

Wealth management for small-business owners

Find wealth manager who understands your end goals, risk tolerance

Time is of the essence for small- to medium-size business owners. And most of that time is spent running their business, with any free time reserved for family. Wealth management often takes a back seat.

It's not that business owners don't think about wealth management — they want to provide and protect wealth for their family's future — it's that they sometimes struggle making the decisions how to go about it. Many wonder how they can get cash out of their business, or how to remain diversified from the venture being their only investment.

One major obstacle is just making the time to meet with someone for help.

There also can be a lack of organization of their finances.

Business owners are sometimes not sure where to start in terms of gathering their paperwork. They might not know where they stand in terms of being on track to retirement or when work can become optional. Finally, conflicting reports in the media can make heads spin on which direction to go.

What is the solution?

Setting up an appointment with a qualified wealth management professional is a good start. Having someone to help organize your investments, coach your decisions and coordinate your other financial professionals can be extremely beneficial.

Set the appointment about two weeks away and ask the professional to e-mail or mail a list of things needed for the initial meeting. If you are not ready yet, use the next quarter to get organized.

As financial statements come in through-

out the quarter, file each in a separate folder and section them off in the filing cabinet under Wealth Management. You should have all mutual fund statements, brokerage statements, insurance policies, employee benefit statements, including 401 (k), tax returns and wills and trust information.

Once this is complete, you are ready to set the appointment. In addition, start thinking about what you would do if you didn't have to work.



GUEST OPINION

Robert J. Pyle

Take for example the small-business owner was leaving the corporate world after many years, and was in the midst of starting a consulting firm. He needed advice on setting up a new 401 (k) for the business to benefit him and his wife. A wealth-management adviser was able to coordinate with the businessman's accountant to set up a retirement plan with contributions more than \$70,000. Now, the couple is well on its way to having work be optional.

What should you expect in the initial meeting?

You should expect a series of questions that cover all aspects of your financial life including your values, goals, your important relationships, who are your current advisers, how you want to be involved in the whole process and your interests.

The initial meeting will uncover what is really important to you and your family in the present and future. It will touch areas of advanced planning such as charitable giving, wealth enhancement, wealth transfer and wealth protection. This information should be used later to create an advanced

planning plan. All this information can be consolidated in one document.

How to choose a good independent wealth manager?

A good independent wealth manager will help you clearly lay out your objectives and the potential risk and rewards of various paths to those objectives. He or she should help you avoid distractions and stay focused on your original goals and values.

Without the help of a wealth manager, business owners can encounter unnecessary risks by gambling on individual stocks, relying on unproven forecasts, chasing past returns, running up unnecessary costs and tax liabilities, and failing to rebalance their portfolios to take account of changing risks.

Find a wealth manager who is ready to do all the worrying for you. Let them help you build a long-term strategy for your long-term goals — not one that is based on the day-to-day changes in the market. But still make the time to meet periodically with your adviser as your needs change and to ensure you are still on course.

Be sure to find a wealth manager who understands your end goals and appetite for risk. A wealth manager who takes the time to know and understand your professional and personal goals will be keenly aware that some risks aren't worth taking.

Risk can never be completely eliminated. With no risk, there is no return. But your chances of success are increased with professional financial knowledge and a diversified portfolio.

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