



RISKALYZE CASE STUDY

Surprise Audit

How the sole owner and operator of an RIA passed a thorough State Corporate Commission audit in one hour—without breaking a sweat

riskalyze

BWA BURGESS
WEALTH ADVISORY

INTRODUCTION

If you ask Jeffrey Burgess, CRPC, president and founder of Richmond, Virginia-based RIA Burgess Wealth Advisory, running a successful company completely solo isn't as daunting as it seems—in fact, he likes it that way. But when the State Corporate Commission called about a routine audit in 2019, he expected the preparation and process would temporarily derail his workflow. What he didn't expect, however, was just how easy Riskalyze would make his (and the auditor's) job.

BACKSTORY

After two years as a taxpayer service representative for the Internal Revenue Service, Jeffrey made his entrance into the financial planning industry in 1997 when he joined a Virginia-based Ameriprise firm. In addition to financial planning and portfolio construction, he quickly became a man of many other talents; learning new software and proving to have a keen ability for business development. With these coveted skillsets and a belief that he could make more money just doing it on his own, he took the leap as one of the first non-advisors to purchase an Ameriprise franchise in 2000.

“Even as far back as ‘99,” said Jeffrey, “I knew that I should be able to run a business with just a laptop, from anywhere, with the right technology.” Then in 2014, he launched his RIA Burgess Wealth Advisory and has since doubled the size of his business.

How has he achieved such impressive growth as a one-man act? “By being incredibly competitive about what I offer my clients, and doing so as efficiently as possible, with as little overhead as possible.”

Jeffrey has relied on a carefully curated tech stack to help streamline the operational side of the business, make informed investment decisions, and ensure he always has his finger on the pulse of his clients' lives.

Riskalyze entered the equation towards the end of 2015, the same year Jeffrey started Burgess Wealth Advisory, when he received an email about the platform. He felt that it could be a huge asset to the way he works with clients.

Immediately, he found that Riskalyze played an important role in helping to mitigate client anxieties caused by what he calls “financial entertainment” in the media: sensationalized takes on market performance and global economies.



“Now, if we see on the news that there's an ‘800-point market drop,’ I can proactively call my client and tell them that they should be okay [given their] 95% Historical Range.”

JEFFREY BURGESS
FOUNDER, BURGESS WEALTH

He uses the tools Riskalyze provides to diversify the risk away, starting at the security level. The in-depth level of risk correlation is “uniquely robust,” he says.

“When I manage my own business, I manage it in terms of dollars and cents, and that’s how I manage my clients’ money. With Riskalyze, they see their risk allocation in real numbers, not just rate of return.”

AN UNEXPECTED PHONE CALL

No advisor wants to get a call that they’re being audited— it’s a time-consuming process that can involve weeks of preparation and mountains of paperwork. In the summer of 2019, Jeffrey received a phone call from the Virginia State Corporate Commission that his EIN had popped up and he’d been selected for a routine audit. Unsure of the lengths they’d go, he set aside 4 hours for them to come to the office on the first day. One can only imagine how nerve-wracking it is to receive that call out of the blue, but Jeffrey was prepared.

The auditor asked for routine information such as client records, trading history, and invoices, which Jeffrey had readily available via his CRM, Schwab records, and financial planning software.

It’s what came next that was most surprising—the SCC requested proof of the clients’ investment objectives. Specifically, they wanted to know why and how Jeffrey had chosen to allocate his clients’ investments.

“Fortunately, all of my clients had a Risk Number in alignment with their portfolio. I showed the auditors the data in Riskalyze and handed it to them with a flash drive. That’s when they halted the audit immediately. They said ‘alright, we’ve seen enough.’”

In all, the auditors were in and out of Burgess Wealth Advisory in under an hour. The Riskalyze data gave them everything they needed to prove that Jeffrey was doing right by his clients’ investments.

“Next time I’m audited, I’ll know exactly what they’re looking for. I can hand them my clients’ Riskalyze data and call it a day.”

FIDUCIARY FOCUS

Jeffrey says that although they’re burdensome, he’s grateful such audits exist. It’s the client’s right to have an advisor acting in their best interest. “I recently had a conversation with a client of mine and informed her that not every advisor out there is a fiduciary. She said, ‘well that’s scary.’ My sentiments, exactly.”

After 2.5 years of using Riskalyze, Jeffrey made an upgrade to unlock **Detailed Portfolio Stats**. He’s especially fond of using the chord diagrams to illustrate the strength and direction of correlations in a portfolio, within the context of allocation percentage. He also takes advantage of Riskalyze GPA, which demonstrates the efficiency of investments per unit of risk.



“If I’m able to yield the same—or higher—returns for my clients, but with less risk and more efficiency, why wouldn’t I rebalance their portfolios?”

JEFFREY BURGESS

SMALL AND MIGHTY

As a fee-based fiduciary, Jeffrey is meticulous about harnessing as much value as possible for his clients.

The visual elements of Riskalyze make client conversations incredibly productive, he says. The psychology behind the 95% Historical Range™ is easy for the client to understand and gives them peace of mind.

Another major benefit of Riskalyze for Burgess Wealth Advisory is its ability to elevate conversations with individuals who aren't currently clients. Part of Jeffrey's fiduciary duty, he says, is giving second opinions to investors who are weighing their options. "If you can demonstrate misalignment in a current portfolio, you can demonstrate your value." On many occasions, those individuals resonate with the process and eventually become Burgess Wealth Advisory clients.

Jeffrey says he has no intention of scaling up his practice. As long as he continues to work smart and with little overhead, he says, he sees revenue growth on the horizon.

"I like staying small. When a client calls, they talk to me, and I make the trades. And by leveraging Riskalyze as part of my tech stack, my clients know exactly the value they're getting for their money."

Riskalyze has positively impacted these three areas for Burgess Wealth Advisory:



COMPLIANCE



CLIENT SERVICE



NEW BUSINESS

Want to see how other wealth management firms like Burgess Wealth Advisory are deploying Riskalyze? Sign up for a product demo at riskalyze.com/advisors and get to know the power of risk alignment.

Special thanks to Jeffrey Burgess for his candor and commitment to empowering the world to invest fearlessly.

Read about how [Jeffrey Burgess first discovered the risk analytics platform he can trust.](#)

Riskalyze is the company that invented the Risk Number®, which powers the world's first Risk Alignment Platform and was built on top of a Nobel Prize-winning academic framework. Advisors, broker-dealers, RIAs and asset managers use the Riskalyze platform to create alignment between clients and portfolios, leverage sophisticated analytics to increase the quality of their advice, automate trading and client account management, and access world-class models and research in the Riskalyze Partner Store — all with the mission of empowering the world to invest fearlessly. To learn more, visit riskalyze.com.



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