


Financial Planning


Targeted Success

By
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Focusing on a specific type of client - whether airline pilots, baseball players or competitive bass fisherman - is one way to give your planning practice an edge. Among high-performing firms with a target client profile, just 3% pursue opportunities outside of that niche (versus 11% for all other firms surveyed), according to the 2012 Fidelity RIA Benchmarking Study.

The reasons are manifold: Word of mouth serves many specialized planners so well they don't need to market themselves as much, if at all. And developing an expertise in a complicated niche produces greater ROI when there are more clients who need it.

The following eight planners have built strong businesses around highly specialized client demographics.

BASS FISHERMEN

Jared Reynolds Wilkerson & Reynolds Columbia, Mo.

Jared Reynolds found his niche in his backyard. His father was a competitive bass fisherman, operating out of a resort the family owns and operates on Truman Lake. However, it was only after Reynolds became a financial planner that he thought to look for clients in his father's line of work.

"I said, 'Dad, is anybody doing what I do focusing on this industry?'" Reynolds recalls. "He said, 'No, not that I know of.'"

Like many other planners with niches, Reynolds says, it took him about two to three years to establish a foothold before clients began knocking on his door. Word of mouth propels much of his business growth, and he counts champions among his clients (and friends).

The sector is appealing: The size of purses in bass fishing contests has grown to as much as \$1 million, compared with about \$10,000 when Reynolds' father was competing, he says. About 90% of the clients in Reynolds' \$110 million AUM firm are competitive bass fisherman and, increasingly, other outdoor sportsmen - including some fishing champions.

In 2004, the year Japanese angler Takahiro Omori won the Bassmaster Classic, Reynolds remembers thinking it would be "cool" to have him as a client. "And now I do," he says.

BASEBALL PLAYERS

Pete Bush

Horizon Wealth Management Baton Rouge, La.

Baseball players have their own lingo - "not all of it clean," laughs planner Pete Bush. It helps to speak it if you are going to work with them, he says.

That's something Bush and his partner, former major league infielder Jeff Reboulet, come by naturally. The two played college baseball together at Louisiana State University in the 1980s. After college, Reboulet went on to play for five teams: the Dodgers, Royals, Twins, Orioles and Pirates. After retiring, he became a client of Bush's firm; nine years ago, he joined as a partner.

The firm now has \$230 million in AUM, with baseball players making up almost a third of the business; Bush and Reboulet, along with a third partner, plan to add new advisors to serve more current and former players.

Being a specialist is key, Bush says: "We understand [the players'] benefits. ... Major League Baseball has a very robust pension and benefits program, which few of the guys take the time to understand because a lot of them are really young."

NATIVE AMERICAN TRIBES

Julie Logsden

Gerber Kawasaki Santa Monica, Calif.

In the early years of Julie Logsden's career, being a member of the Siletz Tribe in Oregon wasn't much help.

Members of the Native American tribe "wanted me to have a lot more experience before they would work with me," says Logsden, a planner with Gerber Kawasaki in Santa Monica, Calif. "It took me eight years to get in with my own tribe. It's definitely a specialty."

She now manages \$18 million of her tribe's funds - accounting for about 70% of the AUM in her practice - and is bidding to manage more. She also has bids out with several other neighboring tribes.

Logsden says she anticipates that money from Native Americans will ultimately make up an even greater percentage of her AUM, fueling most of its future growth. To that end, she often spends time on her tribe's reservation and at the casino it has operated since 1995 in Lincoln City, Ore.

"You really have to invest the time," she says.

AIRLINE PILOTS

Jeff Baumert

Advisor Financial Services Woodstock, Ga.

Airline pilots are more than a client niche for planner Jeff Baumert and the partners in his firm, Gary Youngdale and Gary Krasnov - they're colleagues. Several times a month, each continues to work as a pilot for the same major U.S. airline. (Their employer won't let them say which one.)

Working simultaneously as pilots and planners gives them a unique perspective and edge with clients in their industry. "We don't just know their world," Baumert says, "we are there, living it with them."

The trio's firm, Advisor Financial Services in Woodstock, Ga., has \$368million in AUM, mostly from pilots, airline executives, flight attendants and a few mechanics and ramp workers. The firm's recently redesigned logo features a graphic pattern that is easily recognizable to many in this group: It's a pilot's view out of the cockpit.

