

# FINANCIAL PLANNING

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## PRACTICEPROFILE

### It Takes a Team

**INSTEAD OF MERELY MAKING REFERRALS, BARRY GLASSMAN RESOLVES COMPLEX ISSUES FOR CLIENTS USING A FOCUSED NETWORK OF SPECIALISTS.** BY JIM GROTE



BARRY GLASSMAN, SENIOR VICE PRESIDENT OF Cassaday & Co., in McLean, Va., is both a coach who calls plays for client's assets and a quarterback who excels at team leadership. The team he leads is a network of highly trained specialists—including estate planners, accountants and attorneys—who render coordinated services. Together, they apply their various disciplines to solve clients' complex problems without their having to suffer the inconvenience of making the rounds to see these professionals one at a time.

Due to his emphasis on a network of coordinated services, Glassman is well positioned to attract and retain high-net-worth clients who, various surveys show, are demanding more customized

service. This quest for customization is one reason that many clients fire their existing advisors and seek new ones. These malcontented clients' demands for a high level of personal service are expected to escalate as they shop for new advisors in this turbulent market.

#### CUSTOM SERVICE

Perhaps no service model is more customized than this—having several highly trained professionals making sure that nothing slips through the cracks for a given client. The emphasis on his network of professionals fortifies Glassman's practice during what will undoubtedly be a difficult period for financial advisors. In the wake of the recent devastation in the markets, everyone will be competing harder.

When Glassman moved his practice toward high-net-worth clients in the late 1990s, he quickly realized that their needs could not be adequately met without solutions from specialists. One day, he says, a realization hit him like a ton of bricks: Rendering client service the right way requires a high level of coordination and collaboration between specialists that would be the mirror opposite of what is typically the case in the medical profession.

"One of the biggest problems in the healthcare industry is that medical

specialists [don't tend to] communicate face-to-face," Glassman explains. "Can you imagine meeting your primary care physician and all your medical specialists in one room to discuss your diagnosis?" The Mayo Clinic does so, but this model is a rarity in medicine.

Thus, the disparate, disjointed services of the healthcare industry gave Glassman a negative example to avoid in developing his practice's network of specialists. By contrast, Glassman resolved to engineer a network that would perform for clients in a comprehensive, coordinated fashion.

Glassman brings his clients' financial specialists together in a two-tiered network. Core advisors include the client's estate planning attorney and the family tax professional and, of course, himself. Others include the client's insurance professionals, business attorney and accountant. Lisa Poff, whom Glassman facetiously refers to as his "director of follow-through," attends meetings, takes minutes, sends summaries to attendees and follows up on assigned tasks.

For advisors looking to expand their practice beyond the investment-only niche, Glassman's strong commitment to networking may prove instructive. One recent collaborative success involved a family with a \$400,000 annual income

that sold a family business in 2007 generating another \$5 million in income.

The client could have delayed paying the majority of the state tax the family owed until April 15, 2008. However, Glassman's network of experts met in October 2007 and decided to prepay the client's 2007 state taxes to avoid a serious alternative minimum tax problem in 2008.

"If they had waited until the following April 15, it would have been too late," Glassman says. "This is a common problem easily solved by the whole team coming together. If this is the first liquidation event for a client, he or she won't know to plan for this kind of tax problem until it is too late."

Glassman has limited his practice to 100 client families, so that he can provide his high-net-worth families with the same level of expertise and sophistication that multifamily offices offer their ultrahigh-net-worth clients. With \$315 million in assets under management and an average account size of \$3 million, his team approach to client service bears little resemblance to his rugged-individualist phase as a solitary broker building a book of business back in 1994.

Glassman believes that too many advisors focus on sophisticated products, such as hedge funds and private equity investments, that only the ultra-wealthy have access to.

"I decided to take the perspective of collaborating on refined strategies, not just products," Glassman says. The advisor's services are included in his fees, a percentage of assets under management ranging from 1% down to 0.25%.

## STEPS TO SUCCESS

The key to effective teamwork, Glassman says, is timing. He laments that most families wait for an event like inheritance, retirement or sale of an asset before consulting their team of advisors. "Unfortunately, these last-minute efforts

are often too late to put certain strategies into place," the advisor explains.

By contrast, he recalls one client who was thinking about selling his company in a few years. With this knowledge and advance notice, Glassman went to work.

The client was able to gift minority interest in the company to his children at valuations far below the eventual selling price. Furthermore, the substantial growth of the children's interest in the company (in trust) fell outside the client's estate.

Glassman has developed a three-stage networking model. Stage one, the networking phase, is a get-acquainted luncheon for the client and the three core advisors. "Since it's over lunch, I tell my clients maybe their accountant and attorney won't bill them."

Stage two, the conference-room phase, is a more formal meeting at the office of one of the three core advisors or perhaps at the client's business. The major agenda for this meeting is to uncover major issues the client is facing—business succession, estate plans, liquidation events, changes in the family and cash needs in the near future, for example.

Stage three may be called the wealth advisor summit. This is where the core advisors recommend strategies to address issues that surfaced during stage two.

For example, the estate attorney might introduce an estate plan outline. The accountant might bring a projection of the client's income and expenses for the coming year with proposals on how to fund living expenses in a tax-efficient manner.

Debbie Cochran, an estate attorney with Cochran & Owen in McLean, Va., has shared this team approach with Glassman numerous times over the past 10 years. As one of the estate attorneys for Glassman's networks, she drafts the client documents, but adds that documents alone don't get the job done.

"Great documents without implementation don't get you far in this world," she says. "Barry makes sure that what we have recommended is implemented, for example, retitling client assets for a living trust or irrevocable charitable trust. He's organized and he's thorough."

Although some clients might question the cost of these joint meetings, Glassman says that individual client meetings with multiple advisors may be more time consuming and expensive, particularly when the advisors don't agree with one another. Collaboration can actually save clients money in the long run, while providing far better service.

Glassman says his clients are generally satisfied with this collaborative approach. "It is easy when you're in the financial planning profession to forget how overwhelming the financial planning process can be for clients," he notes. "Clients need the team approach to clarify what's happening with their money and their future."

Glassman is committed to the network-of-experts approach even though it poses subtle risks for his practice. "For me to get together with other advisors and reveal my investment track record and fees exposes me to questions from these other professionals," he says. "If I'm doing momentum trading with a client, his or her accountant may question the tax implications of my investment strategy," he says. On the other hand, Glassman remains surprised by how much accountants enjoy this process because they have the opportunity to do tax planning as opposed to tax preparation.

## IN THE PUBLIC EYE

Over the years, Glassman has maintained a high profile in the financial planning world. He has appeared on CNBC, *ABC World News Tonight* and *Wall Street Week*, and is frequently quoted in print media.

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