Take a Vacation Without Losing Clients—or Your Head

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Not long ago, Chad Nehring did something he hadn't done for 12 years: He took a real vacation. Although Nehring runs his Appleton, Wis.-based practice, Conceptual Financial Planning, with a partner, he bears most of the responsibility for day-to-day client work. As a result, he never felt free to pick up and leave the firm, which has about $30 million in assets, for anything more than a day. And when he did take a long weekend, he spent much of the time checking his Blackberry and voicemail and returning calls. But, about six months ago, he hired a new customer service assistant who was not only fully registered, as his previous staffers had been, but also had a CFP. Confident his employee could handle just about any situation that might arise, Nehring went on a week-long cruise to the Caribbean with his wife, a trip that rendered him virtually unreachable by cell phone or email. Lo and behold, as soon as he left, a long-time client called his office in a panic. The client, a public school teacher, was suddenly faced with the decision of whether or not to retire. But Nehring's assistant handled the crisis on her own, without a hitch. Now, says Nehring, he's planning his next trip. "I realize I need to do this some more," he says. "I can't go another 12 years without a break."

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As we well know, all work and no play makes Jack a dull guy. But it can also make him a bad advisor. Failing to take real breaks can be bad for your productivity and for your practice. "Quite simply, you have to take a vacation or you burn out," says Laurie Burkhard, a practice management expert and senior business consultant with Securities America in Omaha, Neb. In addition, your health can take quite a beating, too. Consider a study of more than 350,000 men aged 35 to 57, conducted in 2004 by researchers at State University of New York Oswego and the University of Pittsburgh. It found more deaths from heart disease among those people who took fewer vacations.

And yet, if you're like many advisors, knowing you should get a break doesn't necessarily mean you actually do something about it. In many cases, ensuring that client service continues uninterrupted and that there will be adequate coverage in an emergency is a nearly insurmountable challenge. Inevitably, as Nehring found, that leaves one choice: To stay put. And, if you do go away — admit it — you often end up glued to your Blackberry and iPad, leaving little opportunity to feel you've really gotten away from it all.

It doesn't have to be that way. While taking a vacation the first few years in business is tough to pull off, after that, most advisors can cut loose and get away — with the right staffing and office systems, and smart use of technology. While you're out of the office, it's also possible to refrain from checking in all the time. In many cases, you might have to settle for five days, rather than 10, but you still can get the respite you need to maintain your health, keep your spirits up — and continue expanding the business.

What's more, according to Matt Ransom, assistant regional director of sales at Raymond James Financial, with the tumult of late 2008 and 2009 gone, there are fewer potential catastrophes to manage, and more time to escape. Some financial advisors are already taking advantage of this fact. "While they might not have thought about taking a vacation before, they're now realizing it's just as important as eating breakfast in the morning," he says.

Be Realistic

Still, don't expect it to be easy the first time out. It took Nehring, who didn't pack his laptop or Blackberry, a good three days to settle in. "They talk about hearing that phantom phone vibration," he says. "Well, I heard it all the time." In fact, according to Nehring, he chose to take a cruise out of the country, instead of traveling in the U.S., specifically to make it more difficult for him to check his email all the time.

Those advisors with a true ensemble approach, where colleagues share clients, probably have the easiest time going away. Take Ginger Snyder. Four years ago, she and a partner left a regional wirehouse to start their Tampa-based practice, 360 Wealth Management Group, which is part of Raymond James Financial; she added another partner more recently. The team gradually is moving to a shared client model; in the process, all accounts are introduced to every partner. "They look at us as under one umbrella," says Snyder, whose practice has around $500 million in assets.

That's a radical change from her previous set-up, where Snyder had one assistant and no other associates. When she was working under the old model, she tended to take one vacation during the holidays, when business was slow, checking in all the time. Now, she feels confident enough in her partners' abilities and relationship with clients to go on frequent week-long trips throughout the year. She planned a trip to Key West for May, and is planning another to Colorado around the Fourth of July.

If you don't work with partners or other advisors, another possibility is to form a reciprocal relationship with a colleague affiliated with the same broker/dealer. That means you pinch-hit for each other when you're away, whenever possible. Kasey Gahler of Gahler Financial, an Austin, Tex.-based firm with about $18 million in assets, for example, shares an executive assistant and office space with another advisor connected to his b/d. If he's away and a client calls with a technical question that his assistant can't answer, his colleague may try to help — and vice versa. Recently, when his officemate was away and a client called about a tax-related matter, their assistant switched the person to Gahler, who was able to address the question.

