



Independent Capital Management

Drew Marloe explains how this 22-year-old investment advisory firm has been able to sustain continual growth despite the economic downturn.



Remaining Strong

The financial industry has been among the hardest hit by the recession in the last 12 to 18 months. The situation seems to have stabilized in many markets, but experts predict it'll be a long time before real estate values and interest and unemployment rates are back to what they once were. Drew Marloe reaffirmed this notion but said that Independent Capital Management (ICM), a California-based investment advisory firm, has fared well amidst the turmoil, thanks to its position in the market.

"We really haven't had to change our strategy or approach to the market at all. We're fortunate because our focus is primarily on retirement and college planning and things of that nature, and the economy hasn't had a significant impact on that. All of our clients have long-term goals, and we counsel

them to keep focused on those objectives," said Marloe, founder, president, and CEO of ICM.

"Still, many people are hurting right now, and they know they can't live off the money in their CDs, so they're looking for help, and that's where we come in," he continued. "We sit down with these people and educate them, informing them of the different options available and helping them decide what's best."

In addition to retirement and education planning, ICM offers investment-advisory and estate-planning services as well as life, car, home, and liability insurance. The company also offers an assortment of health and disability plans—a service that has become even more relevant in recent months in light of the federal healthcare debate and record-high



unemployment rates, which have left a significant number of people without insurance.

Building a strong team

ICM employs a staff of approximately 300 individuals spread out across its 14 California and Nevada locations. Staffing has increased substantially over the years as the company grew, but not quite as rapidly as Marloe and his team would like. In fact, Marloe said that recruiting quality employees is one of the biggest challenges he and his team have faced, both in the past and more recently.

“Although unemployment rates are very high right now, especially in California, we’ve found it very challenging to recruit new people. In the 1980s and ’90s, we could put an ad in the newspaper and get hundreds of qualified people, but today, no one looks in the newspaper for a job, so we’ve had to start using the Internet and become more involved with career fairs and events of that nature,” he said.

The situation has had an impact on the company’s growth, but proactive measures are being taken. The firm brought on an IT expert, for example, in an effort to strengthen its Web-based recruiting capabilities, namely through methods like search-engine optimization.

One of the reasons the ICM team is so adamant about its employee-quality standards is its strong preference for promoting from within. Even individuals hired at an entry level have the potential to become an office leader one day.

An internal training program was introduced several years ago to strengthen this effort. Initially, Marloe said, the program was geared toward those seeking management positions, but it was later expanded to meet the needs of those looking to pursue high-level positions in financial planning.

“For those interested in becoming a CFP (certified financial planner), for example, we show them how to be a complete planner and what they need to learn if they want to get their



license. We teach them everything they need to know to achieve their goals,” Marloe said.

“Something that really separates our program from other firms’ programs is that we can get people up and running and in a position to open their own branch within a span of just two years,” he added. “Once they have the appropriate licenses and know how to interact with clients, employees can move up through the ranks quickly, from supervisor to district manager, and so on. It’s a process that allows them to learn how to run an office within an office before moving on.”

Most recently, the company expanded the training program to include paths for mortgage and real estate professionals. Ultimately, this allows the team to help clients maintain both sides of the balance sheet, assisting them with the accumulation and distribution of assets while reducing liabilities.

“We expanded the training program because I wanted to open additional offices throughout the country, but today, we’re more focused on building bigger branches,” Marloe said. “This means we’re looking to fill more management positions inhouse, so it’s a good opportunity for people who don’t want to move to another location or open their own.”

Looking at the year ahead, Marloe added that the company’s foremost objective is to increase its overall production per financial professional. “This is nothing new, but it’s what we plan to focus on,” he said. “In this business, those type of goals don’t change; you always want to improve.” ■

—Ashley McGown

