



Allegheny

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Talking with Patricia Lampert, CFP®

Will you describe your practice and your approach to the financial advisory business? I have been gradually building a network of people who want to partner with me, so I can help them organize their assets, their liabilities, their risks, and the rest of their financial lives. After focusing intently for more than a decade on increasing the number of clients, currently 125 households, I am more attentive to fit and quality than quantity. I'm more selective partly because it's imperative to continue serving present clients exceptionally well.

These are bright, busy people, often with considerable assets. But many have little idea, for example, what their composite investment portfolio is returning. I try to bring them to a new level of financial awareness and control. With investments, the first step is providing regular, quarterly reports and reviews, letting them know how they did and how the market performed. Simplicity and clarity are my goals here.

The practice is partly defined by who I am, my style, if you will. My approach to the business is personal, one-on-one; so I aim for genuine relationships with clients: we know each other, like each other, understand each other. I have worked with money professionally all my adult life, and my experience has confirmed that success and satisfaction are more than numbers. The paramount component is personal, not numerical. Maybe only the first few minutes of a client phone call are about money; the rest might be about personal and family topics.

Can you describe your clients as a group? It's a diverse group but includes concentrations of people who manage their families' money and couples approaching late fifties and early sixties—empty nesters, with only a few years to retirement. The

group also includes a population of seniors, in their seventies, who have money and are retired. While the majority of my clients are in the south suburbs of Pittsburgh, some 25% are in the Philadelphia/South New Jersey area, where I was born. And there are a few in Arizona, where I lived years ago.

We also run a couple of employer-sponsored (401k) retirement plans for local businesses. Essentially, I treat them like high-net-worth clients: frequent reports, updates, and comparisons. I also help them with the compliance.

What is on clients' minds right now, and what do you tell them? The mid- and late-career clients typically have built a store of assets, and don't want to lose it. They are nervous, not so much because they worry about current financial market volatility, but because they feel investing is often beyond their knowledge and control. We do numerous IRA roll-overs, for example, and many people don't understand their options. They need clear explanations, key information, and reassurance. I tell them, "We want to keep the mountain—of money—but reap the fruits from the growth on its slopes." The retirees, on the other hand, are often more concerned about transferring assets to the next generation, and estate planning is my focus with them.

Clients are too comfortable right now with high investment returns, like the 15-20% returns the last couple of years. Those have made for overconfidence. I want clients to understand returns are going to fall back to long-term averages—7-9% annually from equities. I'm preparing them for full-year numbers, which should still be great, maybe 9-10%, but trying to adjust their expectations for 2008 and beyond.

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Talking with Patricia Lampert, *continued*

How do you attract new clients? Clients come—virtually all by referral from others. I’ve never made a cold call. That said, I’ve had particularly good response from three media: advisory articles I write for the local community newspaper; display advertising; and an annual bring-a-friend party for clients, a thank-you, not a sales pitch.

I tell new and prospective clients there’s only so much they can do with a stock portfolio if the whole market is down, but if the market is doing well and they are not, something is wrong. That’s something I can help fix. We—they and I together—should aim to do as well as the market, at a minimum. But stocks are not, and should not be, the only financial options.

What does Allegheny do for you and your clients?

First of all, Allegheny has the right philosophy—for both me and my clients. The focus is on long-term benefit, not churning money to boost commissions. Day to day, the Allegheny staff are critical to my business. Though a sole practitioner, I can offer my clients a whole team of financial experts. I have the support of a great in-house Certified Financial Analyst who is constantly communicating with us about what’s going on in the market. That’s invaluable. I really depend on the in-house financial planning staff, too. I’ve got insurance pros, traders, even lawyers on my client team. And the marketing and practice support in the past couple-three years—the education, workshops, ideas, materials, strategy development, consultation and encouragement—has transformed my business, taking me to another level.

Where do you see your practice headed and what are your plans?

I love the investment planning part of the business, but I decided about four years ago that I needed to take a more comprehensive perspective as a financial planner. That decision has made an immense difference in my handling of clients’ financial affairs. I had learned that addressing only one aspect of finances, even well, doesn’t always benefit the client. As part of this broader perspective I have been introducing clients to insurance as a strategy in various situations. I believe in insurance. My mother was saved financially by a \$50,000 life policy on which my father had made only one payment before he died. But there are benefits for my high-net-worth clients, too.

Internally, my focus is on three changes. The first is implementing Allegheny’s new software system, which I’m excited about. I need, clients need, and competition demands that centralized support system. Second, I am expanding my staff and capabilities. I have a marketing coordinator on staff and have just hired a client services manager to help handle daily administrative tasks. I am also exploring the possibility of a second office to expand the Philadelphia-south-New-Jersey practice. Third, I am revamping my marketing. My next focus is on my website, which is increasingly important to clients and is ready for an upgrade predicated on the success of the new software system.