

A hand is shown drawing a magnifying glass on a dark chalkboard. The chalkboard is covered with a pattern of yellow squares. The magnifying glass is drawn in white chalk, and the hand is holding a white piece of chalk. The text "Building a niche practice: Don't be afraid to get even more specific" is written in white on the left side of the chalkboard.

Building a niche practice: Don't be afraid to get even more specific

Also:

- Expatriate clients
- Estate planning
- Attracting young planners
- NAPFA award winners

Building a niche practice: Don't be afraid to get even more specific



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Over the past decade, most financial advisory firms have been convinced of the value in targeting a niche market as part of their growth strategy. However, this has created a couple of problems for advisors. It means the most popular “niches” are now much less differentiating. It has also led to feeble attempts at specializing that dilute the remarkable benefits of executing a true niche strategy.

My firm, Hemington Wealth Management, was founded upon serving “breadwinner women,” a niche market that is already more specific than the more popular “women in transition” or “women of wealth.” My business plan leverages our breadwinner women expertise and my shared passion for empowering women, but I have chosen to dive even deeper. I have built our brand as the advisors for “Breadwinner Women Lawyers.”

Providing a better experience for your clients

Focusing on a narrow niche helps. When you are tuned in to the common issues and unique challenges

your clients face, you ask better questions, speak their language, model more impactful scenarios, and broach topics that lead to the most meaningful discussions. Plus, as a specialist, the value you offer clients extends far beyond wealth management. I have introduced clients to business coaches, recruiters, and outsourcing solutions, specifically for women lawyers. I pass on interesting invitations, articles, and even resumes. My clients benefit from my unique financial planning expertise and experiences, as well as from the power of my network that is uniquely focused on my narrow niche.

Eliminate your competition

More focus means you look “more different” from the rest of the financial industry—and that is a game-changer. Lawyers tell me they get constant cold calls from clothiers, recruiters, and financial advisors. They are naturally skeptical of financial sales pitches and typically already have several trusted advisors in their networks. But I’m the only advisor they know who spends 100% of her external time focused on

helping women lawyers. I’m the only advisor they know who is consistently showing up as a contributing member of the legal world. Rather than trying to stand out in an overcrowded field of generalists, you will genuinely shine when you commit to becoming the best advisor for a specific category of clients.

Stop guessing about your marketing strategy

Narrowing your focus to a smaller subset of target clients makes it easier to identify what marketing activities will yield results. You become intimately familiar with the organizations, publications, conferences, and events that matter to your clients.

You can build authentic relationships with decision-makers and shift from targeting prospective clients individually to speaking or writing, and in these ways reach hundreds of your target market with much less effort. In the past two years, I was a featured speaker for dozens of legal groups, wrote several articles for

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sometimes need to file taxes in other countries. One way to do this is by listening to the Financial Planning Association's International and Cross-Border Planning Knowledge Circle's monthly calls.

An example of an issue your clients may encounter is that the tax impact of selling an international real estate property that was received as a gift differs from one received as part of an inheritance.

Asset allocation and currency risks

Develop a good understanding of the global assets and future liabilities of the client and the location of the client's children. Adjust the traditional portfolio asset allocation to consider the possibility of a retirement in a non-U.S.-dollar country, understanding the impact of currency movements.

Your clients who plan to retire in a country with a currency not

linked to the U.S. dollar face currency risks. While clients may be happy with the less-expensive, better-performing, and more tax-efficient funds and ETFs available in the U.S., if the value of the U.S. dollar falls by 40%, they cannot retire in their home country with the income they expected. Their asset allocation should change depending on the location of their retirement.

The advisor needs to understand the currency movements and the potential difference between the currency of the current assets/income and the currency of the future liabilities.


Foreign investment costs

Your clients may wish to keep their investments in funds managed outside the U.S. even though their expense ratios are typically much higher than for U.S. funds. If so, the U.S.-based advisor may analyze the list of funds/ETF available in the

foreign bank account of the client in order to give them advice.

Healthcare costs

Most expatriates don't realize that healthcare costs in the U.S. are much higher than other countries. For example, the average cost per hospital day in the U.S. is five times that in France and nine times that in Spain, according to the International Federation of Health Plans.

As an advisor, you can help your clients by sharing information about the healthcare costs in the U.S. so that they prepare themselves with sufficient insurance. 

Patrick Bourbon, CFP, CFA, founded Bourbon Financial Management in 2009. He has 20 years' investment experience and helps executives, professionals, and expatriates worldwide. Previously, he spent a decade as a portfolio manager and analyst at UBS Global Asset Management/Brinson Partners.

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legal publications, was interviewed in lawyer podcasts, launched a targeted e-newsletter, and published the most extensive study ever done about women lawyers and their money, "What Do Breadwinner Women Lawyers Want?"

Once you become immersed in your specific target market, you will naturally become a thought leader and enjoy far greater clarity on how to allocate your marketing time and resources.


A more specific target market leads to more referrals and increased profitability

When you are more specialized, you can paint a very clear picture of your ideal client so the light bulb goes off immediately when you would be the perfect fit for a referral. You will find centers of influence (COIs) who are allies in working with your specific target market, so cross-referring becomes natural. Then, shared

connections will rave about you, further generating new referrals.

More than 70% of my new business revenue has come within my breadwinner women lawyer niche. Several of those new clients work for the same firms. So, in addition to valuable intel about firm cultures, we already have the details of their retirement plans, partner benefits, and compensation structures. We even have a relationship with their HR team. Thus, the financial planning is more efficient and clients are happier, which again leads to more referrals.

There is a strong business case for getting narrower in your niche practice. But it takes courage to put a stake in the ground and externally declare that you are a specialist. It also requires authenticity. You must truly care about this group of people, because you are engrossing yourself in their world. It is a serious commitment of time, resources, and your personal brain space.

Don't be afraid to dive deeper. A more focused niche practice will lead to deeper client and COI relationships, a stronger value proposition, and the best kind of efficient and predictable growth. 

Jen Dawson, CFP®, is the managing director of Hemington Wealth Management in Chicago. Hemington is a supporter of the NAPFA Women's Initiative, which develops women as leaders within the financial advisory profession. You may contact Jen at jen.dawson@hemingtonwm.com.

If you enjoyed this article, come hear Jen Dawson present at the NAPFA Fall Conference in Chicago on "The Power of Specialization: how and why to build an even MORE focused niche practice," a presentation sponsored by TD Ameritrade and the NAPFA Women's Initiative.