

# Senior Market Advisor

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Are you ready for the  
**next wave?**

Dean Zayed is.

After a \$24 million year, his  
“boutique” strategy is ready  
for the retirement boom.



# Positively prepared

**DEAN ZAYED SERVES TODAY'S SENIORS WITH AN EYE ON TOMORROW'S – ALL 76 MILLION OF THEM. HOW? IF YOU AREN'T FAMILIAR WITH A “BOUTIQUE” FINANCIAL PRACTICE, PERHAPS YOU SHOULD READ UP**

**D**ean Zayed is the founder and president of Prizm Financial Advisors. His Chicago-area practice serves the estate planning needs of seniors and boomers, the latter of which are the next wave of seniors — though they'll never let themselves be called that. Zayed's office employs accountants, attorneys and financial advisors, giving clients an all-in-one experience they can depend on.

Does it work? Well, Zayed had a \$24 million year in 2004 in combined assets brought under management and products sold. Prizm's mixture of commissions and fees suits the needs and expectations of seniors and boomers, and it allows Zayed and his peers to handle each client's situation in the best possible way.



He sees the everything-under-one-roof “boutique” style practice as the model for the future. People are busier than ever and they expect more out of the professionals they work with.

“We are in a service industry now,” Zayed says. “Expectations are higher, and advisors need to be ready to meet those expectations.”

Talk of the Boy Scouts never entered our conversation, and Zayed insists there is nothing visionary about his way of doing business, but he lives by the Scouts’ mantra anyway: Be prepared. Will you see the retirement wave as a 14-footer with a sweet left break or as a tsunami you are unprepared for? Prizm is ready.

**Senior Market Advisor: Can you explain how you get all your in-house people arranged and how that helps the seniors who come to you?**

**Dean Zayed:** We have developed — what I would coin — a multi-disciplinary practice. My background by education is in law. I’m an attorney. And going back about seven years, my law partner and I had the vision that we could incorporate financial services in the context of our already existing estate planning law firm practice, to add that element and then provide more advice to the clients. Our situation is unique in that sense. You hate to use the word “one-stop shop” because it sounds like a big supermarket, but that’s really what we’re trying to build — a one-stop place where we can provide both legal and financial advice so that the client really has the experience in one firm.

**SMA: What resources does Prizm have in-house?**

**DZ:** We have attorneys. We have financial advisors and we have accountants. We believe that those are three of the most synergistic disciplines that make the most sense to provide those services and that advice to the clients.

**SMA: How do you decide who the client sees first?**

**DZ:** We really let the client decide.

# “ The No. 1 thing that I do is listen.”

Normally, there is a triggering event that’s going to bring them to your firm. Whether that’s retirement or disability or a death, they’re going to come in with something specific in mind and we can pretty quickly determine that and get them in the right hands. If it’s estate planning that’s interesting to them at that point, they’ll start with the estate planning attorney. More times than not, it’s going to be my partner and then he will work them through that estate planning process. Eventually he offers the other services in terms of financial planning and accounting. It’s not for everybody. Everybody does not go through and hire us to be their lawyers and accountants and financial planners.

**SMA: Are you fee based or commission based?**

**DZ:** We do both. We will explain all of the fees and commissions to the clients and usually let them decide. Sometimes, depending on the client and his goals, we recommend a fee or commission, whichever will be more suitable to the client, and we’ll tell them that. But ultimately it is up to the client, and they are fully apprised of the differences between fees and commissions.

**SMA: Did you go out and get financial advisor credentials as well as your law background?**

**DZ:** I did. I had the legal background. I went back and got an LLM degree, which is a master’s degree in law with a concentration in taxation. And then I went and got the Certified Financial Planner designation. That was my way of adding credibility and going through the rigorous training to establish myself as the real deal.

**SMA: Are you comfortable with the word “boutique” to describe PRIZM?**

**DZ:** I love the word boutique. Ultimately, the biggest asset we all have in this industry is the client. So boutique to me is a phrase that has a lot of meanings. It allows us to provide personalized service to the client. It allows us to become not only their advisor, but their friend and someone they can count on. We don’t have an 800-number. We provide our cell phone numbers to our clients, for example. To me, that is what encompasses a boutique. Boutique gives them the confidence that they can call anytime of day, they can email, they can stop in the office and we’re going to be there for them. Not only as their lawyers but as a financial advisor and ultimately, I would stress, as their friends. I build every client relationship really from the ground up as a friendship first. If I can’t be their friend, I don’t think I’m going to be a very good advisor. That is what defines our boutique nature.

**SMA: Why is that relationship-building so important?**

**DZ:** It’s all about relationships. I would even take it one step further. We all know that we’ve evolved into the service industry. We are in the service-advice industry. I believe we’re also in the experience industry as we evolve. Clients are willing to pay for the experience of whatever situation they’re going to get involved with. Whether it’s paying a few extra dollars for a cup of coffee because you like the experience that you undergo when you walk into the coffee shop, or

walking into an advisor's office and liking that experience. Ultimately, I put myself in the client's shoes. When I go to a doctor's office and I don't like the experience, I tend to not want to go back. So, we want the clients to have a very positive experience when they walk in.

**SMA: Relationship building seems to be a big term as boomers are aging and are expecting more in the area of customer service. Is the boutique style going to catch on as boomers start moving toward retirement?**

**DZ:** Yes. And it's a great question there in terms of even differentiating today's current seniors with boomers who are tomorrow's seniors. Both groups need a lot of attention. They want a lot of hand-holding. But they also have very different expectations. The smart advisor is going to learn the differences between the psychology of today's senior and today's boomer. You will only be successful working with the boomers if you can understand their psychology and really match expectations.

