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## NEW MONEY

## One certification, two new revenue streams

By Andrew S. Lang

I'm never surprised when I find organizations that are doing multiple things right at the same time. If they have their eyes and ears open and practice smart business techniques, it seems they can implement positive gains in a variety of endeavors.

The Certified Financial Planner Board of Standards (the Board) is just such an association. When I first spoke with Kevin Keller, CAE, its CEO, I thought we would simply be discussing the clever way in which it funded a new public-awareness campaign. However, as we discussed that over lunch, another impressive revenue stream showed up. So consider this column a "two-fer."

### Raising Awareness

First let's talk about the public-awareness campaign. It turns out that Certified Financial Planner (CFP) certificants consider themselves an underappreciated profession. They work hard to attain their credential, yet feel they don't have the cachet of other professionals such as lawyers and accountants.

Kevin picked up on this issue after he came on board in 2007. It seemed whenever he met with certificants he would hear something such as the following: "I am proud that I earned the certification. I just wish that prospective clients had a higher level of appreciation for the rigor and the value of the CFP certification."

Based on his recommendations, the Board approved a consumer-advocate

Certified Financial Planner Board of Standards projected operating revenue (in millions)

2010 (actual): \$16.5

2011: \$19.5

2012: \$24.8

2013: \$28.4

2014: \$30.3

initiative in 2009 and augmented the program in 2010. However, Kevin realized that if the organization really wanted to make an impact, it would have to pay the high price of increasing awareness in the U.S. marketplace. So he gained approval to determine just how broad certificant support was, and to what extent they might be willing to fund such an expensive endeavor.

The research findings were most impressive: 94 percent of certificants surveyed thought such a campaign was needed; 83 percent supported the campaign even if it meant a fee increase; and 72 percent would willingly pay an additional \$12 a month to fund it. Based on the clarity of the results the leadership decided to move forward promptly.

They made a couple of key decisions. First, the entire increase would be treated as a board-designated fund to be used specifically for the campaign. Secondly, because the organization wanted to phase in the increase, it would fund the early expenses out of reserves, which allowed the campaign to get up and running quickly.

The revenue raised annually once the increase in recertification fees is fully phased in will nearly double the Board's old

budget of \$15 million. They expect to spend every last dime, but it's a great way to fund the most significant perceived need certificants say they have.

Which leads us to that the second revenue stream, which is a solid source of new money for the Board's bottom line. In previous columns I've described organizations that found they could sell something they were giving away. Kevin has been able to do something very close to just that.

### Boosting Quality

After he had been in the job a little while, Kevin realized he had inherited a thorny problem. It turns out that the Board had been accepting continuing-education courses from many sources at a one-time fee of \$50 per course. For that set amount, the Board listed the course as available to those maintaining their CFP certification. There was no review of the listed offerings. As you might imagine, complaints about quality arose.

It was clear that the educational offerings needed to be reviewed, and equally clear that it would be a costly process. Meanwhile, the organizations providing the courses were making good money on their sales.

Kevin's solution was to add annual registration fees of \$100 for each nonprofit provider and \$200 for each for-profit provider. Next he added a review charge for each continuing-education hour of materials to be reviewed of \$10 for nonprofits and \$25 for for-profit organizations.

Not only has the new process gone a long way toward solving the quality issue, but it delivered \$300,000 to the bottom line with no increase in staff and is estimated to deliver \$500,000 per year in the future. Clearly the lesson here is: Monetize your assets—whatever they are.

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