



40 Tips from 40 Years of Serving Independent Financial Professionals

Eric Schwartz | Executive Chairman



**At Cambridge,
our job is relentless
focus on the financial
professional's experiences.**

We continuously look for the best ways to serve financial professionals as they serve their investing clients while running their own independent businesses.

We are champions of the independent business model, and we celebrate the entrepreneurial spirit of independent financial professionals as business owners. As the advice industry continues to evolve, the passion that drives us to do what we do is stronger than ever. We have compiled our views drawn from the greater world, and kept track of our self-earned knowledge that remains true today.

1.

The purpose of business is to make the world a better place.

The only sustainable business model is the one that makes the lives of its clients, associates, and business partners better. Some businesses fail at making the world a better place and initially succeed, but they are imposters and will eventually fail.

2.

Culture counts and values matter most.

This foundation ensures the sustainability of a business. For an independent firm, the core principle must be that the financial professionals and their clients come first; for a financial professional, it is delivering advice and guidance with the best interests of investing clients' in mind.

3.

No one is successful alone — surround yourself with great people.

Business is all about the people. Financial professionals hit the glass ceiling when they fail to build teams to take them to the next level.

4.

Identify and stimulate future leaders.

In the book "Outliers: The Story of Success," Malcolm Gladwell describes future leaders as outliers – extraordinary, talented, and hard-working people. He notes they only become outliers if they are in just the right place at the right time. An organization must set up those right places at the right times for the right people.

5.

What got you here will not get you there.

In the early stages of a developing business, the founder or business owner may succeed by doing everything themselves and spending frugally. Later, these same characteristics will cause the owner to hit a glass ceiling – eventually burning out or failing completely. The key to real success is to know your core values and hold onto them unfailingly while being prudent in evolving and embracing change for everything else.

6.

Follow your bliss.

The expression coined by American mythologist and writer, Joseph Campbell, may make us feel uncomfortable, but when we do what we love, and encourage others to do the same, miraculous and positive things happen. Following our bliss, combined with years of experience, may inspire and encourage us to find our own path and not follow the pack. The pack is not always wrong – so think carefully before going your own way – but when you have to go, take the path that has positive meaning for you.

7.

Boldly go where no one has gone before.

You can follow your own dream, but even the history's greatest leaders stood on the shoulders of those who came before them. For example, several decades ago we focused on fees when very few wanted to do so. This makes sense today and will continue to make sense well into the future. In the last decade, we also began focusing on business continuity and succession planning. More recently, we expanded our focus to digital transformation. Cambridge may not have been the originator of these ideas, but we pulled together the best ideas and layered on our own innovative twists – topped off with our sincere care and respect for independent financial professionals. As a result, we are recognized across the industry as thought leaders in key areas reshaping the industry.

8.

Make sure the planet supports life before you beam down.

When stepping out boldly, watch that first step – many a pioneer has found themselves bankrupt within a few years. At Cambridge, we always try to take the leap, but only after testing the water – in our case, collaborating with our financial professionals to help design and test the new direction. We are very judicious with our spending and allocation of resources until we know the new venture is serving important needs.

9.

Synthesize the wisdom of others, including your competitors, but look for ways to be better, more cost effective, and offer flexible, customizable solutions.

Build on the knowledge of others and create an even better system that works for you and your clients.

10.

Seek the middle path as the road to success — there are usually three options and the second option is typically the best choice.

In any decision, there is always the right wing, the left wing, and the middle. Usually it goes something like this:

- Option A: Status Quo – Doing nothing
- Option B: Evolution – Changing things continually
- Option C: Revolution – Changing everything dramatically

Evolution, when looked at over time, creates a revolution, but is a manageable step in terms of gradual and continual change in both nature and business. Absent evolution, we are left with devolution, and ultimately, death. Evolving your business is an ongoing process that must be built into your team's mindset, culture, and strategic view on future success.



Maintaining internal control allows us to be on the same side of the table with financial professionals and together we are independent business owners managing our **future success.**

Eric Schwartz
Cambridge Founder and
Executive Chairman

11.

Cost-effective, flexible, customizable options are everything.

12.

Just as one person cannot truly succeed alone, one company cannot either – choose your partners wisely.

13.

Ride the big waves that reshape the industry.

14.

Looking out the next 5-10 years – the real wins will be combining technology and human touch to serve others.

15.

Clients demand and deserve advice with their best interests in mind.

16.

Long-term success is defined by the value you deliver.

17.

A truly independent firm views your clients as your clients.

18.

Define your value proposition and manage your reputation.

19.

A firm's culture drives its reputation.

20.

The client's experience affects business growth.

