

interchange

Talking with Tom Windfelder

How do you describe your practice? I focus on financial planning. I should add that investment management is the solution to most of my clients' planning needs. I deliver the best services to the affluent and aspiring affluent. An emphasis on investment planning, tax planning and, to a lesser extent, education planning is a natural fit for those clients.

About 60 percent of my business involves fee-based services; 40 percent, commissionable transactions. Three years ago I woke up one morning and realized that none of my business was tied to recurring revenue. I recalled what others—Carol Lampe in particular—had advocated about fee-based business. From that moment my business has focused on building fee-based services and recurring revenues.

While I operate as a sole practitioner for the most part, I partner with other advisors at Allegheny on large, complex projects requiring more services and on planning seminars.

How did you get into the business? I have been in the financial planning business for 6 years—after 29 years with a major retailing company, where I started in the executive training program and worked my way up to executive management. Keep in mind that growth in the retailing business was, and is, driven by long-range planning. And my strength is planning. So the jump to my present financial planning career was a small one.

Who are your clients? How can you describe them? My clients are relatively youthful, typically middle age to near-retirement, with some still in their thirties. Very few, less than 5% percent, are in retirement. The legal, medical, engineering and high-tech professions are strongly represented, and there are a number in retail. The majority are in western Pennsylvania. I also have clients in Chicago—a set that began with an executive at a

major retailer there, someone I knew from my prior career. Through contacts at yet another retailer I also have clients in Charlotte, North Carolina.

The focus on younger, aspiring professionals is a strategic decision. I did not enter the business early, and by the time I entered, all the competitors were going after the retirees. So I focus on an under-served segment, one with the most long-term potential.

How did you develop your client base, and how do you market your services now? Education planning was the niche. I started doing 529 plan seminars at nursery schools, kindergartens, you name it. It got the business going from zero. I subsequently shifted aim to more affluent clients. And I shifted from school seminars to corporate seminars. I now do numerous corporate seminars on financial planning. I also have expertise in qualified, 401(k) plans.

Why the seminars? I did plenty of presentations, even some live television, in my prior career, so I'm comfortable "in front of the cameras," as it were.

What do your clients want from you? My clients have confidence in the methodology I use; assessing what we need to earn for investment return; allocating assets; then picking investments to carry out the allocations. I rely on a best-in-category mentality in picking investment managers. I tell clients we want to hire a team to manage their assets. In the interest of diversification—and performance—we don't want to duplicate positions; one player for each position. We want to pick from the all-star roster, not just from one team—pick from all of worldwide baseball even, not just from the Pirates.

How do you use Allegheny staff and how can they help you succeed in the future? Any number of ways. Allegheny's methodology for analyzing investments is the right process and right for me. It's why

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Financial Services 

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Talking with Tom Windefelder, *continued*

I joined Allegheny. I intuitively knew it is a fit. I rely on Jack Kraus and his team and use his recommended funds as a default. But I am not timid about using others. A number of my clients do self-directed 401(k)s, for example. I also get great support from the partnership groups. I have worked with Jim Hohman and his group on sizeable projects; also with Jim Browne's group.

The synergy from having my office here at Allegheny headquarters is also valuable, particularly the opportunity to discuss things with others. David Jeter is a solid resource; he cuts through the clutter and articulates the essential issues. I gain from being able to ask him what he thinks of complex client issues.

Allegheny is also a source of credibility. While T. Brooks Financial Services is technically the name of my business, I benefit from operating under the mantle of the Allegheny name.

Where do you see your business going? What long-range goals do you have for it? One goal is to populate this practice with several, 3-5, producers within five years. My vision is for a youth-oriented organization. As a side benefit of this strategy, I get energy from clients younger than me. I am now in an alliance with a property & casualty insurance firm, and one of that firm's professionals will be licensed under me soon. Longer range, I'm hoping at least one of my two sons joins me in the business.

Anything else you are doing or planning to reach your goals, achieve your vision? I construct a detailed marketing-oriented business plan every year, with specific financial goals for the year and each month; also the type of business—fee-based, commission-based, transaction-related, and so forth.

The first big step to meeting my goals, with Allegheny's help, is mastering the technology resources—primarily the software for integrated planning.

I plan to drive business incrementally in next few years though reliance on the technology. I am committed to making it work for me, rather than hiring administrative staff. I need Allegheny's new software; so I use it. As a result I'm learning from it and learning how to use it all the time.

Electronic marketing is also big in my 2008 plan, using technology to market more efficiently—specifically, communicating electronically to ask for referrals and to prospect. I use a third-party software program for contacting individuals and building business. My skills at this are not yet up to the level of my expertise in seminar marketing, but by the end of year I'll be more proficient. I'm not going to make cold calls. I spent first nine months doing that—no choice—and it doesn't work well.

My goals this year also include standardizing and documenting the business development process. While I have been using a standard formula, it is not standardized in my software. But I can do it through Allegheny's software.

There are large financial payouts from my ability to get Allegheny's technology to work for me. Without it, I'm blocked on business growth. My business grew 45% last year and I am targeting the same percentage this year.

I also do a considerable amount of personal networking. This face-to-face approach takes years to develop, but is still valuable. I'm in a networking group that produced zero referrals the first two years, but recently led to substantial new business.

I'm never content with the status quo. If I'm not improving, I think I'm going backward.