



Special to this issue:

The Profession: *Here's an example of a niche with virtually unlimited numbers of potential clients. page 10*

Conferences: *A review of some of the best sessions from the AICPA Summit, including how to move clients from a negative to a positive mental state.page 13*

Parting Thoughts: *Has anybody ever noticed how the financial planning profession has been one step ahead of a number of positive societal changes?page 21*

Edited/Published for leading financial professionals - www.bobveres.com

Tracking Everything Software

Synopsis: *Worried that client service tasks are falling through the cracks? Here's why some firms are adopting project management software—and it's quickly becoming the hub of their operations.*

Takeaways: *Every client becomes a 'project' and you can set up templated task lists for prospects, onboarding and client meetings, that can be customized to each client. Some advisors are creating collaborative workspace portals where they and their clients can track tasks and compare notes.*

Thomas Payne, founder of Prosperitas Wealth Management in Arlington, TX, finally got tired of trying to wedge a fat square peg into a small round hole. He wanted his software suite to enable

him to co-create the ever-evolving financial plans with his clients, and to easily build customized and template workflows. He wanted a client-facing portal that would allow him to send messaging back and forth, that would show both client and advisor the tasks that were to be completed and the proposed deadlines, and that would bring all of those tasks into one place so he and every member of his staff could walk into the office every morning and see what tasks were on their plates, and their deadlines, and what tasks clients had on their plates that were not yet completed.

And of course he wanted clients to be able to check off their

EARLY WARNING

Please mark your calendar for the Insider's Forum conference, October 4-6 in San Antonio, TX (<http://www.insidersforum.com>). Our niche market is successful advisors who've outgrown the traditional conference experience, and their operations professionals or COOs (who get their own educational track and a HIFON preconference). Bringing CEOs and COOs to the conference together lets them compare notes and decide what they learned that can be implemented to move the firm forward; the conference has the highest implementation factor in the profession, in addition to some of the most advanced sessions and best hallway conversations.

Coming up soon is the T3 tech conference in Tampa, March 13-16 (<https://www.t3conferences.com/2023-registration-and-info.html>) which showcases the fintech world, letting you do your technology due diligence all in one place. You can get \$200 off the registration price with the code: Veres2023.

The annual AICPA ENGAGE conference in Las Vegas, June 5-8 (<https://www.aicpa.org/cpe-learning/conference/aicpa-cima-engage-2023>), offers the best technical content in financial, estate and tax planning. Advisors can save \$100 off the registration fee with the coupon code: BOBV23.

found that Hubly offered a similar feature set, and also integrated with Redtail. “Hubly’s people helped us create the workflows we needed, and they trained us in how to use it,” says Barbera.

Interestingly, the new advisor never stopped using Trello, preferring the system he built and is familiar with. Barbera is exploring other solutions as well, not because he’s dissatisfied with Hubly, but because he thinks eventually he’ll be able to build a more customized solution through (the programs he’s been demo-ing) Monday and ClickUp.

One thing that Hubly does not do (yet), that other project management software facilitates, is allow advisors to create a client portal as a shared workspace and communication system. Barbera is also hoping that Hubly will add automated client communications and reminders like Knudge (<https://knudge.com/>) and Pulse360 (<https://pulse360.com/>).

Bigger picture, he thinks that the trend toward using project management software is going to catch on quickly, based on his own experience and the experience of advisors he’s talked with.

“As advisory firms get bigger and take on more clients, as they become enterprises, they need a system in place to keep track of everything,” Barbera says. “And as we all start adding new services, and as we create virtual workplaces, these systems for tracking and coordinating and assigning tasks are becoming increasingly important to the profession.” ■

The French Connection

Synopsis: *Here’s the most successful example of a niche market that we’ve ever run across.*

Takeaways: *Americans living in France are often bewildered at how different the financial system is there compared to what they’re accustomed to. Levitt Capital Management is there to help.*

If you were to define the ideal niche to focus your professional services, what would it look like? Ideally, it would require focused expertise so that your services were much more valuable than what people could get from a generalist. And, if you were really

Americans move to France and they have no idea how to access the financial services they are accustomed to.

lucky, your niche would be protected a bit from competitors. There would be a lot of potential prospects in the niche, and those prospects would be highly-dependent on your knowledge and expertise to navigate their financial lives, creating unusually-sticky long-term relationships.

Robert Levitt, of Levitt Capital Management in Nice, France, checks all the boxes. He started his career as an American advisor, working with Harold Evensky’s firm down in Miami back in the

day. After leaving the U.S., Levitt spent a decade pioneering an entirely unique investment approach, traveling to out-of-the-way places (I talked with him once when he was renting a yurt in Mongolia, and he was detained in a squalid jail cell on suspicion of being a spy on an investment reconnaissance trip to the Congo), investing in opportunities that most of us would have never heard of. One of my favorites was his deployment of client capital in one of the first newspapers to be introduced into the rather large market of Nigeria.

More recently, Levitt has developed a niche focus on serving as a financial sherpa guide to U.S. citizens who are living in France, who rely on Levitt to provide them with the investing, insurance, banking and other familiar systems that they don’t know how to access in the completely unfamiliar French financial system.

“Americans come to France and they want to do the same things with their money that they did in the U.S.,” he says, “but they don’t know how to do it here. All the options exist,” he says, “but they’re so

different that they need somebody to guide them through it. We know how to do it here in France,” Levitt adds. “How do I handle banking? Where can I create an investment account? How do I get my taxes straightened out?”

