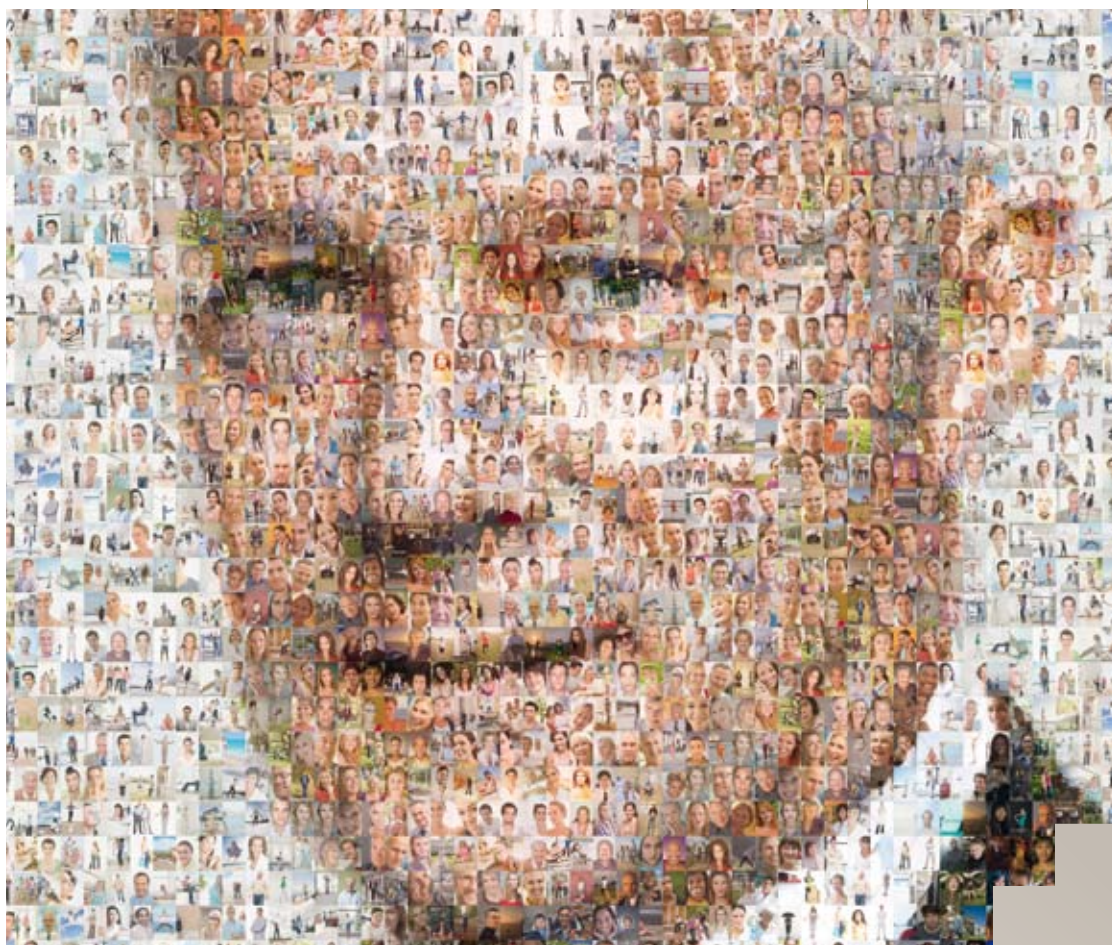
Nolan Trust, and this year it will donate to Help for Heroes because of Lamb's military background.

Hard work and discipline

Before joining the financial services industry, Lamb was a flight lieutenant in the RAF and served in the Falklands war. It is tempting to put his success down to the discipline (he routinely works 12 hours a day) and ability to relate to other people that he learnt during that time and he agrees that has helped. 'It's amazing how life has changed for me. The military teaches you many things about yourself and about how



TEAM PLAYERS: (left to right) Carl Lamb, managing director; Fiona Sharp, senior consultant; Russell Hall, consultant; Robert Clarke, consultant; Alison Rudd, consultant; Peter Hopkinson, associate director; Roy Durrant, senior consultant; Heather Sonnet, consultant; Jim Duvall, consultant; Stephanie Clark, consultant; and Hayley Tink, consultant



Put all your clients in the picture.

Advisers are often recommended to focus on fewer and fewer numbers of richer clients. It sounds attractive but instinctively you know it doesn't make sense. And there are business risks attached.

Building a business means developing profitable service propositions for every client. With Parmenion's innovative discretionary platform and sophisticated technology, you can offer every client a valuable, compliant and profitable service. And you can go on meeting new clients and building a bigger and better business. Without the hassle.

Refine your service proposition for the new era. Call now and meet one of our sales team.



To find out more call
 0845 519 0110 ■ www.parmenion.co.uk



Issued by Parmenion Capital Partners LLP, The Tramshed, Beehive Yard, Bath BA1 5BB. Parmenion Capital Partners LLP is authorised and regulated by the Financial Services Authority. FSA No: 462085. Registered in England OC322243. Registered Office: Portwall Place, Portwall Lane, Bristol BS1 6NA.

to deal with other people. You are with everybody from a dustman to a lord.'

The right structures and proper management have also had to be in place to help the company to continue expanding through a recession, he says, and he had to learn a lot of that since leaving the forces.

Lamb spends what free time he does have sailing and canoeing on the Norfolk broads or the coast, and volunteering as a leader in the sea scouts. He spends his holidays skiing with his family in Banff every year. 'Once you've experienced the snow in Canada, you won't want to come back to Europe!' he says.

The hard work involved in his job does not bother him, he says. 'I enjoy what I do. I have a job I love and clients I have known for many years. I work hard and play hard, though it would be nice to have a few more hours in the day.'

FIVE TOP TIPS

- Each client is an individual and deserves to be treated as such
- Your word is your bond
- With the exception of commercially sensitive information, keep your employees up to date with what is going on in the business and its future aspirations
- If you look after your clients today, you will have a business tomorrow; if you don't, you don't deserve to have one
- Never make assumptions