

BY ELLEN UZELAC

## PROFILES *in Success*

# Putting on the Ritz

*Tim Murphy brings hospitality to the broker-dealer world.*

FOR YEARS, TED CHARLES WAS the face — and outward personality — of Investors Capital Holdings. No longer.

In August, longtime heir apparent Tim Murphy, 44, was elected by Investors Capital's board to succeed Charles as president and CEO of a company that both men have put their stamp on.

While Charles, who will remain as board chairman, has been more visible, Murphy has run the firm's independent broker-dealer, **Investors Capital Corp.**,

for years and has been hugely instrumental in rebranding it as **the Ritz-Carlton of broker-dealers**.

As Charles puts it: "Tim's like the Nike guy. He just does it."

Murphy's move to the top spot — in the midst of a domestic economic crisis, the global markets meltdown and the presidential election — could not have come at a more challenging time.

"Let's be candid. This is a very difficult time to assume the reins," says Murphy, who joined Investors Capital



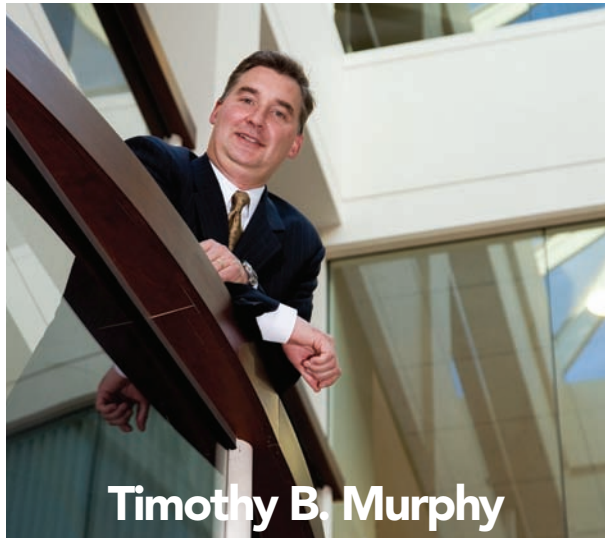
Corp. as president in the mid-1990s shortly after Charles founded the company. “But I believe as we emerge from this, the independent broker-dealer channel will come out of it in a better position than we’ve ever been in.”

Murphy says the independent channel has long struggled for credibility — or “our place at the grown-up table,” as he frames it. “None of us, from the largest firm, LPL, down to our level, had any hand in the mess we are in right now. The only product we distribute is advice,” he adds. “We as a firm have taken steps to thrive, not just survive.”

Going forward, he notes: “I believe we’re carving out the identity of the independent firms, in the capitals of the world, as the first choice for consumer advice — the preferred choice.”

In the early months of the transition, Murphy worked to assure the firm’s 700-plus advisors that there would be no significant change in operations. While he will continue to expand his role, Murphy says: “It won’t necessarily be a unique thumbprint I will apply. Ted and I have worked so closely for so long that a lot of our core values, our vision, our ethics and our management style are similar. Over the years, I’ve come to his side, he’s come to mine. We have complementary skills and styles.”

Murphy, a graduate of Babson College, entered the securities industry in 1991 as an operations manager, assisting brokers in the Boston regional office of Clayton Securities. He also served as compliance officer for BayBanks Brokerage in Burlington, Mass., and as a vice president at G.R. Stuart & Co., a brokerage firm in Maynard, Mass. Since co-founding Investors Capital Holding with Charles in 1995, Murphy has held a number of executive



### Timothy B. Murphy

**PRESIDENT AND CEO,  
INVESTORS CAPITAL  
HOLDINGS AND INVESTORS  
CAPITAL CORP.,  
LYNNFIELD, MASS.**

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leadership posts.

As chairman focusing now on more strategic areas, the 65-year-old Charles says Murphy, expert in technology, is especially capable of ushering Investors Capital into a new information age.

“The world is changing. We’re not in the industrial age anymore. The delivery of securities will be done in a far different fashion than it is done today. He’s visionary and he’s one of the best people I’ve ever seen in the technology area,” observes Charles. “We built this together, we share the same values. I don’t have to worry. It’s time for others to put their own imprint on things.”

For the past three years, Investors Capital Corp. has allied itself with the Ritz-Carlton Leadership Center in a campaign to instill a concierge-level culture at both the home office in Lynnfield, Mass., and among the

firm’s advisors.

Perhaps not surprisingly, Murphy has a background in the hospitality industry — waiting tables, bartending and managing restaurants during college and after. “It’s multitasking, interacting with people, managing crises, plus it’s pleasing the customer and it’s immediate,” he says. “It prepares you for any service business.”

Initially, Murphy concedes, the Ritz-Carlton training was met with skepticism — then

adoption, then pride and now, he says, “it’s embedded.” The training has had an intended consequence. As Murphy notes, “The commoditization of what we do can be erased with how we do it.”

Advisors, he says, are elevating their “touches” with clients and working more effectively with the home office as well. “Most sales people know intuitively they need to return calls, but as you go through the training process you understand why and how little things can make a difference,” he says. “It realigns your goal as to who your customer is: an individual who has a choice. Our goal is to keep them by becoming indispensable. Nobody should have to spend \$700 for a bed, but they do it because it’s the Ritz-Carlton.”

It’s a brand that Murphy believes sets Investors Capital apart.

“Everyone has a good clearing relationship. We all have relationships with the same product providers. We all have high payouts. It’s the intangibles — the service, the recognition, the people you work with — that set you apart,” he adds. “Everybody here looks for ways to improve not just themselves but the processes of the firm. We don’t want to become static or stagnant. We don’t create a product in this business; it’s an intangible we sell.” **B**