21.

Listen to your clients. Many of the best visionary ideas come from them.

22.

Common sense tells us compliance should act as your lifeguard, helping you avoid regulatory mistakes.

23.

We do not believe a one-size-fits-all approach works for all client situations.

24.

Fees are not a fad.

25.

A great brand should repel as effectively as it attracts.

26.

Innovation is possible without compromising integrity or regulatory compliance.

27.

Due diligence, as well as prudent risk management, is critical to stability.

28.

Enduring success is driven by ensuring one's business efforts are a clear reflection of personal values.

29.

As a financial solutions firm, Cambridge works for you, the financial professional. **You do not work for us.**





40.

**You control
the journey.**

30.

Be relentless in focusing on the client experience.

31.

Your view of the world is your choice.

32.

Opportunities are bigger when the challenges are greater.

33.

Consider the legacy you want to leave behind.

34.

Make little decisions with your head, but big decisions with your heart.

35.

Attitude is contagious.

36.

Change is happening – redefine what matters to you, your clients, and your business, and then move forward or be left behind.

37.

While only the strong will survive, only the innovative and flexible will thrive.

38.

We can be more successful by sharing ideas and resources.

39.

It is important to enjoy the people you work with.



“ I JUST
WANTED
TO BUILD
SOMETHING
WONDERFUL. ”

– Eric Schwartz
Cambridge Founder and Executive Chairman



ABOUT ERIC SCHWARTZ

EXECUTIVE CHAIRMAN

Over 40 years ago,¹ Cambridge Founder Eric Schwartz acted with inspired vision as he embraced the fee approach. He did so long before the term “hybrid financial professional” became an industry norm – and in turn led the industry-wide paradigm shift to the hybrid model supporting freedom of choice and open architecture fee and commission platforms. Intent on innovation and problem solving, Schwartz also focused on solving one of the greatest challenges facing independent financial professionals and the industry – business continuity and succession planning. At all times, and across four decades, Eric has focused relentlessly on the client experience for independent financial professionals and their investing clients.

Today, Eric is the Executive Chairman of the Board of Directors and serves on the firm’s Executive Council. Years ago, he realized that to motivate urgency for financial professionals to formalize business continuity and succession plans, Cambridge had to lead by example and embrace succession planning as a firm with the same enthusiasm. He spent several decades establishing a flexible business model, a committed senior leadership team that includes our CEO Amy Webber, a legal structure, and a formal succession plan, all in order to stay focused on serving the independent financial professional and remaining true to Cambridge’s core values of integrity, commitment, flexibility, and kindness. While it may be appealing for founders of some companies to cash out as they get older, this is not part of Cambridge’s succession plan or of interest to Eric, Amy, or the senior leadership team. Over the last 20 years, they have been focused on maintaining internal control at Cambridge.

Our own industry icon and inspirational leader, Eric is known throughout the industry for his insight and dedication to the independent advice industry. Eric has also been honored in the inaugural group of the 30 most influential people in the business over 30 years by *Investment Advisor* magazine in 2010 and recognized again in 2015 as one of the 35 most influential people in the business over the past 35 years. A founding member of the Financial Services Institute (FSI), Eric also served as past Chair of the FSI.

About Cambridge

Cambridge Investment Group, Inc. is a financial solutions firm focused on serving fee only and fee focused independent financial professionals and their investing clients while preserving its internal control. Cambridge offers a broad range of choice for independent financial professionals regarding solutions for advice, growth, technology, and independence. Every journey is important, and driven by feedback from financial professionals and the needs of their businesses, Cambridge is continually expanding digital solutions to allow financial professionals to do more on a digitized basis to increase productivity for their business. Cambridge's national reach includes a large corporate RIA and independent broker-dealer that is among the largest internally controlled independent broker-dealers in the country. Cambridge continues to be a multi-year honoree as a Top Workplace² and Broker Dealer³ of the Year.

At Cambridge, we are stronger together. We are united in our shared purpose to make a difference and our core values of integrity, commitment, flexibility, and kindness. We thank all of you choosing to partner with Cambridge. We know you have a choice, and we are honored to be partnering with you.

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⁴'40 Tips from 40 Years of Serving Independent Financial Professionals' is a compilation of views held by our firm's founder and senior leadership team. We did not originate all of these tips, but we believe in them and share them with you in our voice.

¹Cambridge and its predecessor broker-dealer

²*The Des Moines Register*, 2020 – 2011, recognition is determined by associate feedback through an anonymous survey conducted by Energage, an independent research company.

³*Investment Advisor* magazine, 2020-2012, 2010, 2008, 2007, Division IV; 2003, Division III.

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