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Independent Advisor Group President and CEO Kevin Supka

says a strong
independent streak,
steady growth, and
a supportive culture
combine to make
his firm increasingly
attractive to financial
professionals
and their clients.

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Gaining Interest

A strong independent streak, steady growth, and a supportive culture combine to make **Independent Advisor Group** increasingly attractive to financial professionals and their clients.

The past 10 months have been a long, strange, and sometimes painful period for most of the country. At the same time, the past year has come with its share of bright spots and rewards, particularly for financial advisors and investors willing to take measured risks. Just ask Kevin Supka.

As president and CEO of Independent Ad-

visor Group (IAG) in Horsham, Supka has seen his firm continue its 10-year track record of balanced growth. He credits the firm's approach to helping its financial professionals succeed and, in turn, inching their clients closer toward pursuing their financial goals.

"We're an independent office in a world that was not all that independent a short time

ago," Supka says. "We're affiliated with the country's largest independent brokerage company*, LPL Financial. We've been with them for 28 years, and that kind of history is unheard of in our industry. They provide us with a large infrastructure that gives us the economy of scale needed to help our people grow their books of business and manage their clients' assets."

We spoke with Supka about the trends fueling IAG's growth, the tools his firm provides to financial professionals and their clients, and his reasons for optimism going forward.

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- ★ Affiliation with LPL Financial: the country's largest independent broker dealer
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IAG President and CEO Kevin Supka (bottom right), with Executive Assistant Jennifer Braccio and Director of Recruiting Adam Marone

Supka, shown here with IAG Research Analyst for Recruiting St. Claire Stewart, says he is optimistic about the evolution of the financial services industry.

Q&A

Your firm is aptly named, because it prides itself on its independence. Why is independence so important, and what does it look like to your advisors and the clients they serve?

We're focused on the financial professionals out there who are looking to get away from the bonds of working for brokerage companies that may have some intrinsic interests in offering investment products they might own. A Fidelity broker will push Fidelity funds. A Vanguard broker will push Vanguard funds. A Merrill Lynch broker will push Merrill Lynch funds. We don't do that. We don't manufacture any kind of product. Our approach is to go to the general marketplace and provide recommendations that we think the client needs to grow their portfolios and work toward their investment goals.

We've seen a shift in the strategic focus of the business. The investment products we work with have been largely commoditized, and that has led to a reduction in cost for the consumer. As a company, we're doing more fee-based business than we've ever done before, which ties back to a genuine interest in seeing clients' assets grow.

IAG seems to offer a unique opportunity for advisors who are preparing to step away from the business. What can those individuals expect if they choose to link arms with you?

The average financial professional is a male over the age of 60, and 85 percent of them don't have a succession plan. Those individuals made it through the financial crisis of 2008 and 2009, and now we have a global pandemic, so a lot of them are sitting back and saying, "I'm done, but I don't know how to gracefully exit the business." They need an exit plan, they need a strategy to fold up the business and realize the value of what they have built, and they need to do so in a way that benefits their clients. We consider ourselves one of the best places to make that transition. We can take that kitchen-table planning approach and help them with their business plans and exit strategies.

We provide a collaborative atmosphere

for everyone affiliated with our group, offering roundtable discussions about what's working best for their business. They also don't compete against each other, because they all have their own books of business. The vast majority of our clients are baby boomers. In the Philadelphia region, you have 10,000 baby boomers a day hitting retirement, and it will be that way for at least the next seven years. In that kind of environment, you're doing something wrong if you can't find prospects out there.

I like to talk about the "secret sauce" of IAG, which is the familial nature and the strong back-end support we offer our affiliates. I honestly don't think financial services teams will find the same kind of support and camaraderie anywhere else.

Tell me about the firm's growth over the past decade.

LPL has more than 17,000 advisors across the country, and 4,300 offices overall. We're among LPL's top 1 percent offices in terms of size. Our average growth over the last 10 years, dating back to 2010, has been 18.7 percent. We've been trying to grow through acquisition, both internal and external. In the past few years, we've grown from having \$1 billion in assets under management to \$1.5 billion, doing \$10 million per year in fees.

In addition to our team of 30 financial professionals, we now have four financial institutions that we provide financial planning and infrastructure for: two credit unions locally, Philadelphia Credit Union and Fort Billings Federal Credit Union in South Jersey; and two banks, Crest Savings Bank in South Jersey and The Union Bank Co. in Ohio. With these institutions we're working for, from Ohio to South Jersey, and our team of financial professionals in Pennsylvania and New Jersey, and as far south as Maryland, we feel like we're in a good position.

It's been a challenging year, but also one rife with opportunities. What are you most optimistic about going forward?

We understand the COVID-19 virus better than we did 10 months ago, and there are several vaccines out there now or on the verge of being approved. Those developments are worth getting excited about. Our country rewards risk and punishes non-risk, so the people who saw opportunity [in the markets] in the past year saw a strong upside. We finished 2019 with the Dow at 29.8. Now we're at 30 and change. That shows the resilience of the American economy. People understand that this [pandemic] will not define us or slow us down.

The way the industry is evolving has me optimistic. Clients used to be charged a commission, where a broker bought products for a client and if the client made money, great. It's a much healthier relationship now. If I'm charging you a fee based on the value of your account, it makes sense that I have a very strong interest in making sure that your account goes up in value. It ensures that whatever I'm recommending to you will be in your best interest because I'm going to benefit as well. I get you a 10 percent increase, I get a 10 percent cost-of-living increase. If your account goes down by 10 percent, I take a 10 percent hit to income. Our success is tied to how well we help you succeed. ■

* As reported by Financial Planning magazine, June 1996-2020, based on total revenue.

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→ **Independent Advisor Group LLC**

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