



Fueling Inorganic Growth Strategies for Breakaway Advisors

How LibertyFi helped Elk River Wealth Management add \$2.75 million in enterprise value through two acquisitions within six months of breaking away

Overview

Launched in March 2020, Elk River Wealth Management is a breakaway RIA with aggressive targets to quickly scale both their assets under management and office locations.

Determined to hit the ground running, the leadership team and their equity and operating partners at Wealth Advisors Growth Network (WAGN) wanted to start acquiring companies quickly, while avoiding the cash flow problems that can plague breakaways.

On the advice of WAGN founders John Phoenix and Jay Hummel, Elk River turned to LibertyFi, which is playing a pivotal role in Elk River's growth trajectory.

"LibertyFi is a huge reason why Elk River was able to make its first acquisition within four weeks of breaking. And they acquired a \$250 million team within four months of starting the firm. That's unheard of."

– Jay Hummel, Partner and Co-founder, Wealth Advisor Growth Network

Positioning Elk River for Aggressive Growth

To help Elk River achieve its growth targets, LibertyFi focused on several key areas:

FOCUSING ADVISORS ON CLIENT SERVICE

From the very start, LibertyFi has managed the Investnet platform, partnering with the custodian and the ops team, running proposals, and assisting with reporting, which allows advisors to focus on their clients. LibertyFi also trains advisors how to efficiently use the tech.

SUPPORTING AN INORGANIC GROWTH STRATEGY

LibertyFi manages the firm's operations, billing, and conversion processes. This provides the firm with a great advantage as it was able to start executing its growth strategy within weeks of launching.

INCREASING WORKING CAPITAL

While breakaways may face cash-flow issues within their first few months, LibertyFi immediately implemented an off-cycle, monthly billing process. This kept Elk River cash-flow positive in the early weeks while it built working capital. Clients responded positively to the transparent billing cycle.

CREATING SCALABLE PROCESSES

With LibertyFi's experience creating scalable processes, Elk River doesn't have to worry about how to convert their business or merge with newly acquired companies. Elk River trusts LibertyFi to quickly onboard the new firms.

Results

Because of its partnership with LibertyFi, Elk River was able to achieve these results:



“If advisors are bogged down with reporting, trading, and administration, they aren’t spending time with clients. LibertyFi allows us to build a full-service firm with advisors who can deliver those services.”

– Jay Hummel, Partner and Co-founder, Wealth Advisor Growth Network

Next Steps

As Elk River continues to execute its growth strategy, LibertyFi is a strategic partner helping the firm succeed.

“Our strategy is to continue acquiring teams. LibertyFi will be there with us because they give us the ability to scale the practice. With LibertyFi, we can add new teams seamlessly,” Hummel says.

Conclusion

As a result of partnering with LibertyFi, Elk River is positioned to capitalize on business opportunities quickly and confidently.

“During negotiations with possible acquisitions, I never have any concerns about operations or the transition,” says Hummel. “With LibertyFi’s expertise, growing Elk River is so much easier.”

With deep experience helping over 40 independent, growth-oriented RIAs evaluate their technology needs, LibertyFi is the industry leader in Envestnet middle-office consulting services. **Learn how we can help you: libertyfi.com**