

SRI focus can build your business

Doug Watt / June 23, 2011

Transitioning your practice to SRI can be a painless process, according to one advisor who made the move successfully. Gail Taylor of Gail Taylor and Associates at CIBC Wood Gundy in Edmonton has a \$100 million SRI book and more than 100 clients.

Speaking at the Canadian Responsible Investment Conference in Victoria this week, Taylor says she built her practice the traditional way and had worked her way up to \$80 million by the early 1990s. But she was unhappy and went to a business coach for help.

The business coach told Taylor that she had to find a way to build passion into her business. Taylor decided to adopt an SRI focus, but was worried about what her clients would think. "My clients didn't hire me to be a do-gooder," she said. "I expected a 20% haircut."

Instead, the opposite happened. Taylor got no push-back whatsoever. "Clients told me that it was great and asked why I didn't make the move sooner. It's easy to transition to SRI and it's important work."

Taylor says advisors who make the switch offer a unique value proposition. "The number of advisors doing SRI is still relatively small," she says. Taylor describes herself as an "anomaly" in the CIBC office, since she's the only one offering SRI. "Our industry is at the early adopter stage. It's at the cusp of moving exponentially."

At a panel discussion following Taylor's presentation, other advisors agreed that offering SRI is a great way to differentiate one's practice. "I can't think of a better niche than what we're doing," said Frank Arnold of the Pinch Group in Victoria. "I enjoy working with people who share my values." "It's an area that is growing," added Steven Whipp of Manulife Securities in Victoria.

"It's really about getting the word out. The general public still has no idea that they can invest this way. Most advisors believe that you can't be successful doing SRI."

After the panel discussion, Nancy McHarg of Hoggan and Associates presented results from a recent survey of Canadians' attitude towards sustainability.

More than half of those surveyed were familiar with sustainability and 79% identified it as a top priority. However, there's widespread cynicism about business and sustainability with 83% believing that businesses are only paying lip service to the concept. "People are looking for SRI, but we have to find new ways to talk about it," McHarg said.

Preaching to the choir

Earlier in the conference, delegates heard from branding expert Marc Stoiber, who also pushed for new methods of promotion for the green movement, including SRI. "I believe green marketing has missed the mark," Stoiber said. "It's time to move on."

Mainstream consumers have not been willing to vote with their dollars, Stoiber pointed out. "We're preaching to the choir." The problem is that green is perceived as both expensive and suspicious, he says. A survey suggests that even Fortune 500 companies can't do green marketing correctly.

As for SRI, "it's wide but it's not deep," Stoiber stated, noting that what started as a retail movement has become more institutional. And the belief is that large investors, such as pension funds, are investing relatively small amounts of money into SRI so they can check off a box.

Make green normal, Stoiber suggests and "lose the crunchy granola. The mainstream wants to blend in." Make green better and make it less confusing, he adds. The terminology doesn't matter, Stoiber says, pointing to the often-confusing array of names attached to SRI, including ethical and sustainable investing. "Don't tell me you're green, call it innovation. And don't talk about green, talk about performance."

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