**SMA: What differences are you finding?**

**DZ:** I would say it really is based on the active retiree lifestyle. The boomer today will not consider himself fully retired for a much longer period of time than the senior. They're going to potentially continue to work beyond 65, maybe part time, be very active in their travels, in their sports, in their leisure with their family. Their expectations are far higher than today's seniors. Today's seniors approach retirement really coming out of the Depression era. They've relied on the traditional forms of income: Social Security, pensions and savings. They didn't really have expectations of living deeply into the retirement years. That has changed with a number of factors. Longevity is a big factor. Boomers today expect to live 20, 30, 40 years into retirement and be active doing so.



**SMA: What advice are you giving the older boomers that is different from seniors?**

**DZ:** That really has become the seminal question of our practice. It is about income planning. If I were to give advice to other advisors, you have to see the writing on the wall. Income planning will be the theme of the next 20 to 30 years. We need to give what I would call growth with guarantees to our boomer clients. They cannot be sitting in fixed accounts earning 2 percent, 3 percent and not outpacing inflation. They're going to live 20, 30 years into retirement. They need growth and they need guarantees and they need predictable, sustainable, increasing income along the way. That changes our whole value proposition to the client who's the boomer today. The senior may be set with his fixed income, relying on those three traditional sources. But that equa-

tion has been flipped on its back with the boomers. We've really focused on the income planning side of things for our boomer clients. Those recommendations look a whole lot different than those for our senior clients.

**SMA: For your senior clients, are there products right now doing better than others?**

**DZ:** The big rage and the big buzz in our industry are the equity index annuities. They're a fast growing part of the annuity industry and the investment industry in general. We use those selectively. I believe they provide the growth I talk about with guarantees, so that's been a popular vehicle for clients. As we move into the boomers, we're seeing positive response to the living benefits being offered in variable annuities. This is powerful development in the securities business. Living benefits have not been around for

very long. We're probably in the second or third inning of a long nine-inning game in terms of their development and their evolution. But they are there to stay. They are allowing people to take the risk of being in the market, seeking that extra growth, but still giving them some assurances and some guarantees.

**SMA: What else can you say to people who are working with seniors and to those who may be looking in that direction?**

**DZ:** The No. 1 thing that I do is listen to my clients. I listen with compassion. That really makes the difference. Clients, and seniors especially, are very savvy and very good at reading people. They're looking for trust and confidence in their advisor. If you can earn their confidence, you're going to earn a new client. I go about earning it the old-fashioned way. Be compassionate. Be a friend to them and really respond and give advice based on what they're asking for. Too many advisors are caught up in their own words and their own powerful thinking, and they don't listen to the client. Therefore, they don't connect and they don't give the right advice because they haven't really heard what the client wants. Only when I understand the client can I really provide a big value-add and earn a relationship.

**SMA: How does building a relationship pay off down the road when it's time to pass that money down?**

**DZ:** I'm going to link back to the multi-disciplinary practice that we have created. When we do an estate plan for a client, whether it's a living trust-type plan or will-based or other types of entities that we would create, we become the family attorney for the estate purposes. When the clients pass away, the first person the family calls is the estate planning attorney, so we have set in motion from the initial estate planning relationship that we're going to be there not only during their lifetime to provide the advice and the documents,



but also for their children. So the relationships with the family and the kids begin while the parents are alive. Many times we invite them to the meetings. We want them there so we can explain to them what their parents are doing. Their parents like for them to be there.

**SMA: Is there anything else you see as important for the future?**

**DZ:** A focus on having the strategic relationships in place. In our case, it's unique because we are the lawyers and we are the financial advisors all in one. My partner and I really are both the attorney and the financial advisor. Most financial advisors are not attorneys, so I realize they can't just set up shop and have these two sister firms working together. But the concept they can pull from this is to go out and try to build a strategic partnership with somebody who may be an estate planning attorney or an accountant that can bring that value to your practice.

**SMA: Do you have any other thoughts on the direction the industry is headed?**

**DZ:** It's funny how the industry works. I think we're going to come full circle in terms of defined benefit plans making a comeback. As we know, defined benefit plans were the primary retirement source of employees and they would receive a traditional pension and that, along with Social Security, usually made up a good bulk of their retirement income. Those have become very unpopular with the advent of the 401(k) and defined contri-

bution plans. I see a trend in terms of product development on the retail side, companies trying to create products that look and feel a lot more like a defined benefit plan or a defined benefit vehicle. The living benefit evolution is one example of that. And so they've been out of favor now for 20 years, but I see companies developing their products and evolving into something that are going to look and feel a lot more like a DB plan. That's the full circle I refer to.

**SMA: What else would you say differentiates your firm from others?**

**DZ:** We are very much a solution driven firm. Everyone likes to say, "We provide solutions," but we really believe in that. I do not have two clients that have the same portfolio. Everybody has a different portfolio and a different structure, a different blend of vehicles based on their own personal situation. I normally start with a very detailed cash-flow analysis of the client's situation. I believe a lot of today's issues and problems are driven by the income or cash flow. That helps us dictate the end solution among other factors like risk tolerance and time and all the traditional elements that you look at. So when you get down to providing a comprehensive solution to the client, we love to employ a variety of vehicles that we know are going to provide all they're looking for. So we will blend a number of vehicles.

**SMA: Like what?**

**DZ:** We've historically used anything from fixed annuities to equity-indexed annuities to variable annuities, mutual funds, real estate investment trusts, exchange traded funds, index funds, institutional money managers. Unit investment trusts have become a nice added benefit to our practice. When we explain them in detail — explain an exchange traded fund to a client or an equity-indexed annuity that they've never heard of — that is our way of providing a comprehensive solution that is very much custom tailored to the client. ■