

One. One. Fourteen.

January 1, 2014. It's a day that features heavily in the story of business partners Ryan Todd, CPA, and James Spinelli. "One-one-fourteen," they say repeatedly when they talk about their firm, almost like a mantra – a persistent reminder of their mission and roots. One-one-fourteen was the day they set out to be something different. It was the day they committed exclusively to the operations side of running an RIA. It was the day they partnered to form Great Valley Advisor Group (GVA).

Coming Together to Close the Gap

Together, Todd and Spinelli shared a vision for something differentiated in the RIA space. Rather than retaining and servicing their own clients, they would instead devote themselves solely to providing solutions for financial advisors. They felt there was a gap between the promises other RIAs made and what they actually delivered. At Great Valley, they would close that gap. "It's about delivering on what you tell people," Spinelli said. "If you're going to do something, do it."

"Ten years ago, a high payout and compliance were enough to win. Now with so much competition you can't just say the minimum. You have to have an offering and be able to do the things you say you're doing," Todd said.

With that commitment in mind, the duo set out – on one-one-fourteen – to become the RIA they wanted to see in the world. That includes meaningful solutions, like their custom billing and compensation technology, mergers and acquisitions support, in-house asset management, customized CRM platform, succession planning, and retirement plan consulting.

Exceeding Advisor Expectations

Spinelli loves "fintech" and puts his Masters of Information Science and Masters of Finance to use in developing tools like AdvisorBOB® (Advisor Book of Business), which is a secure online portal that provides GVA advisors and their firms full visibility into their disparate income channels and helps track advisory fees, affiliation costs, split business, and expenses. In addition to AdvisorBOB, each individual who partners with GVA also receives a Salesforce license to access their customized CRM platform. He also built their in-house money man-

agement platform together with his chief investment officer. Their focus from day one has been to build a state-of-the-art technology stack that is available for their advisors should they need it.

"We have always wanted to build something bigger than the minimum compliance requirement," Todd said. "We build out customized solutions our advisors can rely on."

"We've never spent a dollar on marketing," he added, then quickly adjusted to, "well, very little." They don't spend resources on recruiting new advisors. They never cold call. And around 90% of their affiliated advisors come from referrals.

To compete and grow, the

Great Valley Advisor Group partners Ryan Todd and James Spinelli share their philosophy and secrets to success in today's consolidating RIA environment.



Great Valley team has also increased their focus on acquisitions. Todd described an "inflection point" in the RIA industry, in which two trends are converging: consolidation and private equity. As smaller firms fold into larger firms – looking to return to

the days of managing client relationships instead of increasingly complex RIA operations – private equity (PE) firms are flooding the market with, in Todd's words, "a boatload of cash."

The Right Partner and the Path Forward

One such firm approached Great Valley while they were considering a new acquisition. The timing worked perfectly in their favor – the acquisition was on the table at the exact moment funding was offered – but Todd and Spinelli rejected the option. They didn't want a PE firm driving the strategic decisions of their RIA.

"If we took that money," Todd said, "there are a bunch of different decisions they would want to own." The partners wanted to maintain control of their business, and they were particularly keen to stay aligned with their behind-the-scenes, somewhat unlikely partner: their custodian.

Great Valley works with several custodians, but the one they rely on for support and partnership is LPL Financial. "I don't view LPL as just a custodian," Todd said. "They are our partners."

"We lean on LPL heavily," Spinelli added. Great Valley started with LPL, and they've leveraged LPL's offerings and services throughout their development. As Spinelli built their in-house asset management platform – atop LPL's Strategic Wealth Management (SWM) platform – he took full advantage of the service team. "The back-office support from LPL versus others is much stronger," he said.

"LPL is part of every single one of these solutions that we offer," Todd echoed. The duo took turns lauding various services their custodian has offered, from high-net-

worth consulting to assistance building technology atop LPL's open architecture platforms.

What really won their devotion was acquisition support. When the acquisition opportunity that aligned with PE funding popped up, Todd and Spinelli turned to LPL. Because of their relationship – available to all RIAs who custody with LPL – the pair were able to secure financing for 100% of the deal cost, with competitive terms that were far superior to the terms PE was offering.

"If LPL didn't step up, we might have taken that compensation," Todd said, referring to private equity. "Some of the bigger firms might take that compensation, and then you have a PE firm coming in, taking equity, and driving decisions." Instead, the Great Valley team was able to retain complete control of their business and keep LPL as a partner in growth.

"LPL is in a position to say, 'We'll support you in what you want to do,'" Todd continued. "What we try to do for advisors is what LPL is trying to do for us. They're telling us, 'You can still be what you want to be, and we'll support you.'"

"They get in the weeds for you," Spinelli added.

And not to put too fine a point on their feelings about the financing and overall relationship with LPL, Todd offered his unequivocal devotion to their custodian-partner: "After this deal, that's it. Not a shot in heaven we're going to take another call."

At every step of their journey – from one-one-fourteen on – LPL has been a part of their success. "Others say they offer partnership," Todd said, "but LPL actually delivers it." **AH**

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