

# Growth Tools

## Top five traits for networkers

Even though most of us know we should be giving referrals and helping others, it is often hard to remember since we are worried about making our own quotas when it comes to closing sales. But



### SELLUTIONS

Greta Schulz

being more aggressive in trying to make the sale is not the answer. It is important to have a plan of activities for yourself to proactively go after new business, but these five traits

are what will keep them coming and must be a part of your overall activity plan.

- Follows up on all referrals. Don't just receive a referral with a thank you, but really follow up on it.
- A positive attitude. Being positive can help you look past things like a soft economy or a new competitor. The glasses you look through are up to you.
- A good listener. People bond with people who show a genuine interest in them.
- Trustworthy. Interestingly enough, people trust you when you show a genuine interest in them. Make sure you can go to bed at night knowing that you did the right thing. When you can say that, others will feel that as well. Trust comes from this concept.

• Good connections. Recognize and align yourself with others who you can give referrals to and understand the exchange of referrals and how it works. In other words, people who are good strategic alliances for you.

Do you have these traits?

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## ENTREPRENEUR

# Rules of succession

Contravisory Investment Management



A well-thought-out succession plan helped ease the transition when brothers William and Philip Noonan took over Contravisory Investment Management, which their father launched in 1972.

W. MARC BERISAU | BUSINESS JOURNAL

## Next generation brings fresh perspective to family-owned asset management firm

BY SEAN MCFADDEN  
JOURNAL STAFF

**E**xecuting a succession plan can be a tricky undertaking for a family-owned business. Particularly for one that has had a single person in the CEO role for 30 years.

That's the situation brothers **William** and **Philip Noonan** faced in 2006 when they assumed leadership of **Contravisory Investment Management Inc.**, a Hingham-based investment advisory firm that had been started by their father, G. Edward Noonan. Careful planning and strategic thinking, however, yielded big dividends for the Noonans, by way of a fairly smooth transition.

"We discussed the transition many times over the course of many years, so that by the time we actually organized a formal plan, it was very simple," said Bill Noonan, 41, who serves as president and CEO.

The elder Noonan launched the firm, previously known as Contravisory Research & Management, in 1972. Sons Bill and Phil joined the enterprise in 1995 and 1999, respectively. But, their father had directed the siblings to first cut their teeth elsewhere.

### Growth chart

**Name:** Contravisory Investment Management

**Business:** Investment management services

**Locations:** Hingham

**Revenue:** \$4.2 million

**Principals:** William Noonan and Philip Noonan

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## LESSONS LEARNED

What is the most valuable mistake you made in getting your business started?



**Cindy Rice-Andrea**  
Green Apple Tales

With my brownie company, I took a chance on a reputable national promotion promising product sales in the tens of thousands. The project did not deliver, and it took six months to recoup my investment. I am still a risk-taker but somewhat more cautious with this new business.



**Sally Wilson**  
Wilson Kelsey Design

I once made the mistake of not being flexible enough to keep a customer satisfied. I've learned to give more and anticipate the need for that as part of our overall business model. We now factor in the cost of making accommodations for clients as part of our marketing budget.



**Bob Bowen**  
Indoor Environmental

We treat mold and moisture problems, and the four months that I spent researching products meant that we missed the "rainy season," which might have been an ideal time to launch the business. The delay was worth it, though, as we found a product that is natural, safe and reduces cost.

★ **Next week's Lesson Learned:** What is the most useful business book you've read? Send your answer in 25-30 words to cmahoney@bizjournals.com. Be sure to include a high-resolution headshot.

# CONTRAVISORY: Careful planning

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"He did not want to give the impression that just because we were a Noonan, we could work at Contravisory," said Phil, 43, who is chief operating officer. "He felt it was important that we learned the business elsewhere. And, there had to be a fit here."

The siblings logged time with other financial service firms, including **Fidelity Investments**, before joining the family business.

The succession plan was set into motion with Ed "gifting" 50 percent of the company to his sons in increments from 2000 through 2005. The remaining 50 percent would be purchased by Bill and Phil in 2006.

**Ted Clark**, director of the **Northeastern University Center for Family Business** in Boston, said that "crystal-clear communication" between both generations of owners and their employees is a key to achieving a successful leadership transition for family businesses.

As well-prepared as they were, the Noonan brothers admit they faced some initial anxiety about the transition.

"There were a few individuals who questioned our capability and longevity with the firm, particularly those who had worked with my father for many years prior to Bill and me joining the firm," said Phil. "If there was a lesson learned from the succession plan, it is to 'expect the unexpected.'"

Ed Noonan, who continued working part time after the leadership transition, died in 2008 at the age of 69. By that time, his sons had already begun to put their own stamp on Contravisory.

They had completed the transition of the firm's business model from one that had been primarily focused on equity-focused market research, which it sold to asset management companies, to a company that provided its own portfolio management services for wealthy individuals and families — minimum account size of \$1 million — and institutional clients. This process was well under way when the Boston Business Journal last profiled the firm in 2005.

An asset management business, the Noonans had previously decided, would be more scalable than a research distribution-focused one. And they were confident the firm could leverage Ed Noonan's research methodology, which is focused on the concept of "long-term relative strength" — tracking how stocks are performing in comparison to the S&P 500 over an 18- to 24-month price cycle.

The firm was re-branded in late 2006 to reflect the change in model.

Early on, the brothers also completely replaced the firm's advisory board members with individuals they felt would take a more proactive role in helping them to evaluate all aspects of the business. The Noonans also updated the firm's technology systems and modernized their client communications through such techniques as e-

mailing and, more recently, blogging.

The firm has also kept on top of "hot" topics in the industry, such as socially responsible investing, for which they introduced a product known as the Contravisory Ethical Portfolio in 2002.

Over the last several years, Contravisory has hired three veterans of **State Street Corp.** to manage certain areas of the business, such as human resources and operations management. And, last year, the firm brought on its first dedicated business development person — **Eileen Hayes**, who is playing a key role

in business-to-business networking and community outreach.

These efforts have increased the firm's operational effectiveness, said the Noonans.

However, as with others in the industry, the eight-employee firm has been challenged by the recession: Contravisory's revenue dropped to \$4.2 million in 2009 from approximately \$5.4 million in 2008. The Noonans are hoping the firm will bring in about \$5 million this year. Currently, they have just under \$600 million in assets under management, as compared with about \$800 million two years ago.

The Noonans said they've taken an "offensive" strategy in what is very

much a client-centric business.

"When you're going through a nasty bear market, you have to be even more proactive about communicating to your existing clients and calming their fears," said Phil.

Longtime client **Mike Daley**, president and CEO of **Daley and Associates LLC** in Boston, described the firm's transition in leadership as "a passing of the torch to two highly qualified investment professionals. ... (Bill and Phil) have enhanced the firm's already great customer service. They've earned my business."

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## SUSTAINABLE BOSTON 2010 GREEN BUSINESS NOMINEES

Join the BBJ for the 3rd annual Green Business Summit. We will look into unique ways companies make changes with everything from green construction, to reducing carbon footprints, to sustainability. The Summit will feature a keynote by: **Dr. Robert Metcalfe**, General Partner Polaris Venture Partners. As well as a panel discussion and awards for effective leaders in Innovation & Invention.



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