

# interchange

## Talking with David Rearick

### **How would you describe your business?**

We're a family firm based in Kittanning, Pennsylvania, providing help and guidance on wealth accumulation and preservation to individuals and small businesses. Our clients are mostly small-town and rural people. Most of the individual clients are in their 50s or older, and a sizeable minority are widows (some only in their 30s). Our business clients are typically sole-practitioner professionals such as chiropractors and veterinarians, or owners of small businesses with just a few employees—say, a back-hoe or light construction company. Some have only very modest assets, others ample; but they are typically savers, intent on asset growth. About 500 of our clients are in northwest Pennsylvania, but partly because of my own career history, another 300 are spread over more than a dozen other states. Our office, including part-time administrative help at peak times, typically operates with the equivalent of about five full-time people.

### **What topics dominate your meetings with clients right now?**

More than half of our business has to do with retirement—IRA rollovers, distributions, Roth conversions, investment choices, and so forth. That's not surprising, considering the age of our client base. Asset management is another major, related topic. We have nearly \$60 million under management, and we devote considerable attention in client meetings to investment strategy, asset allocation and investment specifics. Risk management is also a frequent topic. Particularly given the recent volatility in the financial markets, clients want some protection and want to understand it.

**What brings new clients to you?** The same topics—IRAs, retirement planning, investments—bring new clients to us. But new clients come to us because existing clients refer them. It wasn't always so, of course, but we've built the business on relationships and trustworthiness. As a result, I rarely do a cold-call presentation these days. When I meet with new clients now, we start right in doing the paperwork.

### **What is the most important thing clients will need from you in the future?**

It's clear to us that comprehensive financial planning is one of the keys to the future. Our clients need it and increasingly recognize that. They see that their present and future well-being is affected by all the different financial elements of their lives, and they need a way to bring it all together, manage it efficiently in their long-term interest. And we are increasingly well positioned to help them understand the choices and coordinate all the pieces for them.

### **How are you using staff to help your practice grow and meet clients' needs?**

First of all, I simply couldn't conduct my present business without the Allegheny staff that specializes in asset management, financial planning, risk management, reconciliation, reports, you name it. They provide the core services for my clients and my business. I just draw on their knowledge and skill and bring the appropriate mix of elements together for the particular client. But staff support is also my lever for growth. It lets me see clients in person, offer them additional services, expand into other states. Without the staff, I wouldn't be able to leave the office, take my nose out of the paper or my fingers off the keyboard. You can't grow the advisory business without freedom from the service groundwork. And I've benefitted immensely by having that support from the same knowledgeable pros for most of the past decade. That continuity makes a huge difference.

### **What new things will you be working on in your practice in the next 6 – 12 months?**

Building our capacity to deliver integrated financial planning is our immediate focus. My daughter Rhyllie, who is working on her CFP credential, devotes virtually all her time on that part of the business for our clients right now. But we're trying to build that capability office-wide. The rest of us—including my wife, Barb, our administrative manager—are also working on expanding our command of the resources, and on talking more to clients about those comprehensive capabilities.