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PRACTICE MANAGEMENT: Financial Advisers Look Local

By **Shelly Banjo**

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NEW YORK (Dow Jones)--While some advisers use blogs, social-networking Web sites and webinars to cast a wider net for new clients, some financial advisers are focusing more on their own backyards.

Devoting more time to prospective clients in their own communities, these advisers say building their client base within a certain zip code, or even a single office building, allows them to run a more efficient business, offer highly personalized service and forge stronger relationships.

After reaching more than 100 clients, Christopher Van Slyke, founder of Trovena LLC, a multi-family office in La Jolla, Calif., hit a wall: Without more time, he couldn't take new clients to make more money. So he decided the way to boost revenue was to be more efficient.

"I built a nationally diversified business and am now trying to refocus it on a narrow local niche. In the end, it's not the least bit efficient to be far from your clients," Van Slyke said.

He now shies away from new clients he'd have to travel to see, using the time he saves to hold quarterly face-to-face meetings. He focuses on business owners in the La Jolla area with \$5 million to \$35 million to invest. He steers potential clients who don't fit into that category to other advisers in his firm.

Chad Smith, a certified financial planner with Financial Symmetry Inc., says the fee-only firm based in Raleigh, N.C., focuses 20% of its marketing budget on what it calls community outreach. Past events include dispensing financial advice to newly engaged couples at a local bridal show, conducting a financial information session for Cisco Systems Inc. (CSCO) employees and sponsoring a charity golf tournament.

"Staying local, for us, has produced some of our more quality clients," Smith says.

The golf tournament benefited a dog rescue operation, supported by some clients, that finds new homes for golden retrievers. "It's a way to show support for the charity, the community, and at the same time, we can build personal relationships with our clients as well as their friends and colleagues," he says.

Financial Symmetry has a blog and advertises on the Web, but it uses ad-search technology to target users in zip codes closest to its office.

Advisers who focus on local business caution that marketing to a niche can be a double-edged sword: While word of a good experience with an adviser spreads fast, so will horror stories. They also warn against getting too close to a client.

"While developing deep personal relationships and trust is essential, you still want to keep an arms length away so that if something goes wrong you can terminate the relationship," said Craig Allen, founder and president of Montecito Private Asset Management LLC in Summerland, Calif.

(Shelly Banjo is a Getting Personal columnist who writes about wealth management and philanthropy; she covers topics including tax and estate planning, investment strategies, charitable giving and the independent sector. She can be reached at 212-416-2242 or by email at shelly.banjo@dowjones.com.)

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