

## Star profile

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# Moving ahead without blinkers

**Nicola Downs** has built a sustainable and successful business but sacrificed her work/life balance in the process. Now she is reclaiming her time and moving the company forwards with the help of two business coaches.

## TIM COOPER

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**N**icola Downs is starting to realise her dream of owning a proper 'lifestyle business', after seven often tough and scary years as director of Trentham Invest.

In 2003, she set the firm up in the attractive town of Dorking in Surrey's Mole Valley, as a way of avoiding the rat race. But burrowing away at the business quickly gave her tunnel vision and she became trapped in a '24/7' struggle for growth and profit, she says. The growth came relatively quickly but the lifestyle didn't and it wasn't until 2010, when she enrolled on the Strategic Coach® Program, that Downs started to climb out of this hole and get her life back.

On entering the office, the lifestyle aspect is immediately clear. I am greeted by Bentley, an Italian greyhound (his brother is a Crufts champion, by the way); and later also meet Herman, a mini pinscher, who is just back from the vets following a knee operation. These two canines,

referred to as 'the office pets' on the Trentham website, are very well behaved, not surprisingly as dog training is one of Downs' hobbies.

## Self belief

Downs has lived in this area since 1990, but previously worked for other financial services firms in London. 'I wanted something without the commute,' she says. 'And I wanted to be in the Mole Valley, connected to the local community, and to be known as the local financial adviser to do business with.'

'Previously at the weekend I'd walk around Dorking and didn't know anyone. Now I can't go down the high street without it taking half an hour. It's wonderful to feel part of something.'

Like many new model advisers, she had previously found a conflict between the needs of the companies that she was working for and those of the clients. 'I wanted something that would give me the freedom to give clients what they want, but I didn't have the confidence to do it. A

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TEAM TRENTHAM: (left to right) Sheila Dunne, business administrator; Barbara Martin, financial controller; Nicola Downs, director / IFA; Mark Kitching, technical administrator; Karen Taylor, business manager; Gaye Abel, technical administrator

### BUSINESS FIGURES: TRENTHAM INVEST

	2006	2007	2008	2009	2010
Total number of employees	2	3	3	4	6
Total number of clients	90	158	161	154	153
Total income	£217,356	£370,471	£329,404	£315,594	£360,000
Total costs (ex. dividends/drawings)	£105,970	£189,873	£242,103	£215,000	£230,000
Funds under management	£9.8m	£18m	£19m	£26m	£32m
Recurring income	17%	35%	48%	54%	75%
Total number of active clients	90	121	135	154	153

lot of self belief issues were holding me back.'

She eventually overcame these and started out with only three clients. 'It was extremely tough,' she says. 'I had no professional connections in the area. So I made it my business to meet with accountants and solicitors in this area. I joined the chamber of commerce and every networking thing going. I was open with them about where I was coming from and why I was a new face in town.'

'They see far more people each day with pension problems than me. If I can convince them that I'm not just another IFA and that there is something different here, and understand their issues with financial advisers... If they're not partnering with someone, why not? It was really hard work.'

But this work paid off and the company saw rapid growth in the early years up until around 2007/08 when Trentham started to reach full capacity in terms of client numbers.

#### Hundreds of furry moles

The branding and look of the office also give it a strong community feel. There is a huge picture of the Surrey countryside along one wall. The company logo features a picture of a mole, to signify the link with Mole Valley.

'People remember pictures, not names, so I wanted a picture that represented local business,' says Downs.

'Now we also have hundreds of furry moles [with the company name on their bellies] in the cupboard as well. The grandchildren, the dogs, they all love them. And they are machine washable!'

It took a while to find the company name. 'I wanted something that was independent of me so that, in the longer term, it is easier to disassociate me from it. I wanted an old English name because the values of the business were to treat people as individuals in an old fashioned English way. We know them by name and their little idiosyncrasies. But we also want to embrace modern technology, systems and ways of managing client data. The Trentham name came when I was watching Gosford Park at the cinema. Lady Trentham walked in and I thought "that fits!".'

#### Perfecting the advice process

Trentham's clients are mostly local executives and company directors. 'Their main problems are with pensions which is my key skill and the thing I most enjoy,' says Downs. 'That's what we've become known for. Issues such as inheritance planning also come from that.'

