

Getting A Second W

Industry growth is fueled by those with a few gray hairs

BY LISA VALENTINE

The demand for financial advisors is growing at a much faster pace than the average for other careers, according to the U.S. Bureau of Labor Statistics: The Department of Labor projects a 30% increase in the number of financial advisors between 2014 and 2024.¹

In her role as Career Services Manager for CFP Board, Lisa Andrews, Ph.D., has seen an uptick in the number of people looking to become financial advisors from other career paths—everyone from insurance and banking professionals to substitute teachers, and even a sommelier.

Almost all career changers, says Andrews, are going back to school to earn designations such as Certified Financial Planner® (CFP®). With the majority of CFP Board's courses available online, career changers have the option to take courses at night or on weekends or whenever it's most convenient, she adds.

While the next generation commands most of the discussion surrounding solutions to the advisor shortage, those more than a few years out of school can also contribute to the need for financial advisors.

Advisor Solutions spoke with three career changers—a territory sales manager, a mechanical engineer, and a marketing professional—about their transition into the financial advisory industry and how their past lives have the potential to influence their future success.

Jenny Coffey Smith: From Food to Finances

Jenny Coffey Smith loves food. She loves food so much that she ran a small catering business to earn money for college. She loves food so much that she worked as a Territory Manager for Kraft Foods so she could continue to work in the food industry.

¹Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2016-17 Edition; <http://www.bls.gov/ooh/business-and-financial/personal-financial-advisors.htm>

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That was, of course, until she discovered financial planning as a career option while taking classes during her time at Kraft Foods. “I took an economics class at 40 years old—the first economics course I had ever taken—and I caught the bug. I realized I love finance,” she laughs.

When her husband accepted a three-year job assignment in France, the time was right for Smith to rethink her career choice and take courses in international economics while abroad.

After returning to the U.S., Smith accepted an internship with two Raymond James advisors and found she also loved helping clients. The business development and sales skills she had honed as a territory manager were applicable to the job as well.

“I got so much satisfaction from helping clients,” recalls Smith. “And I was having a lot of fun.”

The advisors offered her a full-time position with their firm, but the timing wasn’t right. With a husband who had a heavy travel schedule, Smith wanted a more flexible schedule so she could be with her middle-school-aged children.

So she spent nine years at Vanguard Group working as a client relationship manager, retirement advisor, and investment consultant. The schedule was somewhat flexible, and Smith had the opportunity for continuing education, including earning her CFP designation and a Masters Security Analysis Portfolio Management (MSAPM) degree.

On a road trip, she and her husband discovered a serious affinity for San Francisco. She also fit right in with Financial Connections Group, joining the firm as an advisor in 2013 after a brief stint at fintech startup Nestwise.

And the food? Smith still loves food. She’s savoring the foodie culture of San Francisco, experimenting with cooking farmers market finds, and connecting with clients who share a passion for food.

Satish Dharwadkar: **From Engineering to Financial Advisory**

Satish Dharwadkar always wanted to fly airplanes. But he decided that the lifestyle of being a pilot didn’t suit him, so he did what he describes as the next best thing: designing engines. After getting a degree in mechanical engineering from The Maharaja Sayajirao University of Baroda, Dharwadkar completed his Master of Science degree at Worcester Polytechnic Institute in Worcester, Mass.

He began his career with Ingersoll-Rand designing compressors, but also found himself designing software and eventually moving into account management and sales.

Dharwadkar enjoyed engineering, but finance and investing were always a passion and a hobby. He also wanted to eventually run his own business, and thought there may be a way to marry both finance and entrepreneurship. But since Dharwadkar was so dedicated to his engineering career, he had no time to ease into the financial advisory industry.

So he quit cold turkey.

“Everyone thought I was crazy,” Dharwadkar says with a laugh. “I had a successful career and could have had a comfortable retirement.”

Dharwadkar began honing his investing skills on his own and was accepted into Merrill Lynch’s training program. “I was one of just a few middle-aged people going through boot camp,” says Dharwadkar.

Seven years after joining Merrill Lynch, Dharwadkar made his dream of owning his own business come true, launching MangoTree Capital, an independent advisory firm in Sterling Heights, Mich. His wife Terry, also a career changer from healthcare sales, runs MangoTree operations.

Dharwadkar hasn’t looked back. In addition to launching MangoTree Capital in 2012, he launched MangoTree Benefits to provide life and health insurance and is working on launching MangoTree Pro, a web portal project to help small business owners in the Detroit area conduct supplier searches for common business functions such as accounting, law, payroll, financial insurance, bank lenders, investors, office space and incubators.

