

Barnett Financial, Inc. *by David J. Drucker*



In the warm climate of Austin, TX, Laura Barnett lives with her almost-one-year-old son Drew, husband Chris, and her practice — Barnett Financial, Inc. (www.barnettfinancial.com). And like each of the advisors we profile in this newsletter, Laura has used the virtual office model to create a lifestyle that suits her family circumstances and other life preferences.

Barnett graduated from Texas A&M in 1991 after which she went to work for Merrill Lynch where she'd interned during college. "As a Financial Consultant, I found myself cold-calling professors at the college I'd just graduated from," she says. She stayed with Merrill three and a half years until she got herself hired at one of the area's premier fee-only firms — Briaud Financial Planning, Inc. in Bryan, TX. And after another three and a half year stint, she moved to Austin in March 1999 to start up her own fee-only firm.

Barnett Financial provides comprehensive financial planning and investment management services to about 25 clients with net worths ranging from \$500,000 to \$5,000,000. "Three years ago I'd been doing lots of hourly work, but it ballooned on me and I found myself doing too much with not enough time for my retainer clients," says Barnett. "At one time I was overwhelmed with 13 regular hourly clients; now I only take two hourlies at a time — if the time is available."

At first, Barnett went the employee route. Actually, she only had one part-time employee, but that was enough to make her think twice about the wisdom of having onsite staff. "Even with just one part-timer, I spent a lot of time on personnel issues, primarily managing the workload. My work ebbs and flows, so an employee will sometimes be too busy, and other times have nothing to do. I transitioned to the Virtual Work Partner [outsourcing] model in July 2002. It just fits my workflow much better," explains Barnett.

The linchpin of her outsourcing efforts is Jessica Riner at Consider It Done! (www.consideritdonecompany.com) in Jacksonville, TX, the guest columnist in our August 2004 issue. In addition, **Barnett outsources tasks to Krisan Marotta** and Naomi Scrivener.

Both of these names may be familiar to you, as they appear on our Virtual Resources List and we mention them frequently in this newsletter. Marotta has been handling Barnett's Centerpiece outsourcing for about six months now. **Says Barnett, "I had a prior Centerpiece outsourcing relationship that wasn't going well, so I switched to Krisan and things are now going great. She did an incredible job cleaning up my data."**

Marotta, owner of Krisan's BackOffice, Inc. (www.krisan.com), has been offering Centerpiece reporting services for over ten years now. Her method of delivery is to post her clients' data and reports to her own secure website. While some advisors hesitate to entrust their Centerpiece reporting to an essentially one-person operation, Barnett was quite satisfied with Marotta's answer

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when she questioned her on this aspect of her service. Says Barnett, "My last provider had employees [which gave them more capacity], yet Krisan has gotten my reporting out on time, unlike my previous provider."

Barnett has Riner get into the reporting act, too. After Marotta prepares and posts her clients' reports, Barnett reviews them, lets Riner know when the reports are OK, and Riner then emails to a local printer a PDF file containing the reports. The reports get printed in color, since Barnett likes to use graphs in her reports, Riner picks them up from the printer, and then mails them to Barnett's clients. "My clients don't seem to want these data sent by email," explains Barnett.

Naomi Scrivener of Back Office Solutions (www.backofficesolutions.net) assists Barnett with financial planning. Barnett began using ExecPlan in 1999 and, as of a year and a half ago, had someone doing data entry for her, but she decided she preferred the graphing capabilities of Naviplan. "So I switched, both because Naomi supported Naviplan and because I liked the software." Barnett started working with Scrivener three months ago, and feels the relationship is going well.

Unlike some virtual CFP arrangements, though, Barnett doesn't just turn over new client data to Scrivener to input. "I'm a little atypical for Naomi because I do all the data collection and I summarize the client's data in a Word doc before I send it to Naomi for inputting. I tell her the critical questions we're trying to answer with the plan, for example, how much can the client spend in retirement, and Naomi answers those questions with the financial plan." Barnett gets the big picture by working with the data first, and then can give Scrivener the direction necessary for Scrivener to provide a higher-level service than simply data entry. As a practicing financial advisor and CFP, Scrivener can suggest planning recommendations for Barnett's clients.

As mentioned earlier, though, Jessica Riner — who Barnett has known since the 2nd grade — is Barnett's greatest resource. "Jessica took care of everything during my maternity leave," says Barnett. "She has a pcAnywhere connection to my office computer, so she was able to log into my server and do my billing, the maintenance on my clients' investment accounts, open and scan mail, order office supplies, pay bills and reconcile QuickBooks, check my voicemail, and return phone calls. Jessica knows my existing clients, and she calls and introduces herself to new clients. She's a member of my team."

Do clients know she's not an employee? "I'm less clear with them on that. I say I work with Jessica and she takes care of certain functions. If they ask, I'll tell them she works with other planners too. They don't have a problem with that although older clients sometimes feel less comfortable until they talk to her and develop a relationship," says Barnett.

