



Industry White Paper Series

# The Henderson Group

*A Case Study in how a leading family wealth management firm is enhancing its service offering through the technology platform of IPS AdvisorPro®*

## **Background**

As part of our commitment to providing tools, information and best practices to help financial institutions succeed, we are pleased to present the following case study that illustrates how The Henderson Group, a fee-only financial planning firm that specializes in succession planning and family wealth management across generations, enhances its service offering through the use of Investment Policy Statements (IPS) and the technology platform of IPS AdvisorPro®.

We invite you to learn more how your firm can benefit from the use of IPSs and the advanced technology of IPS AdvisorPro® at [www.IPSAdvisorPro.com](http://www.IPSAdvisorPro.com).

## **Introduction**

***“We work to provide a visionary service for each of our clients, ensuring that each individual activity is consistent with their long-term goals.”***

The Henderson Group is a 27-year-old comprehensive wealth management firm located in the rural Shenandoah Valley of Virginia. The Henderson Group provides succession planning and family wealth management to a number of different types of clients but has created a unique niche in the services it offers to family owned businesses in the farming and agriculture industries. Serving over 50 clients, The Henderson Group provides financial planning and investment advice on a fee-only basis.

“We work to provide a visionary service for each of our clients, ensuring that each individual activity is consistent with their long-term goals,” notes principal and founder of The Henderson Group, David K. Henderson, CFP®. “By understanding the driving force behind each client’s goals for their and their family’s future, we can provide a proactive, innovative and intuitive service, which adds genuine value.”

As part of that service promise, The Henderson Group relies on the use of Investment Policy Statements (IPS). “With the way the markets are now, it is essential for us to have an IPS in place for each client,” explains Ginny Koontz, Associate Planner. “The IPS helps clients understand the basics of investment planning and because they have a hard copy of that plan, they know what we are working towards.”

## **IPSs and Risk Tolerance**

***“Risk tolerance plays a big part in how clients react to their investments...the presence of the IPS really helps communicate these issues.”***

The Henderson Group spends a lot of time learning about their client’s goals, objectives and importantly their preference for risk in their portfolios. “Risk tolerance plays a big part in how clients react to their investments,” notes Koontz. “Whether they are aggressive or conservative, clients become comfortable with the fact that we are sticking with a plan and the presence of the IPS really helps communicate these issues.”

Codifying a client’s tolerance for risk, which for most clients means downside volatility, should be done with more than anecdotal information. The Henderson Group uses the FinaMetrica® risk tolerance evaluation tools. While recognizing that no tool is perfect, there is value in regular measurement of clients risk tolerance consistently using the same tools. An additional plus for using FinaMetrica® is the seamless integration with MoneyGuidePro™ and IPS AdvisorPro®.

Because of their approach of providing an IPS for every client, The Henderson Group turned to technology to facilitate and streamline the process. They selected the online, flexible technology platform of IPS AdvisorPro® to automate the process of creating, updating and archiving their IPSs for all of their clients.

“For our advisors, the templates in IPS AdvisorPro® are easily constructed so that we can customize the IPS for each and every client situation,” said Koontz. “We can quickly build out the IPS as we are discussing these issues with clients and it makes it very easy behind the scenes to update a section, whether that section is pertinent to one client or for our entire client base.”

“The IPS process through IPS AdvisorPro® has become ingrained into our firm and as part of client reviews, we go through the IPS and if there are any changes, we have the ability to make them immediately and provide the updated copy to our clients for their signature. This ability to make changes in real-time has significantly streamlined the process and saved our clients and us valuable time. Clients really appreciate that,” explains Koontz.

## **Grooming Staff**

***“As a recent addition at The Henderson Group, Koontz’s first responsibility was to deploy IPS AdvisorPro® throughout the organization.”***

**F**or many advisory firms, adding interns or recent college graduates to their staff can be a great way to develop future talent for the firm. However, many firms aren’t always specific or know what to expect from an intern experience. One project that is getting excellent results for advisory firms is to assign the intern or recent college graduate the task of updating all client IPSs through the technology of IPS AdvisorPro®. This specific project provides immediate benefits to the firm, while also providing the intern with tangible and valuable real world client experience in a support role.

As a recent addition to the staff at The Henderson Group, one of Ginny Koontz’s first responsibilities was to help deploy IPS AdvisorPro® throughout the organization.

This initial project for Koontz to assist the firm’s advisors on the core aspects of developing IPSs provided her with excellent experience in understanding client situations and how to apply financial and investment planning concepts to real situations. It also enabled her to become instantly familiar with The Henderson Group’s clients and provided a natural transition for her to become more involved in helping to manage client relationships.

“Working at The Henderson Group was my first job out of college and I was excited to be able to apply what I had learned in the CFP® program at Virginia Tech immediately to my role,” noted Koontz. “In fact, as part of our degree program, we had access to advanced technology that financial advisors use, including IPS AdvisorPro®. This experience allowed me to instantly add value to the firm and hit the ground running.”

## **Technology Integrations**

***“We can immediately and easily import client information from MoneyGuidePro™ into IPS AdvisorPro®.”***

The Henderson Group has a robust technology infrastructure to enable their advanced service model. As part of that approach, the Henderson Group has focused on technology integrations to facilitate their processing of business and to ensure data consistency.

One area that The Henderson Group has found enhanced efficiencies is in the integration with IPS AdvisorPro®, FinaMetrica®, and MoneyGuidePro™, their financial planning software solution.

“We can immediately and easily import client information from MoneyGuidePro™ into IPS AdvisorPro®,” noted Koontz. “This has greatly reduced the amount of data entry required and also minimized the mistakes that can occur with manual work.”

“Particularly, the FinaMetrica® risk tolerance information captured through MoneyGuidePro™ can be directly and automatically imported into the IPS for the client. This provides consistency between the two programs and makes the IPS and the client’s financial plan work hand in hand together.”

## **Conclusion**

***“Despite the recent market volatility, the IPS really provides clients with confidence that we are looking out for their best interests.”***

As the Henderson Group looks to the future, they are confident in their approach with IPSs in supplementing their high service levels.

“Despite the recent market volatility, the IPS really provides clients with confidence that we are looking out for their best interests. They can look at their long term goals and even though it is something as simple as a piece of paper, they know that they are on the right track,” concluded Koontz.

## **About IPS AdvisorPro®**

Created by financial advisors for financial advisors, IPS AdvisorPro® is designed to work with all types of wealth management professionals and their practices. IPS AdvisorPro® offers a flexible solution to creating and managing Investment Policy Statements that are easy to use through an encrypted, secure web-based environment. With over 1,500 users and 33,000 IPSs created, IPS AdvisorPro® is the industry's leading technology solution. IPS AdvisorPro® was named in 2006 by Morningstar as the "Software of the Year" and was a CPA Wealth Provider "Financial Planning Awards Winner" in 2009. For more information, please visit [www.IPSAdvisorPro.com](http://www.IPSAdvisorPro.com).

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