



STEPHEN GARRETT

Going down the private client avenue

Victoria Young

DEALERPROFILE

THE DEALER

Avenue Capital Management was established in February 2001 by a group of advisers who had worked together at Adviser Investment Services.

The dealer has \$1.3 billion in funds under advice. It has five regional branches in Sydney, North Sydney and Parramatta, Cumberland and Newcastle, which oversee the operations of 23 practices in New South Wales.

The company comprises 35 advisers and eight paraplanners.

"The group has its sights on expansion on the eastern seaboard, so Queensland and Victoria are very much on our radar," Avenue director Stephen Garrett, who has held the position for two years, says.

Avenue's main aim is to expand by attracting financial planners who are industrious, proactive self-starters.

"Our goal as a dealership is to be the dealer of choice for advisers who are looking for a flexible dealership, but the advisers themselves need to have that entrepreneurial spirit about them," Garrett says.

"This is not a spoon-fed relationship. This is a relationship where the adviser has a say in what goes on, but with a compliance framework wrapped around it.

"What we have and what we're looking for is financial planners who have a real entrepreneurial flare and bent to them and people that are business people in their own right." □

SNAPSHOT

Funds under management: \$250 m

Software: Xplan

Platform: Avwrap

Research: Lonsec

THE PRACTICE

Cultivation of quality private clients in a defined target niche can be tricky business. But Avenue Capital Management has had great success in doing just that.

The Newcastle practice, which Stephen Garrett runs with business partner Stephen Spillane, has enjoyed 40 per cent year-on-year revenue growth since November 2002. Knowledge taken from the Strategic Consulting and Training Cultivating Advice program has played some part in that achievement.

"We restructured our business to service a smaller number of far more important clients," Garrett says.

"(The course) made us focus on devising a service model that addresses the affluent client, but at the same time deal with regular clients and provide them with an adequate and appropriate service. It will take us time to harness the outcomes of that course going forward."

After doing the course, Garrett decided to appoint a practice manager to relieve some of the routine management roles, which both partners have found of great benefit.

Garrett, who is from a chartered and corporate accounting background, started in the financial planning industry in 1994 when he opened the Newcastle office of Godfrey Pembroke.

"We started with a phone, a desk, a computer and no clients, which was a lot of fun. I don't recommend it to anybody. We used our business contacts at the time to build the practice," he says.

He continued to build the business and then merged with Spillane's business in November 2002 as he was interested in the privately-owned and flexible model Avenue was operating under.

Garrett and Spillane have since revised their staffing structure, opened an office in Nelson Bay and implemented a paperless system.

"Our support services team in paraplanning and client service support both offices, so it doesn't really matter where they sit," Garrett says.

"Neither Stephen or I have one paraplanner that works for us individually; we have one team that operates out there, we have one advice model.

"You do have individual adviser preferences over things, but at the end of the day it's a quite

efficient and effective manner to deliver the service that's important to the clients."

Avenue has two other advisers, Craig Leibbrandt and risk specialist Maureen Rose, two paraplanners, three client services support staff and a practice manager.

The partners also share business ownership.

"We have one group of clients. We don't have individual pyramids of clients. We are responsible for individual clients, but we've found the ability to have common ownership of the total group of clients a big advantage to our business," Garrett says.

Both business partners are self-managed superannuation specialists and do a lot of work in that area. The advisers have strong formal and informal links with medium accounting practices in Nelson Bay, Hunter Valley, Newcastle and the New South Wales north coast.

Avenue has a traditional split of customers. It has a large number of pre and post-retirees and a group of wealth accumulation clients.

Both groups come from the executive or self-employed small to medium business owners; there is a spread of clients who come from the engineering, coalmining, pharmacy and medical areas.

"I think the way in which they came to us is important. The vast majority of our new client base is from existing client referral, which is a great place to be in," Garrett says.

"We pride ourselves on personalised service and on appropriate planning strategies and those sorts of things are demanded by the higher net worth clients. It's personalised service. We're not a factory.

"The other thing that works for us very well is that we encourage our clients to have contact and build a relationship with our paraplanning team, we don't just stick them in the background."

One aspect that sets Avenue apart from the rest, he says, is advisers do not take on clients unless they genuinely believe they can add substantial value to their circumstances.

"I think it's just about being honest and good at what you do. I think that's the most important thing. Your clients are looking for you to be honest and looking for you to deliver on what you say you can do," he says. □