She says it has been a four-year challenge to design and perfect an advice process and charging structure that

#### Love-hate relationship with the press

Downs has been involved in the wider industry, as a volunteer for the Pensions Advisory Service; a committee member for the Sussex branch of the Personal Finance Society (recently retired); and as a regular contributor in the national, local and trade press.

The latter has led to a love-hate relationship. 'The press is murder to deal with - my worst nightmare,' she exclaims. 'They want us to drop the lot in five minutes but then, when you do it, the goalposts change - for example, the deadline changes or sometimes it doesn't even get published, which is hard to take. Every single press engagement is like that. Even so, I do find it very helpful because it cements something in the client's mind and is far more powerful than the certificates you hang on the wall. That's because, bad as you are, people believe every word they read in the press. That is the level of education and it's pants!'



is transparent, independent, and clearly explains the use of commission offset from the start. The whole process - identification, assessment, discovery, negotiation, commitment, analysis, options, implementation and monitoring - is now explained with timescales for each step in a pamphlet illustrated with moles.

'I find out each client's expectations of a financial adviser relationship early on so that I have a good understanding of how we are going to communicate and work together,' says Downs. 'That is really important to me. If I think we won't have a good working relationship, then we call it a day.'

Initial fees are generally set between £1,500 and £5,000. For implementation there is either another set fee of the same range; or, if it involves portfolio design, between 1% and 3%. Monitoring is mostly charged at 1% a year.

Trentham has nearly all of its £32 million assets under management invested via the Skandia wrap. 'I don't get this "you have to have three wraps to be independent",' says Downs. '[If you think that] you don't understand wraps. It doesn't matter whether you choose Tesco, Asda or Sainsbury you can still buy your eggs, bread, milk etc. Wraps are the same, they are just a shopping centre. Having more than one just confuses.'

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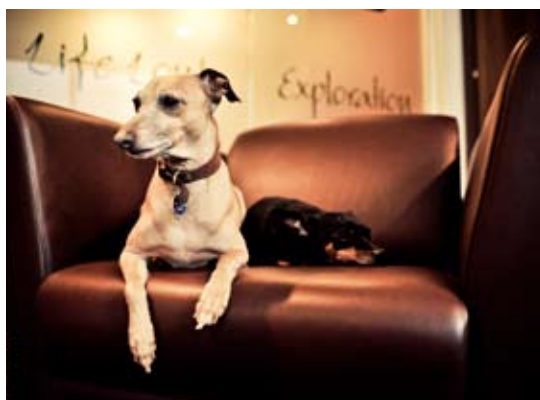


### Advice from two coaches

In 2007/08 the company started using model portfolios in order to cope with the increasing number of portfolio rebalances that were required. But as full capacity was reached at around 150 clients, Downs decided she needed help to get her life back and also get the business off the plateau it had reached. She found this in the form of two coaches – David Scarlett's Adviser Gym and Dan Sullivan's Strategic Coach®.

'Scarlett is about marketing – your place in the market and communicating that clearly and effectively to clients,' explains Downs. 'Sullivan is about personal organisation, maintaining your vision and goals across various timescales. He's also about being very focused on your top clients and communicating with the rest of the team.'

'The business has grown significantly. You have to



WHO LET THE DOGS IN? Bentley and Herman in the office

adapt and manage yourself and the business differently to the way you did seven years ago. Strategic Coach® helps me focus on what the business needs, on what my role is and on communicating to the team why they are here.'

The next step is about adding clients at a higher fee level. Currently the minimum fee is £5,000 a year but Downs is now aiming to take on clients paying a minimum of £8,000 and an average of £10,000. She also eventually aims to deal with only about 30 of these top clients herself.

'For those paying up to £5,000 a year, I see one or two of the team on the technical side developing and gaining the people skills to be able to look after those clients. We're starting now, but it's a case of educating the team, getting the right people, and the right mix.'

Currently Downs is the only adviser and the rest of the team comprises: Karen Taylor, business manager; Sheila Dunne, business administrator; Mark Kitching, technical administrator; Gaye Abel, technical administrator; and Barbara Martin, financial controller.

