



RISKALYZE CASE STUDY

Riskalyze Enables Advisor to Increase Efficiency, Decrease Costs, and Get Risk Right for Clients

How one longtime fiduciary finally found a tool that lives up to his standard of investment risk analysis

BACKGROUND

Twenty years ago, Jeffrey Burgess, CRPC was proving himself a fiduciary even before the term was making headlines and inspiring legislation. Flash forward through decades of doing right by his clients, and today Jeffrey wears many hats as the president and founder of Richmond, Virginia-based RIA **Burgess Wealth Advisory**: advisor, investment manager, head of IT, and chief of operations. But it was in 2015, when Jeffrey found Riskalyze, that he was able to confidently add another title to his name – risk analyst. Because when risk is done right, Jeffrey says, “the clients know you’re really doing the work for them.”

THE CHALLENGE

After two years as a taxpayer service representative for the Internal Revenue Service, Jeffrey was introduced to 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? “By being incredibly competitive about what I offer my clients, and doing so as efficiently as possible, with as little overhead as possible.”

But transparency is also key to running a successful business, Jeffrey says, and as globalization and the U.S. economy began to drastically shift the markets in the early 2000s, the old ways of analyzing risk were clearly becoming muddled and outdated. Jeffrey believed consumers deserved better.



“Asset allocation just wasn’t doing what it used to do in 1997—and it was becoming dangerous, managing millions of client assets, to rely on a 20-year-old model. It changed right under our noses: asset-level risk assessment just wasn’t working anymore. Even individual securities have varying levels of risk.”

JEFFREY BURGESS
FOUNDER, BURGESS WEALTH

Toward the end of 2015, the same year he started Burgess Wealth Advisory, Jeffrey received an email from Riskalyze and immediately saw similarities between the technology and his own philosophies on risk. He figured he'd sign up to see if the platform could really make a difference for his clients.

“Right away, I noticed that Riskalyze challenged everything that was outdated about Modern Portfolio Theory. My clients already knew I was helping them, but when we began talking about risk and loss in terms of dollars and cents—it just changed the conversation completely.”

Specifically, Jeffrey noted that Riskalyze impacted how he was able to analyze risk, make informed decisions about clients' portfolios, and have transparent conversations about what he was doing for his clients.

A new perspective on asset allocation

One of Jeffrey's biggest issues with Modern Portfolio Theory and the “old way of doing things” with other investment tools was the way they approached asset allocation – often overlooking the fact that many equities are highly correlated today, leading to a lack of diversification.

Jeffrey dove into Riskalyze's methodology, even speaking at length on the phone with a specialist who broke down how correlation is calculated on the platform. He remembers being surprised at how thorough the security-level approach to risk was. “Immediately I could tell this wasn't just a boilerplate standard deviation.” It was risk done right.

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?”

Prospect Theory vs. Financial Entertainment

At the client service level, Jeffrey noticed that Riskalyze equipped him with data that helped ease clients' anxieties, specifically those caused by what he refers to as “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. When we pit the 95% Historical Range™ against the news headlines, we're talking about real money. Not just the rate of return.”

JEFFREY BURGESS

The Risk Number® helps Jeffrey ease tension by setting better expectations. His clients love that he tells them to “stop watching the news and go see a movie instead.”

Value Elevated

As a fee-based fiduciary, Jeffrey is meticulous about harnessing as much value as possible for his clients. “It’s not about making them an expert in the deepest of investment analytics, but rather, giving them the information they need to know that I’m doing my job.”

One of the more notable benefits of Riskalyze for Burgess Wealth Advisory has been its ability to elevate conversations with individuals who are outside the firm’s client-base. 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, he says, they’ve been so blown away by the process that they’ve become Burgess Wealth Advisory clients.

Jeffrey says he has no intention of scaling up his practice. “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 practice, my clients know exactly the value they’re getting for their money.”

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



PORTFOLIO ANALYSIS



CLIENT SERVICE




OPERATIONAL EFFICIENCY


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 [Riskalyze helped Jeffrey Burgess blaze through an audit in one hour.](#)

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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