

Retirement-Wary Small Business Owners Are Ripe for Advice

By R.A. Monroe March 24, 2016

Entrepreneurs and small business owners often have complex finances. They can also be so focused on the day-to-day operations of their businesses that they neglect the bigger picture; about half of all small business owners don't feel confident about their retirement preparedness, according to the **Guardian** Small Business Owner Retirement Readiness Study.

Together, these factors make this group a promising client segment for advisors. But small business owners and entrepreneurs can also be challenging to work with – particularly if they're used to controlling their own financial decisions.

In **Mike Chadwick's** experience, entrepreneurs can be both difficult and engaging to work with.

"They tend to be go-getters, which sometimes means they'll do things first without getting good counsel from me, or an attorney or CPA," says Chadwick, founder of Unionville, Conn.-based **Chadwick Financial Advisors**. "Then we end up having to work together to clean up whatever mess they made."

One common thing to watch out for with entrepreneurs is their tendency to invest everything they've got into their business. When things are going well, this strategy might work. But it can also mean they're not adequately planning for the future, or that an unexpected crisis can seriously derail their finances.

Over the years, Chadwick has found that once he's helped entrepreneur clients sort out a messy situation they tend to be extremely grateful – and much more receptive to guidance.

"Sometimes they need to see for themselves the error of their ways," he says. "Once that experience has been dealt with, they're golden. They'll listen, and they're great clients."

Flexibility is key

Breanna Reish, an associate planner at Riverside, Calif.-based **Tricord Advisors**, works with a number of small business owners. One of the biggest challenges in helping them develop and stick to a financial plan is a very basic one: time.

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“Small business owners have to be on job sites, managing crews, or working with employees and customers,” she says. “Making – and sticking to – an appointment can be hard for them.”

To better serve entrepreneur clients, advisors at Tricord, which manages \$92 million, proactively offer to meet clients on their own turf. Doing so makes it easier on the client, and less likely that the client will cancel at the last minute.

“Having web-based planning software means that we have more freedom when it comes to the time and place of meetings,” Reish says. “That flexibility matters a lot to entrepreneur clients.”

Business owners also tend to pay close attention to the bottom line.

“They look for value – that’s how they grow their business,” says Reish. “To ensure a successful relationship we have to show them the value of planning.”

That can mean alerting clients to tax complexities they may not have taken into account, or introducing them to other resources, such as real estate professionals or insurance specialists, who can help them deal with issues once they arise.

Develop a peer relationship

Whereas other clients might want an advisor who handles everything for them, most entrepreneurs don’t prefer an advisor who acts as an authority, believes **Jeremy S. Office**, principal of **Maclendon Wealth Management**. The firm, which is based in Delray Beach, Fla., manages \$160 million and specializes in working with entrepreneurs.

“On the whole, entrepreneurs have an entirely different mindset than other kinds of clients,” he says. “Oftentimes, they have something to prove to themselves, or to other people.”

Advisors will have more success if they treat their entrepreneur clients as peers.

That shouldn’t be difficult to do, says Office: “Advisors are often small business owners themselves. The fact that I’ve experienced many of the same things as my clients, the same heartaches and excitements, can really strengthen the relationship.”

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