However, Downs is tentative about developing her staff into registered advisers. 'I have a different view on advising,' says Downs. 'All the staff are already involved in client relationships, particularly in implementation. You don't need to be an adviser to do that. It's extremely costly to have another registered adviser, so you are increasing costs without necessarily increasing value.'

### You can start an office anywhere

Trentham's three-year goals are to increase turnover to £500,000, and profit to 30%.

In the longer term Downs wants to create enough time to open a new office and also start a free financial education programme. She explains: 'This is education

that people do not get at school, college, home, or work. You don't get educated to deal with money anywhere, other than with a financial adviser. Not everyone can afford that, so they go to banks which are on targets and have to flog products.

'I think people are interested in their money but they don't want to pay for advice. This is about free education for students or adults – anyone who struggles to manage their finances and who wants to learn.'

Trentham Invest currently covers 70-75% of its overheads with recurring income. Once that figure reaches 100%, then Downs plans to replicate the model with a new office somewhere else in England.

'There are prosperous clients in any area of the UK,' she says. 'I strongly believe you can find 150 clients within a 10-mile radius of wherever you plant your office.'

'I don't know where it will be – it could be in the North, maybe Oxford or Kent - I will have to walk to the hills to figure that out. That's where I go to get my answers and inspiration. Out of the office, into the countryside, back with nature. I think about all the things I'm wrestling with. Another of those things is what do we need to be independent post 2012 – even though things keep shifting – and understanding my personal gap fill.'

Downs' qualifications meet the level four criteria required by the retail distribution review (RDR) but she admits that she has not yet worked out what continuous professional development (CPD) gaps she needs to fill to meet her RDR requirements. 'I have heard one of them is likely to be ethics,' she says. 'I listen to Ethics Bites podcasts from top professors – people think I'm nuts but it's all out there in the big business world beyond financial services. The things you pick up are great.'

Ethics is likely to be an important area of gap fill for many because it is a new requirement that has not featured in many exams or CPD courses for IFAs until now.

Referring to the next FSA policy paper on qualifications due out in January, she says: 'I don't know why so many purported business people are finding it difficult to find their path to a [CPD] outcome. I want to choose the best route to achieve the outcome according to my business and my team. I don't need someone else telling me how to do it.'

### Hard to let go

One thing Downs has learnt from Strategic Coach® is that running a business is much easier if you break it down into small steps and take each day as it comes. 'Be frightened, then believe in yourself and do it!' she says.

Understanding your role as an entrepreneur and a leader is essential. 'I set up as a lifestyle business, but I have been trapped into that 24/7 nonsense and didn't know how to get out,' she says. 'I was consumed. Strategic Coach® is helping me to get out – otherwise I'd be dead or I'd just hit a ceiling and not know where to go. It's hard to let go, but you can't behave like that.'

As a result her work life balance is finally improving. Downs' weekends are now dear to her and, in the week, she finishes at six or seven in the evenings. As well as dog training, her main hobbies are horse riding, mountain biking, watching films and reading.

More free time has been great news for Herman and Bentley as well. It does not mean they can get out of training though: 'There's nothing worse than a badly behaved child and it's the same with a dog. I like well behaved people and dogs!' explains Downs. ■

## FIVE TOP TIPS

- Understand how much your fixed overheads are per month
- Understand how much revenue you need to cover those, plus finance on top for variables, for example marketing
- Understand your profit requirement – add that in
- Set a budget for income revenue each month and then totally focus on INCOME
- Drive the income and 'let go' of the costs

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Strategic Coach® is  
helping me to get out



## NICOLA DOWNS CV

### CAREER

1990-92	Fitness for Industry, health club manager
1992-95	Norwich Union, financial adviser
1995-98	MGM Assurance, business development consultant
1998	Reeves Independent Options, IFA
1998-2000	Giant, Accountants and Financial Services, IFA
2000-02	Arbuthnot Pension and Investment, IFA consultant
2003	Industrial Maintenance Group, credit control
2003-present	Trentham Invest, managing director

### QUALIFICATIONS

FPC 1, 2, 3  
AFPC G60, G10, G20  
JO4, 5  
PFS member