



TECHNOLOGY

CONCIERGE

YOU MAY BE A GENIUS AT
ASSET MANAGEMENT, BUT
ARE YOU ON TOP OF YOUR
BACK OFFICE GAME? IN A
SPECIAL REPORT, WE LOOK
AT FOUR ESSENTIAL
ASPECTS OF MANAGING
YOUR PRACTICE.

PARTNERSHIP

BY JOSEPH
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COVER ALL YOUR BASES

STAFF

THE WEALTH MANAGEMENT RULES

are always changing. But at the end of the day, it's actually more about being in the client-satisfaction industry than the money-management business. Since each client brings a unique set of requirements to the relationship, how does today's advisor keep everyone happy while growing his business in a steadily evolving universe?

We've identified four practice-management areas that have substantially progressed. Mastering them can help turbo-charge your practice: Concierge Services, Professional Partnerships, Acquiring and Retaining Assistants, and Utilizing Technology.

Like our industry itself, none of these are what they were just a few years ago and each holds the promise of a more efficient practice that can benefit both client and advisor.

1 THE NEW CONCIERGE

It used to be that providing concierge services meant scoring tickets to the opera or a championship tennis match. While there will always be some clients who will annually call for tickets to Opening Day, many advisors now help provide a more serious lineup of services.

"The ball is always in play," says Los Angeles-based advisor Jeff Fishman of JSF Financial. To meet client requests, his Rolodex contains names of everything from the mundane to the mysterious, from nursing homes to dealers of Italian sports cars and from plastic surgeons to veterinarians who specialize in the care of exotic animals. "We do it as a client service. With an exotic animal, clients want to know their pet is in the best of hands. When they know they can turn to you, it often leads to better relationships," says Fishman who once woke a criminal lawyer on a Sunday morning to assist a client in trouble. Similarly, helping to quickly get a client's elderly aunt into a good nursing home or assisted living facility can pay huge dividends later in the relationship.

Another highly valued service: mortgage assistance. "It can be very rewarding when you can show a client how to make that vacation home more affordable or lower their overall monthly payments," says John Sauro, of North Atlantic Mortgage in Stamford, Conn. "Each case is unique, so having access to numerous mortgage products and in-depth analysis helps the client. We regularly work with financial advisors to find the best loan available."

"A lot of high-net-worth individuals are looking for safety," says Robert Enright of the Burton/Enright Group in San Francisco. "Not safety of principal, but personal safety. They

want to be sure their families and businesses are secure."

Enright has advised those in "sensitive industries" or "highly visible or controversial positions" on personal safety issues which can include recommendations for kidnap/ransom (K&R) insurance, professional security agents/body guards, private investigators and drivers trained in defensive/evasive techniques. Running background checks, including immigration records on prospective domestic help, is also advisable.

"Some of the risk-factor clients who would warrant this type of coverage are high-profile philanthropists, entertainers, sports figures, politicians, corporate executives or anyone with a history of prior threats," says Greg Bangs, vice president and K&R Product Manager at Chubb Specialty Insurance. When traveling abroad, risks can be more intense, particularly since kidnapping has become well-organized and in some countries is often carried out with little fear of local law enforcement. Worldwide, some 10,000 persons are kidnapped annually according to data supplied by Chubb.

"In many parts of the world, any American is a potential target due to a perception that all Americans are wealthy," says Bangs. More in-depth policies give clients access to specialists trained in such techniques as hostage and extortion negotiation, risk forecasting and other travel security measures.

"Obviously it's best to avoid any potentially dangerous situation," notes Enright. "But for those traveling to risky locations or who have reason to worry, it's best to take precautions and hire professionals."

2 PAIRING WITH PROFESSIONALS

Financial advisors frequently try to pair with Certified Public Accountants and other professionals such as estate planning attorneys to better develop the referral end of their businesses. While financial advisors often have invaluable knowledge in such subjects as retirement planning, insurance and wealth preservation, establishing the relationship can be more elusive than demonstrating one's expertise.

Identifying client needs can be the first step in generating a professional-referral relationship. Peter Mooney, of Source Financial in Cleveland, urges advisors to be ready to add value to the relationship before it starts. "Don't expect something for nothing," says Mooney. "It's your knowledge that's going to make you valuable and that leads to refer-

als." Mooney has found that knowing what can be done within the tax code can often be a great door-opener.

"Nearly every small business person has tax concerns," says Mooney, a former accountant. "I can get them to an accountant that's experienced in their area. We can then work together on the client's behalf, say by put-

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ting together a retirement plan.”

Shaun Golden, an advisor with AG Edwards in Water Mill, N.Y., regularly confers with a growing group of estate planning attorneys and trust specialists. “There are lots of areas in which advisors can contribute,” notes Golden. “Insurance has evolved and has many more uses, but lots of professionals—including estate and trust experts—are not al-

ways aware of them. When I see such potential issues on the horizon with my clients, I’ll ask for their permission to speak with their attorney and help get the planning started. Clients are usually grateful to see someone take the initiative.”

Peter Burton, of the Burton/Enright Group makes a similar case. “At one of the first meetings with a new client we’ll ask who their accountant is and let the client know we want to meet with them. For an individual to meet their long-term goals it’s best to have all the professionals working like a team.”

Meeting with other professionals, however, comes with certain caveats.

“It’s important to maintain the leadership position in these types of relationships,” notes Mooney. “Make sure you’re the one who stays in the center, who quarterbacks. It’s easy to drop the ball in these kinds of arrangements but someone has to make sure the team is always moving towards the goal line, which in these cases is client satisfaction and additional referrals.”

