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## A Way to Rebuild a Client's Trust in Investing *Client's former adviser retired without telling her*

By ALEX COPPOLA

The married mother of two had been whipsawed by the 2008 financial crisis: Her \$1 million portfolio suffered heavy losses, and her adviser at the time left the industry unannounced.

Feeling lost and abandoned, she pulled what was left of her money out of the market.

Almost two years later, the woman remained reluctant to reinvest, even though she knew she needed her savings to grow to meet her retirement goal. A friend then referred her to Frank Guiffre of Halliday Financial in Albany, N.Y.

Mr. Guiffre was aware of the client's recent history, so for their first appointment he told the woman to leave her financial statements at home.

"I wanted to know how she felt about money, what her experience had been with this former adviser, and why she was so gun shy about investing again," says Mr. Guiffre, who manages \$90 million for 75 families. "That's information you get by listening, not looking at numbers on a statement."

During the initial conversation, Mr. Guiffre learned that the client's relationship with her previous adviser had not been a collaborative one. The former adviser had taken a very analytical approach, speaking to the client in numbers and percentages. He told the client what prod-

ucts he was using, but never bothered to explain why. The client was asked simply to sign the investment statement, and trusting in her adviser's expertise, she complied.

After purchasing those investments, the woman had little further contact with the adviser. She attempted to reach out to him when the recession hit, but got no response. Eventually his office called to tell her that he had retired.

The client became visibly upset while recounting this experience. Her anger, though, was not over the loss of money, Mr. Guiffre notes. It was frustration and discouragement with the investment process.

"She had put her trust in this adviser and his method and they had both let her down," he says. "Before she could invest, we needed to rebuild her trust in the investment process."

Mr. Guiffre wanted to provide the woman with something her previous adviser hadn't: A clear understanding of how her money was being invested, and how those decisions fit into the context of a financial plan.

He began by explaining that the client was under no pressure to get back into the market. They would wait until she felt comfortable before making financial decisions.

Instead of talking about how they planned to invest the client's money, the adviser spent the next four meetings walking her step-by-step

through how he worked with clients. He outlined his planning process in full, from identifying needs and setting goals to finding the right portfolio allocation to meet them. That way, she would never be in the dark about where they were in the process or where they were headed.

By the fourth meeting, the client was ready to start discussing investments. Following the methodical process they had already established, Mr. Guiffre began investing small amounts of her cash into mutual funds, the vehicle she felt most comfortable using. Together, they went through every detail of the investment paperwork so the woman knew exactly what she was signing.

They continued their gradual process, and today she is fully invested in the market again. Her portfolio has recovered from the losses sustained in the recession. And even during more recent market corrections, the client has managed to keep an even keel. She has a newfound confidence knowing that Mr. Guiffre is a phone call away to answer any of her questions.

"She finally has what she needs," Mr. Guiffre says. "An investing process, and an adviser, that she trusts, understands, and can lean on even when things get rough."

*(Practice Management is a column that looks at ways financial advisers can build and improve their business.)*