

The key to Holt-Smith's resiliency? 'I don't give up when it's hard'

“I think optimism is wired into me,” reports Marilyn Holt-Smith, founder and CEO of Holt-Smith Advisors Inc. “As an entrepreneurial business owner, you have to rise above the obstacles and envision something better, especially when times are tough. You can't be a good business owner otherwise.”

Holt-Smith Advisors provides individual investors with wealth management services and serves institutional investors with award-winning proprietary equity and fixed income investment products (i.e., individually tailored funds).

Optimism helped Holt-Smith deal with three successive shocks to her business, any one of which might have led a less-resilient leader to contemplate an exit. The firm's growth-oriented investment style moved out of favor among institutional investors. A long-term business partnership ended. Finally, the 2008-2009 financial market meltdown occurred. Despite all of this, the firm is strongly positioned in early 2010 for continued growth.

Holt-Smith used more than her optimism to achieve today's secure footing. She adopted the right leadership practices to retain top talent and adjusted the firm's business model to better meet clients' needs and to secure differentiating advantages.

To keep her team motivated and fully engaged, Holt-Smith never forgot that her colleagues needed a sense of where the firm was headed, and an invitation to be actively involved in the journey. “Our firm isn't just about our careers or about me, the owner. It's about creating something bigger than all of us that earns the trust and loyalty of our clients,” she says.

The “something” must be meaningful to warrant everyone's efforts during challenging times. “Our firm is all about diminishing our individual client's financial worries so they can focus on the things that are most important to them in life,” Holt-Smith adds. “Helping is in our hearts. Our advisors go way beyond our fiduciary



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responsibilities to do what is best for our clients, like the behind-the-scenes help we provide widows in coordinating complex legal estate transactions.”

The firm also broadened its offering. “It became clear to me in the 2003-2006 period that our investment offerings were not diversified enough to serve individual investors as well as we could,” Holt-Smith reflects. Besides the mid-cap growth product added in 2001, the firm created a concentrated large-cap value product and

added index-based ETFs to create greater diversification. Tactical asset allocation occurs as the market environment changes. A wealth management professional joined the firm to provide expertise above and beyond investment services.

The newer investment products give Holt-Smith an advantage with institutional clients. Her company can mix value and growth investment approaches for both large-cap and mid-cap products, giving institutional investors, which make up about two-thirds of Holt-Smith's managed funds, the mix they want for their portfolios.

Being in both sides of the industry — individual and institutional investment — is highly synergistic, Holt-Smith says. Using its proprietary products and ETFs, the firm's individual clients avoid paying mutual fund expenses over and above their portfolio investment fees.

The practical accountability of the individual client side also serves the institutional side. “You don't understand investing from the ground up if you've never sat across from an aging couple whose entire retirement and life is affected by your decisions,” says Holt-Smith. The institutional marketplace appears to agree as the firm recently landed business with the State of Maryland public pension fund.

In addition to her family, a key resource for Holt-Smith throughout the firm's transitions is “Peerspectives,” a CEO group facilitated by the UW-Madison Small Business Development Center. “My group is a huge support to keep me sane, cross check my ideas, and offer a solid sounding board,” says Holt-Smith.

“Businesses don't grow straight up. They have setbacks, adjustments, and then, if focused, renewed growth. I'm stubborn enough that I don't give up when it's hard. You need this as a business leader,” Holt-Smith wisely shares.

Are you resilient as a leader? Is your team? What changes and external support would enhance your resiliency for the uncertain markets ahead? ■