

Discipline Vital To Carving Out A Niche

By Thomas Cole

- Some cost-pinchad advisers are looking for niches for relief
- A niche focus can channel and amplify an adviser's marketing efforts
- Success calls for discipline and an affinity for a niche

Focusing on niche markets can help financial advisers streamline marketing and other aspects of their practices, provided they pick a suitable niche and stick with it.

Jean Dorrell, for example, works exclusively with senior citizens who live in a city of gated communities in central Florida called The Villages. The prospects her firm, Senior Financial Services, Inc., is after favor certain kinds of events.

Highlight a meal, and her Depression-era and early baby-boom quarry are apt to stay way because "a meal makes them feel obligated," says Dorrell. Make it an educational seminar and they will come. Add a "singles" angle and they will come in force. "a lot of people in The Villages are single or widowed, but they don't stay single for long," she says.

Because most of her clientele are only moderately well off, Dorrell's product offerings address a need to stretch savings into decades of post work life, so she uses a lot of fixed annuities.

Many advisers are in a tight spot as well these days. Compliance costs are up and with so many "mass" affluent baby boomers retiring, clients' financial needs are getting harder to meet

In response, big firms are encouraging employees to cultivate niches. Custody providers, asset managers and other vendors are pointing independents down the same lane.

This isn't entirely new. Private banks have long had specialist groups to serve professionals like lawyers and

accountants. Focusing on a niche was the most popular business expansion strategy among registered investment advisers in a pre-recession study by the consulting firm, Moss Adams.

A niche adviser is only after one kind of client. This points his marketing directly at the group in question. So instead of telling the world he is a financial planner, whatever that mean to the layman, he can say something straight-to-the-point like, "I help airline pilots make the most of their assets."

David Sebastian, of Physicians Wealth Management Group in Summit, NJ, caters mainly to surgeons. These busy professionals are extensively educated, but in many cases are not very savvy when it comes to finances, he says. Less so, for instance, than some hands-on business owners.

Unlike Dorrell, who set out to work with senior citizens, Sebastian fell into advising physicians. Both advisers feel an affinity within their niches. Dorrell says she was comfortable with seniors even when she was a kid. Sebastian believes he shares an affinity for science with his clients.

Both advisers view this rapport as a vital success in a niche. A close second is the discipline to stay focused on the target market. Neither says a niche practitioner can't take on non-niche clients, only that the business-expansion focus should stay on the niche.



Jane Eddy, an independent broker in Ormond Beach, FL, set out in 2008 to cater almost exclusively to widows. It never happened. The market downturn made her keep her practice open to all corners.

"I just don't turn down any business," she says.

Still, Eddy remains convinced that an adviser in her part of Eastern Florida could do very well working with widows.

"I need to regroup and focus more on the n again," she says.