She continues, "I've been in business 12 years. For 10 of those, I've been seeking an ever-elusive balance. Jessica's services now allow me that balance." But to provide that balance, a virtual assistant has to have a truly wide range of ability, like Riner. For example, Barnett says Riner takes care of "the maintenance of my clients' investment accounts." Yet, most virtual assistants, unless they've got a financial advisor niche, aren't going to know how to do things like transferring client funds to and from your custodian (or broker-dealer), opening new client accounts, helping clients

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with cash or security deposits, and knowing what to do with the multitude of forms every custodian uses. However, Riner took it upon herself to learn how to do these things as soon as Barnett explained she needed this kind of assistance. Riner's list of can-do's is practically a how-to manual for the aspiring virtual assistant.

Riner's ability to deal with client calls and an advisor's snail-mail make her even more valuable. If your VA can handle these tasks and you're a sole practitioner, you can now take a vacation without taking client calls on your cell-phone (and simultaneously fielding disapproving looks from your spouse and children). In Barnett's case, all of her mail and deliveries are forwarded from her office address to Riner's office. Riner scans the mail, emailing Barnett the resulting files. If Riner orders office supplies for Barnett, she has them sent to Barnett's home (if they went to Barnett's office they'd simply be forwarded right back to Riner) and Barnett takes them into the office. "It's not a completely problem-free arrangement," Barnett says, referring to these kinds of workarounds, "but it works well enough."

In the software/hardware department, Riner uses Zixmail (www.zixcorp.com) to encrypt client email communications; PaperPort for scanning everything except old financial plans and receipts (she keeps the originals); ProTracker as her CRM; and GoToMyPC when she's out of town without a laptop and really feels the need to visit an Internet café or business center to grab something off her main computer. Of course, with her infrequent need, Barnett just buys GoToMyPC for the month in which she's traveling and then cancels it upon her return.

Barnett's office mates aren't virtual, but her lease arrangement with them adds to the efficiency she already experiences from outsourcing and intelligent use of technology. She and fellow NAPFA members Kevin O'Shea and Doug Pauley are all on a lease together, each taking a cubicle plus sharing common space in an office suite. None of these advisors has employees, so each wears all the necessary hats while splitting the rent three ways.

What does Barnett like best about her virtual office? "The peace of mind I get from it is vast. With an employee, I felt I needed to be in the office certain hours to make sure they had work to do, to answer their questions — you know, managerial-type things. With Virtual Work Partners, I don't have to worry about that. And Jessica has people to back her up too, so if I have a busy time of the year, I can send her more work than she can handle on her own and she can still take care of it, whereas an employee would be overwhelmed. What I like about this outsource model is that it's very scalable."

A typical work day is a nine to five affair for Barnett, unless she chooses to take an entire day off to be with her son. "Drew takes most of my free time since he just started to walk. I take one Monday off every month to spend an entire day with him. My virtual office allows me to do that, as well as to spend time with my husband doing all of the kinds of outdoor activities we enjoy together."

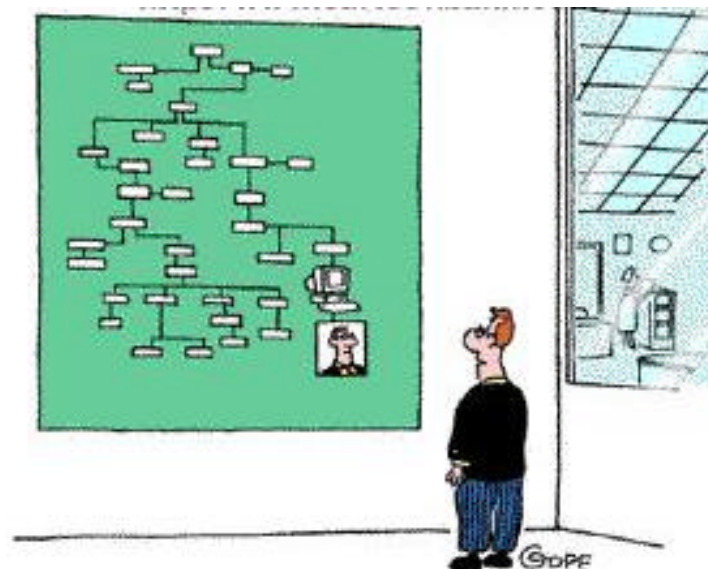
Of course, Barnett took a little more than a day off when she was pregnant. "I took three months of maternity leave, including time to stay at home with my [new-born] son." All the while, her business still functioned smoothly with Riner handling the day-to-day tasks. "In case Jessica

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couldn't handle a client request or question, I had another NAPFA member on call to assist her," says Barnett. "Nothing important came up, though."

Of course, there are drawbacks to being a sole practitioner. Barnett doesn't have anyone to greet her clients when they come to visit, or to make coffee or copies of important documents. She must do those things herself, although the copying and scanning waits till after the meeting. As someone once said, scanning documents is the same as relying on paper in one respect: new documents still need to be filed. So, after scanning new client documents, Barnett shares them online with Riner who files them for her on Barnett's office computer. (Riner has a T1 line to speed up the pcAnywhere process).

Once again we see how the virtual office can assist an advisor who wants to be free of typical office energy-sappers, like employees needing guidance, Centerpiece snafus needing troubleshooting, or clients needing help on your day off. Is virtuality the perfect solution? Nothing ever is. But for Barnett, the benefits clearly outweigh the costs.



"Say! When did I start reporting to my computer terminal?"