“My plate is full and I’m having fun,” says Dharwadkar.

Marc Tannenbaum: **Existential Finance**

So what does a degree in existential-phenomenological psychology prepare you for? For Marc Tannenbaum, his studies at the University of Maryland and Duquesne University in Pittsburgh eventually led him to becoming a Principal and Senior Advisor for Pittsburgh-based Signature Financial Planning.

Tannenbaum had never studied finance, statistics, or economics and is still somewhat bemused to find himself with a successful career in the financial advisory business. After graduation, he began exploring opportunities to use his psychology training. When a good friend let Tannenbaum know that her father was looking to hire someone to do marketing for his business, Tannenbaum thought he would give marketing a try.

The friend’s father was Stephen Tobe, founder of Signature Financial Planning. Believing that he would be a better marketer by learning about

Why Firms Should Consider Career Changers When Hiring

Career changers bring a variety of critical skills from previous positions to their roles as financial advisors, including communications, relationship building, and client acquisition skills, notes Lisa Andrews, Ph.D., Career Services Manager for CFP Board. Here are ideas for how firms can tap into that experience.

Look for Evidence of Success



Satish Dharwadkar, President of MangoTree Capital, recommends that firms be open to career-changers who have demonstrated success in other industries and possess skills that can translate to financial

services. For example, as a mid-career changer, Dharwadkar had a full Rolodex of contacts. “At the wirehouse, I never had to cold-call,” he relates. His age and experience also lent credibility to his clients, he explains.

His engineering skills translated into financial analysis. His account management skills translated into skills he put to use for client presentations, service, and sales.

Jenny Coffey Smith, a financial planner with Financial Connections Group, agrees that her business development skills as a territory manager for Kraft Foods translate well into her advisor role. “Advisors may not be comfortable with the sales portion of their work, but business development was always part of my responsibilities. Sales isn’t a negative—it’s just a part of doing business,” says Smith.

Don’t be Afraid of a Few Gray Hairs (or Wrinkles)



Dharwadkar encourages advisory firms to consider hiring older career changers with transferable skills.

“Everyone is on the next-generation bandwagon,” he says. “But firms should look beyond just hiring young people right out of school with a finance degree.”

“Young or old, man or woman, ethnic or not—it doesn’t matter,” he says. “Look for someone who has a ‘do or die attitude’ and who treats failures as motivation to try even harder.”

Having corporate experience before becoming an advisor

is a definite benefit, says Smith, especially when it comes to accepting change. “In a big corporation, software and processes are always changing,” notes Smith. “When you work in a corporate environment you learn to adjust to new ways of doing things.”

Have an Open Mind



Smith believes that firms should expand their reach when looking to add to staff. “Don’t close your mind about where your next hire will come from. Be open to looking outside the financial advisory business,”

advises Smith. Financial Connections just hired a former bank assistant branch manager who comes to the firm with skills in compliance and customer service as well as an understanding of “how money works,” notes Smith.

Get the Word Out



Advisors can help educate others about what a financial advisor does, encouraging career changers to consider financial planning rather than limiting themselves to commission sales.

At the time he was ready to make a career change, Dharwadkar was unaware that the registered investment advisory (RIA) industry even existed. “If I had known the difference between an advisor and a broker, I would have become an advisor from the beginning,” he says, although the wirehouse experience helped him better understand running his own back-office and compliance operations.

See the Opportunity to Define a Niche



Another benefit of hiring a career changer, says Marc Tannenbaum, Principal and Senior Advisor for Signature Financial Planning, is that their deep industry expertise can help propel the firm into new client segments. One of his clients, a retiring physician, is considering a second career as a financial planner.

the financial planning industry, Tannenbaum earned his FINRA licenses so he could talk to clients and prospects during his marketing outreach.

“I knew I needed to become an intimate part of the team in order to do marketing the right way,” he says.

Tannenbaum enjoyed marketing, but discovered that he loved financial planning even more. He spent the next seven years earning credentials, including the ChFC® and CLU®.

Sixteen years later, he still feels the same way. “This industry is

fascinating, and I learn something new every day,” says Tannenbaum. “As advisors we are involved in most aspects of our clients’ lives, even beyond finance and investments.”

Even though not directly related to financial planning, that degree in existential-phenomenological psychology comes in handy, after all. “Financial planning is not just about the numbers. It’s equal parts psychology, leadership, and genuineness. You have to be able to empathize with and relate to clients and help them trust in your advice. That’s the most important part of our job.” ■