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## At Kendall Capital Management, Revenues Grew 36.8% Last Year. Here's How.



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Eight-year-old RIA firm Kendall Capital Management recently announced that its revenues had grown 36.8% over the past year, as its assets under management topped the \$100 million mark. Kendall Capital now has 105 families as clients (with each family including up to 23 individuals).

The new AUM mark shifts the Rockville, Md.-based firm to SEC registration from state oversight. It also gives the firm a marketing edge, says firm founder Clark Kendall: "The big advantage of a \$100 million RIA firm is that it shows the marketplace that we have the depth and breadth to meet the financial needs of our target market – the middle-class millionaires."

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But I was more curious about the sharp jump in revenues -- so I asked Kendall what he'd done to expand his practice this past year. Here are four of the things he said have worked for him.

**1. Differentiate from the competition:** As a fee-only financial advisor with a total of four employees, Kendall has focused on differentiating his firm from the competition -- namely banks, brokerage firms and "do-it-yourselfer" platforms like Fidelity. The firm's target client: 50-70 years old, well educated, with \$500,000 to \$5 million in investable assets, living in the Washington, D.C. area. "Once you brand yourself as differentiating and serving a target market, you can better communicate your competitive

advantage," Kendall tells me.

**2. Promote yourself:** Kendall says a total of 60% to 70% of the firm's business comes from client referrals -- but to attract the rest, he is a frequent guest speaker at conferences, pitches story ideas to the local newspaper and appears on local TV and radio. He also writes his own online quarterly print newsletter, and belongs to several civic associations and networking groups, including NAPFA as well as the National Association of Estate Planners & Councils and the CFA Institute.

**3. Be active in your community:** Kendall says community service has been key to developing local community relationships. "I'm a Boy Scout leader, basketball coach, chamber board member, Boys & Girls Club board member, City of Rockville financial advisor board member, and a fundraising chair for local museum." Those relationships have a direct payoff, he says. "The parent of a daughter's basketball team approached me after a game and said he liked the way I handled the girls on the basketball team. [He] wanted me to invest his funds," Kendall says, adding that he now manages more than \$3 million for the man's family and business. Another example: "A fellow Boy Scout parent approached me after a scout meeting and said he had read one of the articles in a local magazine that I wrote and

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wanted to know if I could help him." Kendall says. "During our meeting, I learned he had just inherited \$5 million from his parents. He is now a very good client of the firm."

**4. Education.** Kendall highlights the burgeoning influence of RIAs, saying that he works to educate prospects about the value of a fee-only advisor. "An educated consumer is one who fully understand the benefits of a fee-only financial planner who acts as a fiduciary," he says. "A majority of our assets are being transferred from the 'full service' brokerage firms."

Kendall concludes with an interesting analogy. "I remember working with a homebuilder to construct a house with my wife 12 years ago," he says. "We were specific in how we wanted our house to look, but the homebuilder would tell us what was realistic and safe. For example, we couldn't have the stairs in a certain location due to the structure of the house."

Kendall thinks his role is not so different: "My job is to give suggestions [for] my clients ... to structure their finances to safely meet their goals and objectives."

<http://www.financial-planning.com/blogs/at-kendall-capital-management-revenues-spiked-last-year-heres-how-2686003-1.html>