

## At Pershing Insite Conference, Top Advisors Say They Thrived in Crisis

*Three advisors outline the steps they took to succeed during the financial meltdown*

**Janet P. Levaux**

**6/10/2010**

Advisor John Rafal, head of Esses Financial Services in Essex, Connecticut, says his motto of the past few years has been: “Don’t let a crisis go to waste.”

Rafal, who leads a group of 55 professionals with nearly \$3 billion in assets under management (AUM), spoke to more than 1,000 advisors during a panel discussion on Thursday, June 10, at the Pershing Insite 2010 conference in Hollywood, Florida.

He said that he took this approach during the banking crisis of the late ’80s and formed important partnerships with community banks. This helped him refine the personal service he extends to clients, which was a major factor for five wirehouse advisors who approached Rafal recently about joining Essex.

In addition, Rafal cut his own salary in 2008 by 75% in order to invest in technology and staff. Such drastic steps are needed, he says, if advisors want to take their practices to “the next level.”

“I ask prospective clients, ‘How have your advisors changed their approach during the past two years?’ and many say not at all,” shared Frank Marzano, managing principal of the GM Advisory Group in New York.

Marzano leads a group of 10 professionals now doing most of its business as a fee-based RIA. The group has boosted assets 15% year to date, after growing them by 60% last year.

“We want to anticipate what we can in order to break through the brick wall (or business plateau), update our business plan and change our infrastructure,” he said.

During the crisis, GM Advisory Group decided to introduce its own hedge fund, so clients could have a product that was not highly correlated with the S&P 500. “And we communicated all the time with clients about changes in the markets and tax reform,” Marzano said.

“We have to articulate what we do that is different,” he explained.

For Xavier Maza, president of Actinver Securities, helping clients manage expectations is a key focus. “There are no good or bad investments,” Maza said. “There are only good and bad expectations.”

These top advisors take the time to check in regularly with clients about their expectations and their day-to-day concerns. In addition, they reach out to prospects who turned them down to see how the competition is doing with respect to meeting client expectations.

“It’s worth calling prospects back a year or so down the road,” said Rafal. “You may want to meet with them again, because they could be receptive to you.”

Read a story about Hank Paulson’s 2010 Pershing Insite speech from the archives of [InvestmentAdvisor.com](http://InvestmentAdvisor.com).