

**From FAMILY WEALTH REPORT**

## RIA outsourcer provides advisory-business metrics

Thomas Coyle - 26 September 2008

**Orion Advisor Services** provides outsourced back-office services to RIAs and broker-dealers so that firms can focus on client service and business development. Now though, it's providing an additional service to independent advisors called **Business Metrics** to help them keep track of their firms' profitability.

"A lot of advisors grow their [assets under management], but their bottom lines *don't* grow -- or they grow their bottom lines but know why that's happening," says Orion's president **Eric Clarke**. "This allows them to track production and profitability of their businesses, and do it easily."

### More information

The resultant sense of where firms excel and where they need to put more resources means that firms will provide better service, according to Clarke. And that's especially important with wealth managers clamoring for "tools to help them stay profitable" in these troubled times, he adds.

Clarke says he got the idea for the Business Metrics service from a 2007 presentation by **Mark Tibergien** -- now head of **Pershing's** RIA-custody business, then a consultant with **Moss Adams** -- at a **TD Ameritrade Institutional** conference. One of the points Tibergien drove home was the practice-management power to independent advisors of hard-to-get business metrics.

"I realized that we've got most of this data in our system," says Clarke. "With some additional information from the advisors -- mostly on human resources -- I saw that we could provide this service."

Though Orion's monthly Business Metrics reports are mainly for its institutional clients' on-going practice management, they're also handy for pre-M&A valuations, says Clarke.

Omaha-based Orion takes on back-office functions such as database reconciliation, statement generation and delivery and advisory-fee billing for 155 firms. It administers about \$30 billion in assets across approximately 250,000 accounts. -FWR

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