

LOOK AHEAD: WHAT'S COMING IN 2017?

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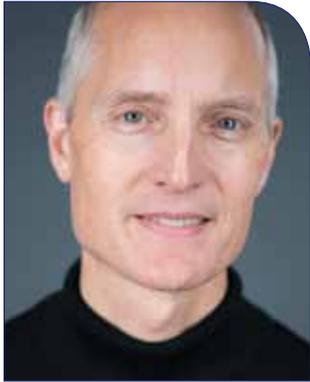
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PRACTICE PROFILE

BY BRIDGET MCCREA



Steady, impressive growth

Thomas B. Conway of Connemara Group, LLC

Thinking back eight years to when he had just opened the doors to his brand-new Fee-Only financial planning practice, Thomas B. Conway distinctly remembers onboarding his first and second clients. “I did it from scratch, so it was memorable,” says Conway, president, founder, and managing member for the Connemara Group, which has locations in Rockville, MD, and Washington, DC.

Today, Connemara Group provides services on a flat-fee basis for households in Washington, DC, and in the surrounding Maryland and Virginia suburbs. The practice serves 360+ households. “We’ve had several ‘leaps’ along

the way, but we’ve really just focused on steady growth,” says Conway. “I didn’t really know how *much* of a need there would be, but it turns out there’s a huge and growing demand for these types of services.”

From the ground up

Before starting his firm, Conway was a trial attorney in private practice (for 10+ years) and a private client advisor for large financial institutions (10+ years). “While still practicing law, I began assisting clients informally with planning related to settlements and verdicts arising from litigation,” says Conway. Following the birth of his second child in 1996, he began to

transition to a full-time planning career. “I wanted to gain additional scheduling flexibility, and to be able to spend more time with my family,” he says.

Most of Connemara Group’s clients have a household net worth (excluding home equity) of \$1.5 million to \$5 million, but the firm also works with young professionals who are just starting out, as well as with some ultra-high-net-worth households. At this point, most new clients contact the practice through referrals from existing clients. Local professional colleagues, industry contacts, and professional association websites are other sources of new clients, according to Conway.

When working with clients, the firm’s two planners assist clients in consolidating accounts where appropriate and in implementing well-diversified, low-cost portfolios using primarily, but not exclusively, index funds. It works on the flat-fee/fee-for-service Garrett Planning Network model (he’s been a member since 2009).

These services have been sufficient to create a thriving firm. But a good firm doesn’t stay stagnant, and Connemara continues to evolve. In 2017, on a limited basis upon client request, the firm will begin accepting assets for professional investment management.

“As the practice has grown and as our clients are becoming increasingly affluent,” Conway says, “we have some clients that want us to manage their money. Up until now, we’ve resisted that because we wanted to focus on planning.”

The technological edge

Since getting into the financial planning industry in 1996, Conway says the environment has “changed significantly” and that it continues to evolve every year. “Consumers are much more aware of the need for sound planning due to increasing complexity in their lives,” he notes. “At the same time, technology has made professional planning and investment advice much more accessible.”

Adopting technology remains a challenge for Conway, who remembers using a slide rule in high school math classes. “I was in one of the last classes in college to use a typewriter,” he says, laughing. “You can’t scale your operations using that type of technology.”

New technology allows even solo practitioners to more efficiently “scale up” and meet the needs of their growing client bases. At Connemara Group, for example, Conway says the practice uses between 40 to 50 different software packages—each of which serves a discrete purpose.

“As technology continues to evolve, we’re constantly experimenting with new software,” he says, “that will help us continue to grow and to break through those productivity plateaus.”

To manage the funds, the firm is working with Asset Dedication LLC to provide investment management services using primarily DFA and Vanguard funds. “From the beginning, I wanted this firm to be a bit different, so I started with a planning focus (versus assets under management). So where most firms have AUM, we do not,” he says.

The new partnership will help Connemara meet the needs of its clients without straying too far from its original mission of helping individuals and families successfully navigate the financial planning puzzle. “We work with a number of business executives and professionals who want asset management, so we’re making this move to accommodate those needs,” says Conway, “while at the same time maintaining our focus on planning.”

Staying small versus growing larger

A NAPFA member since 2010, Conway says the organization and the Garrett Network have both been extremely helpful in guiding Connemara Group’s growth over the years. “Increasing involvement and participation in these organizations helps us stay on top of and understand important practice developments and industry trends,” says Conway.

Conway feels that both NAPFA and Garrett members are beginning to pay more attention to business succession planning – not just business continuity planning in the event of emergency. “Reaching out to young planners and those transitioning from other professional careers are key initiatives at the national level in both organizations.” Succession planning concerns Conway, too, as he adds planners to his practice.

After starting as a single planner with a virtual office and no assistant, Conway soon began leasing a small office in a shared office suite. He then hired several virtual assistants and, later, a full-time office assistant.

Today, in addition to a full-time assistant who will sit for the CFP® examination this winter, the firm employs two full-time advisors, as well as an additional full-time associate who has passed the CFP certification examination and is now working toward fulfilling the CFP experience

Connemara Group, LLC, at a Glance

Location: Rockville, MD, and Washington, DC

Website: www.connemara.com

Year founded: 2009

Number of staff: 4

Number of clients: 360+ households

Amount of money managed: None

Description of typical clients: Households with net worth of \$1.5 million to \$5 million, young professionals, and ultra high-net-worth households.

Typical client needs: Independent planning and investment advice

Favorite financial planning website: kitces.com

Favorite non-financial planning website: Prefers reading books

Piece of advice to fellow NAPFA members: “Continuing education is what helps set us apart.”

requirements. Because he had years of experience overseeing a team in the private banking world, Conway says the return to management hasn’t been too complicated. And while he relishes the day-to-day challenges of working one-on-one with clients, Conway also enjoys bringing new planners into the fold, initiating them on the fine points of effective Fee-Only planning, and watching them thrive and grow as planners.

Conway is now in the process of adding more planners and support staff – a move that will help the firm accommodate its growing client base. “As I hired people, I began to be able to leverage my time a bit more,” says Conway, who admits that “letting go” of day-to-day tasks through delegation isn’t always easy. But after evaluating the prospects of “staying small” versus “growing the practice,” Conway says the latter became the more appealing choice.

“When you start your own practice, you’re basically a jack-of-all-trades,” he explains. “For example, until recently, I was very involved in all client matters. Now, I’m beginning to transition new clients

over to other planners within the firm. They’ve been trained and they’re ready to meet with clients.”

Fork in the road

Knowing that many other NAPFA members grapple with the decision to grow larger or stay small, Conway says his “fork in the road” came when he realized further growth would require additional staff. For Conway, that would mean moving into more of a managerial role. It would also mean putting more processes, software, and systems in place to ensure a congruent client experience across the entire practice, and regardless of which staff member the client was working with.

He made that decision to add staff, and he hasn’t regretted it. Next on his plate is moving from shared office space to dedicated office space in May 2017. In five years, he’ll revisit that decision and grow his office space even further, if warranted. “The way things are going right now, I see us continuing to grow and evolve not only over the next few years,” says Conway, “but also over the next several decades.” 🌱