You can check the boxes. Focused expertise? Yes; having worked as a U.S. advisors for years, Levitt knows what financial systems U.S. citizens are accustomed to, and he knows how to translate the services they used at home to the entirely different system in France.

Protected from competitors? “Registration takes forever here,” says Levitt. “First, you have to do your Series 7 exam in French. Then, even though I have an MBA in finance and some French degrees as well, you submit that to the authorities here and they say, we can’t accept that MBA because it is a U.S. degree. You have to go through the process of getting the equivalent French degree. It took three months. And then the registration took roughly seven months.” How many prospective competitors are likely to successfully jump through those hoops?

A lot of potential prospects in the niche? “The U.S. State Department estimates that there are 250,000 Americans living in France at any given moment,” says Levitt. “There are more American expats here than I could possibly serve in a lifetime.” He adds that there are no licensed French-speaking financial advisors that work with Americans in France at the moment.

Highly-dependent? “The people I work with need more ser-

vice than just financial planning, which we provide,” says Levitt. “Not only do my clients have to be aware of all the issues affecting Americans stateside, but there is the added complexity of IRS rules which penalize foreign ETFs and mutual funds, and European regulation which prohibits many European-based investors from buying U.S. ETFs.”

Translating services

But... Is it really that complicated for American expatriates living in Paris, Marseille or Bordeaux? Apparently it’s more complicated than this brief introduction would have you believe.

“When Americans come to France, and they want to do estate planning, they look around for an estate planning attorney,” says Levitt. “But what they don’t know is that in France, estate planning is not done by an attorney; it’s done by a notary. In America, you would go to a CPA to prepare your taxes. But in France, the equivalent of a CPA only prepares declarations for companies, not individuals. If you want someone like a CPA in France, you go to an attorney. You don’t prepare a tax return; you prepare a declaration. You have people here who do the same things,” he adds, “but they have different titles, and it can be very confusing for Americans.”

Even simple aspects of their financial lives can trip up expat Americans. “They want to open up a bank account, but French banks won’t accept Americans,” Levitt continues. “And Ameri-

cans shouldn’t be going to French banks anyway, because they don’t provide them with the U.S. tax data that they need to have. As an American, you need to have a capital gain and loss report in order to file your taxes in America, but the French institution would send your tax information directly to the French tax authorities. The American would have to calculate every dividend and interest payment on an Excel spreadsheet, which would be a nightmare.”

The equivalent in France would be to do your banking and brokerage at a different kind of institution. “In America, they would open an account with Fidelity,” says Levitt. “Here, they can open the same account, but it would be with a large international custodian that may be located in Ireland.”

And don’t forget currency issues. “We aren’t hedging, but we are buying investments in other currencies,” Levitt says. “You can buy a Treasury bill in U.S. dollars, but you can also buy it in euros. You want to make sure you have a diversification of currencies, because people here are living on euros.”

Lately, the investment portion has required more navigation than it did in years past. “Many of the expat Americans were keeping their investment accounts in America,” Levitt explains. “But now, more and more firms are closing accounts of overseas Americans. Schwab International wrote to its customers that they will no longer allow trading in accounts with French and Italian addresses. Then we get to the various tax treaties, each of which have different impli-



*"I have terrible news, Mr. Powell.
The unemployment rate is falling again."*

cations for what one can and cannot do. Under the tax treaties, if you buy U.S. securities, they are taxed in the U.S. and not in France, and it doesn't matter where you live. If you buy Japanese securities, then the tax is going to be through the French tax system. If you buy European securities, you can put them in some kind of an IRA-like account, where all the gains are tax-free at the end. It gives the idea of after-tax returns a whole new meaning."

Even the French insurance marketplace is unrecognizable to an American. "You wouldn't want to buy whole life insurance here," says Levitt, "because whole life insurance from a French insurance company is tax-deferred for French taxes, but is fully-taxable for American taxes." Why not just buy term insurance? "Here, term insurance is rarely used, and it's not called term insurance," says Levitt. "If

you went to an insurance agent here and said, I want term insurance, they wouldn't know what you were talking about. The pure life insurance, nothing else product exists," Levitt adds, "but it's not something the agents are used to selling. You have to know how to ask for it specifically."

Expansion opportunities

Levitt's role is to translate what his clients want to do into the solutions provide by the French financial system. The revenue model, at least, is familiar: he charges by AUM on a sliding scale, and adds additional fees for complex situations. He also has accountants and other experts who handle the most complicated cross-border planning issues, which sometimes come up if a client has already made a mistake before the initial meeting.

"From what I can see in the

U.S. market, it's not easy to find a niche," Levitt says. "And here I am with a wide open niche; where there is just nobody. To me, this is an ideal situation; I have no competition." He adds that, in the future, advisors will provide more than just generic financial planning; they'll need specialized services. Despite the plenitude of potential clients, Levitt is considering expanding his firm into other European markets: Spain, Italy, Germany and Portugal. "There's a huge opportunity in those other markets, now that we know how to do it here," he says.

If he decides to expand across Europe, there are resources that are ready to partner with him. "We have custodians and product providers who have offered to help me with this, because they see this as a huge potential growth area for them as well," Levitt says. "The wind is at my back, and that's a nice place to be." ■