Like many in their industry, Baumert and his two partners served in the military before joining an airline. "We can speak to military pensions and then to that transition to the airline industry," he says. They also understand the disruptive changes that continue to roil the airlines, from vanishing pensions to layoffs: "We can speak to the termination of pension plans and we've been through furloughs like our clients."

The three can run a planning firm because of their seniority as pilots; each only flies a couple of days a month. With such a light flying schedule, Baumert says, "The question becomes, 'Why stop?'"

REFINERY WORKERS

Landon Yoshida

IK Wealth Management Group Irvine, Calif.

About six years into his career as a planner, Landon Yoshida received a fortuitous client referral: a longtime worker at the ExxonMobil oil refinery in Torrance, Calif.

A family friend "said, 'He's retiring. Can you take care of him?'" recalls Yoshida, now a wealth manager with IK Wealth Management Group in Irvine, Calif. "That's when this all started. One became two became four became eight became 32."

And so on. Now, some eight years later, blue-collar workers from that same facility account for more than 90% of his \$45 million in AUM.

"There's no advertising. There's no cold calling" - and his practice has been growing at 30% annually, Yoshida says.

Over the years, he's developed his own strategies for helping his clients, who invariably own highly concentrated positions in Exxon stock. Among other strategies, he helps them to diversify their investments, while retaining their lowest-cost-basis shares. "When they retire and they sell [that low-cost-basis stock], they are only taxed at 15%, which is the long-term cap gain rate," Yoshida says. "So it's a huge tax benefit."

SPECIAL-NEEDS FAMILIES

Wendy Wan Turk

Gerber Kawasaki Santa Monica, Calif.

Prior to becoming a planner, Wendy Wan Turk spent three years working for an educational services company focused on families whose children had special needs. It was a natural transition, she says, to serve this client demographic when she became an advisor.

Wan Turk, who works for Gerber Kawasaki in Southern California, has 125 clients in a \$5 million practice; about a third have children with issues ranging from barely discernible learning disabilities to severe cognitive disorders.

During her years in her previous career, she says, "in working with these families, it became very apparent to me how much more [financial] planning is necessary when you have [children with] any sort of special need."

Lately, in an average week, Wan Turk says she brings in about three new clients, mostly through referrals. Now she says she is expanding her special-needs focus to include families who must provide elder care.

LGBT CLIENTS

Jason Purinton

Rains, Purinton & Babcock Overland Park, Kan.

The call was not a pleasant one. Back when Jason Purinton was still with Merrill Lynch, one of his clients chewed him out over the phone in late 2008, at the height of the market meltdown. After hanging up, Purinton walked over to the office of Kent Rains - now one of his partners in their independent firm, Rains Purinton & Babcock in Overland Park, Kan.

"Oh man, I just had the worst phone call," Purinton told Rains. "I just had the best call," Rains responded.

A client, one member of a lesbian couple, had just called to see how Rains and his firm were weathering the volatility. "Can you imagine if we were serving 100 clients just like these?" Rains asked Purinton.

Purinton says he decided that's precisely what he wanted to do. Five years later, a quarter of the \$165 million practice's clients are part of the LGBT community.

It wasn't an easy demographic to court, especially because none of the firm's planners are in the LGBT community. They knew they needed to ask some questions, so they gathered together all of their LGBT clients and asked precisely how they could evolve their business to serve the needs of prospective clients.

Back in the 1990s, Christopher Bleuher met the sports agent for a client's son - a young man who'd started playing for the New York Jets. That meeting quickly turned into a big victory for Bleuher - the agent soon began sending other NFL players to him for advice.

Still, it took the planner a few more years to decide how best to serve the niche. "It's easy to tell these guys what they want to hear and get caught up in ego," says Bleuher, a principal at Domus Capital Group in San Luis Obispo, Calif.

The trouble, he says, is that not many want to hear that they need to save a lot of their money - to support themselves not only during the off-season, but after their brief careers have ended.

Professional athletes currently account for a relatively small slice of his \$300 million in AUM (with 30 total clients) - but Bleuher, who is now registered as a financial advisor with the NFL Players Association, says he's about to try to build up the number of athletes his firm serves.

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Recently he brought on one of his clients to help. Rich Seubert played for the New York Giants for 10 years, wears a Super Bowl XLII ring and moved to San Luis Obispo after retiring as an offensive guard.

"What's most impressive," Bleuher says, "is that this guy was an undrafted free agent who never got that big giant contract, but because he was with me from the beginning and was a good steward [of his money] from the beginning, he was able to retire with his three kids and not have to worry. He's coaching high school football just for fun."

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