

ADVISOR PROFILE

Not your ordinary practice

An unconventional approach to wealth management has allowed this father-and-son duo to build close relationships with their clients for a thriving practice

WAYNE AND JAMIE Townsend aren't operating your average wealth management practice. In fact, the father-and-son duo at Lawton Partners, a Winnipeg-based multi-service office, could well be mistaken for therapists. Indeed, they routinely are.

"Ultimately I think we're having conversations with people that they're not able to have with many others," says Jamie, pointing to both his and his father's relationships with clients. "The conversations we're having are sometimes sensitive. There are very few people in this city or this world that they can have those conversations with at that deep a level."

Their strategy comes down to two key elements: time and trust. Listening to the Townsends describe it, you can almost imagine their clients lying on a couch during their meetings. "To Jamie's point, a client can't go share the fact that his marriage is falling apart," says Wayne, "or he's overdrawn at the bank, or his kids are going to university and he doesn't have enough money to fund it. When you have that kind of deep relationship with clients, they will tell you things they haven't shared with anybody else."

In order to really help clients use their money effectively, the Townsends insist on knowing whether that money is being squirreled away for emergencies, perhaps, or for retirement. "You really have to spend a lot of time with these clients figuring out where they're at and what can throw them off," Wayne says. "We always say that money really creates confidence, and it creates options, and our





role is to ensure clients have cash available whenever it's needed. Every step along the way, we're there to help them protect their confidence. When you know that, then the money discussion is easy."

But they rarely talk about money – they estimate that subject takes up only 20% to 30% of their time.

"With us, it's the last part, because our whole focus is trying to understand where the client is and whether they're on track to reach their goals," Wayne says. "Once we know that, then the question becomes, 'What can derail those goals from happening?' If you don't know that, then you can't talk about money. Money is the easy part of what we do."

Even the metric most advisors use to measure success is irrelevant to them.

"A lot of advisors might get hung up on what was your rate of return last year," Wayne says. "Frankly, if you don't have any money when it's needed, then it doesn't matter what your rate of return is."

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Team players

While the Townsends can offer clients that close-knit bond and expert wealth management advice, they're also able to call on the full power of Lawton's 50 other professionals. "One of the challenges that our business owners or professionals are having is getting everyone in a room on their team – not only just us, but the accountants and the lawyers," Jamie says. "We can address the issue once and move forward. It's been incredibly valuable." They have at least one meeting a year with the full team and exchange emails throughout the year.

For example, on April 30, everyone associated with a client gets a copy of their tax return. "Now we can identify if he's making too much money, is he paying too much tax, is there something they could have missed?" Jamie says. "Then we work with the accountant and identify challenges and opportunities, then collectively, you can go back to the client and present a solution. There's just no resistance when you do that."

Not only do they work with other professionals, but they

ADVISOR PROFILE

also involve the client's family. "I think one of the things that makes Wayne and I unique is that it's really a multigenerational approach," Jamie says. "The conversations we're having are with the parents and the kids to make sure that all avenues are taken care of."

Given the amount of time that goes into developing these types of relationships, the Townsends are very disciplined about the clients they take on. "You cannot build a practice by [continuously] adding people," Wayne says. "I can't add enough value to somebody who makes a smaller income and can save \$120 a month. The tendency in our industry, especially those who started with an insurance company background, is that more is better. More is better only to a point."

In fact, 85% of their clients have been with them for longer than five years, and all their new clients in the last couple of years have come from referrals. "If a client, lawyer or accountant is saying, 'We think you're a quality person, and we think there's some tremendous value that we can help you with,' that conversation is completely different than talking to someone on the street or talking to a friend," Jamie says.

Embracing transparency

Given the Townsends' attitude toward the client relationship, it should probably come as no surprise that they don't look at CRM2 as the big challenge many in the industry see it as. "I would say it's the big opportunity in our industry today," Wayne says. "If you're sitting in the bushes, and you've only seen that client once every three years

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and collect your trailer fees and haven't done anything to add value, I think [you're] are at serious risk of losing those assets."

The Townsends have been getting out in front of the new regulations. In fact, they've been doing so for years – every meeting with clients includes a section in the agenda called 'Understanding Your Investment Fees.' "For every client, we show them exactly how we get paid, what they've paid as a percentage of the assets and exactly what that translates into in dollars and cents for their account," Wayne says. "It's amazing how great a conversation that is when it's trans-

THE VIEW FROM THE 'PEG

While the rest of Canada is on a roller coaster ride of economic volatility, advisors in Winnipeg are chugging along as usual.

"Winnipeg is like vanilla ice cream," says Wayne Townsend. "It never goes out of style or out of flavour. Winnipeg never surges, and it never tanks – solid, steady, conservative growth."



But the issues facing both clients and advisors in this Prairie town are similar to what's going on around the country. "The conversations we're having with clients focus on the pressures of time and the pressures of owning a business and the impact of some of the decisions they need to make not only for today, but how that plays out over generations," says Jamie Townsend. "Those conversations are probably frequent across the country, and I'm not sure they're just unique to Winnipeg."

That solid, steady, conservative growth extends to other aspects of the city, including its hockey team. "Don't be going there," Wayne says. Too soon, it seems.

parent for the clients. They appreciate it if you have created value."

Also, when fees are broken down for clients, it can give rise to questions about why, for example, they're paying 1.2% for product A and 2.3% for Product B. "It's a great conversation to have with your client," Wayne says. "What we're seeing is clients who want to do more consolidation and own a more concentrated portfolio. At the end of the day, they're paying lower fees today than they were paying two or three years ago for a portfolio that has been built to a higher standard."

The way the Townsends operate their practice, they wouldn't recommend solutions for clients based on products anyway. "None of this is product-driven; it's all strategy and solution driven," Wayne says. "If you take the time to properly understand where the clients are, the products will just naturally flow. We put a lot of time in upfront making sure we understand what's important to the client and then covering off the risks."

Given that their practice is based on understanding the importance of time in a relationship, the value trade-off is paramount for them. "There's no sense in working 80 hours a week and then dropping dead," Wayne says. "You want to give the absolute best value you can create to a client, as long as it's not taking away from you having to sacrifice your personal and family time." **WP**