



CASE STUDY

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## Orion Communities:

Streamlining and Scaling the  
Investment Management Process

**Firm Name:**

Kraft Financial, LLC

**Year Founded:**

2018

**Office Location:**

Davenport, IA

**About Kraft Financial, LLC:**

Kraft Financial is dedicated to providing investment management and strategic wealth planning specific to each client's unique situation. Their primary focus is to offer unbiased opinions designed to achieve long-term investment results.

When Kathy Kraft, owner and founder of Kraft Financial, LLC, logged on to an Orion Communities webinar, she thought she was there to learn about how to better market her firm.

And in a roundabout way, that's exactly what happened.

Communities, Orion's model marketplace, helps financial advisors transform the way they personalize portfolios with unprecedented access to leading strategists, as well as the ability to create blended models while retaining full trading discretion.

If that doesn't sound like it has anything to do with better marketing, read on.

Using Communities, advisors are able to subscribe to models that meet clients' risk and investment preferences while supplementing their firm's own investment philosophy and expertise. Kraft, who uses a Riskalyze assessment to establish and re-establish client risk profiles, takes a more granular approach to risk than the traditional risk profile assessment.

"Communities," she explains, "is the perfect way to match our clients' risk numbers with the appropriate models. We can choose a base model from Communities, then add on another model to even more closely align with the client's profile risk number."

And because the models may be within a single manager's offering, a combination of different managers, or a single manager's models combined with Kraft Financial's own custom models, the firm has insight into the risk level they're creating before rebalancing.

"Through the Orion reporting app, we can record and keep track of the risk level the client chose versus the current risk level of the portfolio," Kraft says. "The compliance value of this cannot be understated."

Additionally, all of this information is available in the client portal, creating increased transparency within the advisor-client relationship.

For Kraft, the beauty of this approach is that she can use a base of 60-80% of the Communities model to satisfy the broad market security selection, then either create custom models, which are more targeted to a particular need, or pick another Communities model with a specific target of the market (such as Orion's Real Estate Model).

More than a traditional model marketplace, Communities marries convenient access to leading strategist models with the flexibility to make more intelligent, personalized investment decisions for every client.

Using Communities, advisors can:

- Subscribe to models that meet clients' risk and investment preferences
- Retain full trading discretion to accept or deny any changes submitted by the model manager
- Assign models in Orion's trading tools in seconds without exporting or reimporting client data

"For example, for most clients, we have chosen a base model from Vanguard, which is very low cost," Kraft explains. "From there, depending on the account size and the number of accounts a client has, we mix and match other Communities and Kraft Financial models. The result is that many clients are able to enjoy the value of our custom models, while we don't have to sacrifice ease of use and maintenance as investment managers."

Still not seeing a connection to better marketing? We're getting there.

"We use additional Communities models for the purpose of adding alpha," says Kraft of her strategic approach to leveraging the model marketplace. "Orion has very specific models in mining and real estate, among other sectors, that are ideal as satellite models."

"In a few cases, we've used Orion's Preferreds Portfolio as the only portfolio within an account to drive more income for clients that we've converted from a third-party Preferreds portfolio manager to the Orion model, which drives the cost down and ease of use up. We'll continue using this model in the future to generate income."

Ease of use is an important theme for Kraft Financial when it comes to Communities.

"I've been trying for ten years to simplify the investment management process," Kraft explains. "Back when I started using Charles Schwab models, each model contained 20-30 mutual funds, and kicked off \$25 trades every time you rebalanced. All of a sudden, my clients were racking up massive charges for a slight rebalance."

So Kraft reverted to creating and maintaining her own models, but soon found that doing so simply didn't leave her enough time to actually run her business.

Next, she tried third-party models. "First of all, they were expensive. They took half my income right off the top," she says. "And there was so much paperwork involved. So much mandated back-and-forth with clients in order to change a manager or strategist. It got to the point where I felt trapped in a particular strategy because of the laborious process it took to make a simple change."

When Kraft Financial joined forces with Orion in January of 2019, the firm eliminated third-party managers. "We began creating our own models in Orion's system," Kraft explains. "And it was great! I thought, I can do this. I wasn't even really looking to make a change."

Until that fateful webinar.





It's better for the client.  
It flows through the system  
perfectly. It reports beautifully.  
It's a miracle.

**Kathy Kraft,  
Owner and Founder  
Kraft Financial, LLC**

Kraft says that by the end, she had to learn more about Communities. And once she did, all of the pieces fell into place.

"Communities is the last piece I was missing. I can pick models to be my base while still retaining customization capabilities. I can make changes anytime. I don't have to fill out paperwork, and I get to pick the cost, which is clearly listed.

"It's better for the client. It flows through the system perfectly. It reports beautifully. It's a miracle."

So how does using Communities result in better marketing for her firm?

"This was essential for us to grow our business," Kraft says.

"It's going to save me 10-15 hours a week. We want to grow at least four times over in the next couple of years, and we have a plan to do that. But I couldn't execute on that plan, because I was spending too much time on things that Orion, especially Communities, now takes care of. That lets me go into the marketing piece of it full force. It's absolutely instrumental to the growth of our business."

## Ready to Talk About How Orion Can Help Your Firm?



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