

Choosing the right wealth adviser, strategy could save you millions

Whether you've sold your business for \$30 million, inherited \$6 million, are a senior executive at a corporation with stock options worth millions, or you've accumulated your wealth steadily over many years, there comes a time when you'll want to enjoy your hard-earned money and make sure you preserve your wealth for your family and your heirs.

Achieving all that is important to you will require some major decisions. The most important wealth

Take-aways

- Investment advisers focus on managing money and investment returns.
- Financial advisers tend to be product driven.
- Wealth managers work on a family's entire financial vision.

management decision most people make is finding a trusted individual to turn to for advice. Notice we didn't say finding a firm, because it is the trust and relationship with an individual that really matters. Although you may be happy with your current relationships, if you can't articulate the differences between investment adviser, financial adviser/planner and wealth manager, then you owe it to your family to study up on the vast difference between advisers to determine which type can assist you the best. We'll start with the basic and end with the most comprehensive.

Investment adviser: For a set annual percentage of your investments, an investment adviser will handle your portfolio, buying and selling securities with a goal of increasing returns and beating such benchmarks as the S&P 500 index.

The advantage of an investment adviser is he is paid as a percentage of assets under management so his motivation is to increase the value of clients' portfolios.

The disadvantage is that although he may meet you, discuss your goals and act as an adviser, he is mainly focused on managing money.

Financial adviser: This is probably the best-known option since this category of advisers usually handles

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anywhere from a few thousand dollars to a million or so for their clients.

You may know these advisers as financial planners, insurance agents or stock brokers. Some are independent and others work for large banks or brokerage firms.

These advisers have traditionally been the place to go for investors interested in buying and selling stocks, bonds or mutual funds.

The advantage is that most of these advisers outsource the money management task to investment advisers and help you evaluate how your money is performing, and they'll spend time discussing your goals and actually working to help you achieve them.

The disadvantage is that most are product driven. Most solutions are formulated in terms of proprietary products.

Wealth manager: A wealth manager's goal is to help you develop not just an investment portfolio, but your family's financial vision. This vision will act as the road map going forward.

Most wealth managers will guide you through a multi-step, structured and well-tested process. An interview with a wealth manager might feel like a visit to a psychologist because your deepest fears, wants and needs will probably be discussed.

You'll be asked many, very personal questions: Who are your loved ones? How do you wish to have them taken care of? Do any of them have special needs? They'll want to know what causes or charities may be near and dear

to your heart. What hobbies and activities do you enjoy? Last but not least, they'll want to understand what is genuinely important to you; what it means to you to move from a life of success to one of significance.

They will help determine the challenges you face in reaching your family's vision. Then they'll utilize and coordinate legal, tax, investment and non-financial solutions that are appropriate for you, to help achieve your unique vision.

A wealth manager can simplify your life by taking the pressure off of you when it comes to financial issues. You are the CEO of your family's vision, and a wealth manager's mission is to do everything possible to help you achieve that vision.

Wealth managers coordinate the efforts of other professionals on your team, such as your accountant, lawyers and mergers and acquisitions advisers in order to develop a cohesive strategy. This coordination alone may save you hundreds of thousands or even millions of dollars.

A wealth manager will also provide a dynamic wealth management plan that tracks progress towards your vision.

One of the tricky parts of finding a wealth manager is that many advisers call themselves wealth managers, and on the surface there is no way to tell who is and who isn't. This column should help you recognize what type of adviser you're talking with based on the conversation you are having.

Affluent business owners and families with a net worth exceeding \$3 million are typically the best candidates to benefit from the services of a wealth manager.

With a little bit of knowledge and armed with the right questions, you can now better judge the best type of adviser for you. Knowing the difference is half the battle, ensuring that you are with the right individual is the other half.

Haitnam "Hutch" E. Ashoo and Chris Snyder are principals of Pillar Financial Services Inc., a wealth management firm in Walnut Creek. Contact them at www.PillarOnline.com.