

Advisor Spotlight:

Jacob Millican

With life getting tougher for advisors, read how Jacob Millican, RIA, is using Logically, the web-based analytics and portfolio management platform from ETFLogic, to solve five common challenges facing his solo, but fast-growing advisory practice in Texas.

1. Being prepared for an unscheduled audit

Jacob Millican is an independent among a profession of independents. While most Registered Investment Advisors are small firms- eight employees are typical, according to the Investment Adviser Association- Millican still hasn't hired Employee No. 2 at his now 4-year-old Texas advisory, 9M Investments, and isn't planning to anytime soon.

It's not that he couldn't use the help. ***"I'm open to it. Depending on how much my 401(k) business grows, I'll (eventually) have to bring on a planner."***

Fortunately, when the Texas State Securities Board recently dropped in for a routine audit, Millican easily produced, sans paraprofessional, documentation of his clients' investment policies that illustrated that the investments were all within guidance.

"That's pretty big time for a firm my size."

Ten years ago, according to Millican, ***"the technology made it hard to be a one-person firm."*** Policies and performance would have been manually tracked with spreadsheets. But with the tools Logically now offers, Millican says ***"we could show auditors we were guided to this volatility standard. As a small firm, having that automation built in is a must have."***

2. Delivering effective ESG screening

Auditors and regulators aren't all Millican has on his plate. As an advisor whose portfolios employ ETFs as well as Environmental, Social, and Governance (ESG)-compliant funds, his clients often have questions about both.

Millican sometimes shares their skepticism. ***"One thing I worry about is: are fund companies just putting a sticker on something? Again, that's where the Logically tools help identify what ESG factors are present in each fund."***

In addition to an overall ESG rating, Logically's ESG analysis scores go deeper. Individual fund holdings can be screened for twelve different "warning flags" that can range from gun ownership to development and distribution of GMO foods.

Logicly's ESG screen isn't just a score that converges on the consensus. With stricter ESG screens than competitors, it enables advisors to service their more socially conscious clients.

For example, Millican recently used Logicly to examine a particular position in an ESG fund. While the fund itself was ESG compliant, Millican saw that Logicly flagged some holdings not because of their direct businesses, but due to the investments they made.

“Even within ESG funds, you can find some things people wouldn't associate with ESG. Fossil fuels and things like that. Even though it's a small percentage, those type of things will show up. It's eye opening for me and my clients as well.”

3. Meeting rising client expectations

Advisors and especially RIAs are increasingly replacing mutual funds with tax-efficient ETFs in their client portfolios. Yet, as ETF usage has risen, advisors, have often struggled to get the straightforward information and the insights needed. Now with Logicly's screening and analytic tools, advisors can often find the answer themselves.

In addition, the growth of low-expense, tax-advantageous ETFs has made portfolio management simpler, especially when using a tool like Logicly with its built-in workflow automation, rich reporting and now Portfolio Coach functionality. ETFs have also created unique opportunities like tax harvesting, an area where well-managed funds and shrewd advisors can add real value.

“Tax loss harvesting can earn clients substantial after-tax returns”, says Emil Tarazi, CEO and Co-Founder of ETF Logic. **“Our solution, Logicly, can be used to find and scale the potential savings to be realized across all managed accounts and helping to surpass client's expectations.”**

4. Finding service providers willing to provide

Advisors regularly say it's critical their suggestions are not just considered, but also implemented by their service providers.

“I've been on Morningstar's platform for decades. ETF Logic, the firm behind Logicly, is very responsive. They've made changes (based on my direct suggestions), something another provider would never be able to do. They're constantly adding tools to make my investment analysis more in depth.”

Advisors need to be sure their tools, especially their core ones, will continue to evolve and develop as their practice grows, demands increase and client expectations rise.

5. Finding more time for clients and growing your business

One universal truth about advisors is they all need and want more time. The typical RIA serves 141 clients today, according to the Investment Adviser Association, up from 113 a decade ago, and the regulatory burden has only increased for advisers over that same period. Additionally, most RIAs now maintain multiple custodial relations to accommodate existing and potential clients.

Yet there are still only 168 hours in a week, so the challenge is how to do more in less time?

For now, Millican is content to focus on clients not unlike himself: professionals with fewer than 10 employees.

“The average law firm is under 10 employees. As a small business owner myself, we kind of speak the same language. I understand their time is valuable and I know not all the data is going to be client friendly. I’ve been able to use Logicly in a way to show clients in very clear ways all the information they need to make decisions. Logicly has all the metrics that can speak to all the different types of clients that I have. At the end of the day, it’s all about my clients, so being able to show them which investment ideas worked, and which didn’t is incredibly helpful.”

For now, Millican wants to manage his growth.

“I want to make sure that I can keep the personal touch with all my clients. I feel like I’m bringing on family when I add clients and I want them to feel that way. Logicly lets me focus on deepening the relationships with my clients without losing any efficiency of managing my business. So, I can work with all my clients and selectively add new ones over time. Without Logicly, I couldn’t do this.”

Find out more at logicly.finance

Learn more about 9m Investments at
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