For practices that aren't ensembles, the key is introducing a team framework, including at least one trusted licensed employee who understands the business and with whom clients are familiar — someone you feel can handle most situations likely to arise or who knows when there's something more complex or urgent that requires your attention.

Caton Financial, a San Rafael, Calif. firm, is typical of such a set-up. For her first 12 or so years in business, owner Nancy Caton had one assistant and rarely took a vacation. Then, in 1998, not long after buying another practice, Caton realized she couldn't continue to run her business that way. So, she expanded and reorganized her office staff, hiring two support people, then adding another. Two are licensed — and one of those employees also is a CFP who does client reviews and puts through trades. The result: Caton's business has thrived — her practice now has $183 million in assets — and she's able to take several vacations a year. Upcoming: Two weeks in Hawaii and 12 days touring Alaska.

Systems and Standards

But a reliable staff is just one part of the puzzle. You also need standardized office systems that allow employees to share information easily and understand the correct process for every activity conducted by the firm. And you need a system of meetings that ensure the entire staff is always on the same page. Caton, for example, meets every Monday morning with her employees, in addition to holding longer once-a-month powwows. Her three employees also meet for 15 minutes or so every day.

The right CRM system also makes a big difference. With the appropriate software, every time there's a conversation with a client, that discussion can be noted in the system, along with follow-up tasks for staff. That way, if you're away, anyone in the practice can call up an account and get the most up-to-date information. “Our CRM is probably the biggest thing that helps us take vacations,” says Jeremy Lowe, an advisor with McKinley Carter Wealth Services, a Wheeling, W. Va., firm with about $525 million in assets. He takes several vacations a year.

In fact, it's all about planning. That means scheduling vacations well in advance. Take Legacy Solutions, a Kennett Square, Pa., firm with about $80 million in assets. According to Bradford Winton, one of the practice's three advisors, staff is required to take at least one full week of vacation every year. “You're not allowed to let work rule your life,” he says. To that end, the staff, including advisors and three assistants, meets at the beginning of every year to map out everyone's vacation time. In addition, it's best to schedule client reviews with vacation schedules in mind, so they're conducted at least two weeks before you'll be out of the office.

Perhaps the trickiest issue is deciding just how completely you'll disconnect yourself from electronic communication. With email and cell phones, as well as software that allows you, say, to tap into client information on your office desktop remotely, there's the potential to be in constant contact. That's less than ideal for really getting a break.

But sometimes, advisors simply can't cut the cord completely. In that case, there's a range of options. Some advisors ask their staff to send one email a day with a recap of important issues. Others tell their office to call them only if there's an emergency. Still others, like Caton, check email occasionally, only getting back to "A-plus clients" if they have an urgent need. She recalls one such client who recently contacted her about a house purchase decision that had to be made on the spot. Caton called her back and arranged a three-way conversation with the broker. "That's unusual," she says.

Even advisors who take only short breaks have different philosophies about email. Peter McAleer of McAleer Wealth Management Group in New Canaan, Conn., with about $80 million in assets, tends to take four-day trips, usually leaving Thursday night and returning to the office the following Tuesday, only checking his email on the last day. On the other hand, Gahler and his wife, who owns her own graphic design business, also tend to take four-day trips, but spend a few hours on Friday and Monday on their laptops and emailing. They're planning a first — a 10-day trip to celebrate their tenth wedding anniversary over the summer in the mountains north of Santa Fe — but made sure the resort had Internet access.

Most advisors let their clients know if they're going away, either during reviews or via email or snail mail. In fact, in some cases, it can even be a way to strengthen their relationships. Fernando Erenata, who heads Erenata Financial Group at Raymond James in Lisle, Ill., finds that discussions of the trips he takes with his wife and five children help client communication. "We're not talking about just the portfolio," says Erenata, who has about $120 million in assets. "It's a different aspect of who I am." Some advisors send their A-list clients postcards while they're away.

You might also be surprised — and gratified — at the reactions you elicit after you announce your plans. When Nehring let his clients know during their reviews that he was going on a real vacation, "Almost to a 'T', they said, 'It's about time,'" he says.

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