Both Burton and Golden acknowledged that their initiative has paid off in other ways. “Often when accountants see what we can do for one client, they’ll refer us to someone else,” says Burton. “An introduction from a client’s accountant is a very strong referral, but it can only be received after demonstrating your expertise and concern. You have to make the investment in time and energy on behalf of your client.”

Being thoroughly prepared is critical to making sure any such meetings succeed. “For meetings like this there are no second chances. You’ve got to be completely ready,” cautions Golden. “It’s your knowledge and reputation that’s going under the microscope. Any missteps will get back to the client and result in a lack of confidence in you.”

The knowledge you provide, however, does not have to be of a technical nature. Mooney frequently offers to review life insurance policies. Knowing that underwriters at various providers will rate individuals differently without compromising coverage, he’ll put that knowledge to work on the client’s behalf. The result is usually a better policy for the client. “This is a case of adding value to the professional relationship,” says Mooney. “The light then goes on, and they think, ‘maybe my other clients will appreciate this.’ The ball then starts to roll.”

3 ASSISTANT POWER

Very little can free a busy advisor better than a reliable assistant, but finding a dependable, trustworthy second mate can be frustrating.

“There’s no substitute for reliable support staff,” says Raymond Jacques of New England Schooner in Peabody,



Mass. Jacques, who has had the same two assistants for more than 10 years, recommends getting to know a person as thoroughly as possible before bringing them on board.

"I prefer to ask people, including clients, if they know of anyone who can help us—who may have the skills we need," says Jacques. "I then take a hard look at their qualifications and check references. You'll be spending a lot of time together and depending on each other so it pays to do your homework."

Cathy Weiss, an executive recruiter in New York City with an emphasis on the financial services industry, says there are a lot of signs that indicate whether a person is

right for the position.

"Did they show up on time for the interview? That makes an important impression. Why did they leave their last job or jobs? Are they interested in taking on more responsibility? Or have they signaled that they are fearful or apprehensive?"

Weiss advises would-be employers to examine applicants' career paths and look for signs of increasing responsibility and salary. These are generally concrete signs of a positive employee.

"A person with a diverse background can be an asset. If

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they're comfortable working with entrepreneurial types as well as bureaucratic ones, there may be a fit, he says."

Weiss also cautions employers to pay special attention to the reasons why someone left a job. "Anyone at a position for under two years hasn't been there long enough to have made a meaningful impact, but sometimes circumstances were beyond the applicant's control. The company may have been sold or they were forced to resign because their spouse was transferred. These are usually legitimate reasons to leave a job."

Other traits and abilities to target: Do they have good computer and telephone skills? Are they willing to learn new things? Are they bright and personable? Do they have a sense of humor?

"It's easy to discount the importance of the person answering the phone," says Fishman, who holds an annual formal review to analyze employee strengths and weaknesses. "But in many cases, how that's handled makes an impression on the person calling your office. A careless phone attitude can be interpreted to mean that they'll be careless with your account. Whether it's a current client or new prospect, you want to make them feel that they're valued by your office."

It can also pay to give a good assistant what they need—not only in terms of salary, benefits and time, but also to encourage professional education and advancement. Permitting "job sharing," where two assistants split the work week or rotate their time in the office, may be necessary in order to retain good help.

"I'll go through a wall for my clients," says Jacques. "I like to think my team will do the same."



4 GOING HI-TECH

Technology is worth an entire article by itself—or an entire series. But the one thing you should know about technology is that it is always offering you new ways to run your practice.

Technology's most important trick is that it can level the playing field between small and large firms. Products are regularly introduced that can help run more efficient offices—from voice mail to Web-based platforms that can be accessed any time and place to electronic signature acceptance. Similarly, high-net-worth clients have come to expect the independent, fee-based advice that many pro-

grams enable advisors to offer. The power to run bigger, faster and stronger is, in many cases, sitting right in our laptops. How we utilize it makes all the difference.

Numerous broker/dealers have rolled out technology to track investment performance, account history and cost-basis information on demand. Others perform fund bookkeeping and administrative functions. Most require expensive licensing fees but often provide training, support and automatic upgrades and can integrate seamlessly with the custodian.

Software is also helping advisors to define objectives, execute strategy and review performance on an ongoing basis. Advisors can personalize their analysis and presentation to exactly match the planning approach they have developed on a per-client basis. Each of these abilities has enabled advisors to draw clients a more personalized and easy to understand picture—providing the specialized attention many appreciate.

"New clients usually come in on a first visit holding a folder bulging with various statements from different companies," says Golden. "One of the nicest things we can do is consolidate everything onto one, easy to read statement enabling them to see their entire portfolio on one or two sheets of paper. Suddenly, they have a greater appreciation for what we do and the service we can provide."

Being able to illustrate seemingly complex holdings in a simple manner can help advisors better communicate with clients and build stronger relationships. Clients also benefit by having the choice to "go paperless." To spend less time filing and enjoy more accurate account information by logging onto the advisor's Website and entering password information. Convincing clients that information is secure and confidential should get easier as more clients become comfortable with technology.

"Every minute that we don't have to attend to petty bureaucracy is time that can be put into the important work: Research and analysis and client consultations," says James Berman, an advisor at JB Global LLC, in New York. "We find the best product recommendations come from other advisors. We rarely respond to ads or sales calls and find much better results after learning what works for other professionals."

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