



by joe innace

# SEIZING OPPORTUNITY FOR BUILDING WEALTH

## TEAM, TIMING, AND TENACITY

**C**ustomer loyalty across all professional services is at historically low levels, according to an October 2020 study from Hinge Research Institute titled Inside the Buyer's Brain. More than 1,900 buyers and 1,600 sellers of professional services were surveyed during 2019-2020, nearly 40% of whom were in financial services.

The study noted that at the same time as loyalty has declined, more firms have increased their offerings. This means increased competition, and as a result, customer referrals

are all the more important.

Nationally ranked, Massachusetts-based Heritage Financial Services has seemingly mastered customer loyalty. What's more, the bonds of loyalty grew even stronger as a result of the pandemic.

"The thing I'm most proud of at Heritage is our long term 99% client retention rate." Charles (Chuck) Bean III, CLU®, ChFC®, and CEO, recently told Advisors Magazine. "To me, there is no better evidence of our success than the number of referrals we receive from our clients

and business associates which, ultimately, keeps us healthy, growing and able to continue making significant investments in the firm."

Bean recalled that the pandemic, at its height in March, rattled everyone.

"Everybody was in a state of shock and nobody knew how contagious the virus was, how many lives would be lost, where the true bottom of the market was and how bad things might get," he said.

Bean, who founded Heritage Financial Services in 1995 – and



celebrated its 25th anniversary on October 1 – believes that financial stress can create opportunities.

“Every bear market I’ve lived through created a tremendous opportunity to ramp up communications with clients when they need us most, rebalance portfolios by taking advantage of the volatility, and recalibrate by building new foundations for the future,” he explained.

The firm’s communication with clients is quite proactive, and during the tumultuous market this past Spring and Summer, phone calls, email communications and video conferencing were much more active than normal.

“Our clients want and need to hear from us during times of financial stress and know that we have a sound plan in place,” Bean said. He added “Financial advisors



James Scally, CFP® Managing Partner / Charles Bean, III, CLU®, ChFC® Founder & CEO

really earn their fees and stripes during highly volatile times, like we’ve seen in 2020.”

Operating out of two locations in the greater Boston area (Westwood and Woburn, MA), Heritage Financial Services has 34 employees and manages \$1.6 Billion on behalf of its clients. They also plan to open a satellite office on the South Shore when the pandemic passes.

“I’m so proud of my team. Every client is surrounded by professionals that are all hands-on deck. We learn more from every single crisis and are more engaged with our clients now than ever,” said Bean.

Frequency of client communication, including 3-4 meetings with each client annually and a weekly stream of written content covering topics in investments, planning and other information on the firm’s blog, as well as a structured team approach, are the hallmarks of the firm, according to Bean.

Each client at Heritage works closely with a dedicated senior financial advisor called a Wealth Manager, who has an average of 20 years of experience, and an associate called a Wealth Advisor – both are Certified Financial Planners (CFPs®), and are supported by three

centralized teams.

There’s an investment team of Chartered Financial Analysts (CFAs®) on staff, who as Bean describes, are minding the till and maintaining the integrity of the asset allocation models. The financial planning team works closely with the advisors to put the financial plan and cash flow models together and makes sure the advisors are all up to speed on any new developments that may affect their clients such as taxation, legislation, and planning opportunities. A service and operations team handles all the administrative aspects — opening an account, funding a trust, changing a beneficiary, transferring money to and from their bank accounts, and more. “Every client has a small team of professionals working on their behalf,” Bean said, adding that the firm’s tagline and motto is: ‘Every Detail Matters.’



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"Each prospective client has their own set of circumstances where they've accumulated various assets and have different careers, livelihoods and aspirations in life. We really work to dig into the details of each and every client to learn what makes them tick," Bean noted. "And then we tailor a personalized financial plan to their liking and design an investment portfolio to get the job done."

Every client has an algorithm built into their investment plan at Heritage Financial. So, when asset classes experience significant swings in price, we take advantage of the opportunity and rebalance accounts by selling into market strength as risk is rising and buying into market weakness as risk is falling. We are patient and tax efficient with our trading, allowing asset classes to run and move at least 20% against each other before we execute the rebalancing trades.

The Dow Jones Industrials plunged more than 10,000 points from February 14 to March 23, 2020, due to COVID-19 panic selling, losing more than 30% from peak to trough, Bean explained.

"This presented two opportunities to buy into the equity markets when things were falling," Bean recalled. "We had triggers set in advance and initiated a rebalance in mid-March, moving capital from investment grade bonds, which had held up well, into stocks which had fallen in price more than 20%." When stocks dropped another 10% about a week later, Heritage Financial made another round of trades, selling high quality bonds and buying more stocks.

"If stocks continued to drop with valuations off 40% from their highs, which didn't happen, we had yet another round of trades ready to go," Bean said. "We had three rounds of trades teed up in the system; two of which got

triggered, and then a quick rebound immediately followed into May and June. So, what did we do? We went back into action and started doing the opposite—taking profits by selling stocks into market strength in a very short period of time," he added.

The point is: Heritage Financial is very proactive in maintaining the target asset allocation that's in place for every client which helps minimize risk, enhance returns, and delivers a smoother ride over time. "Some investors will shy away from a crisis, but we believe it's our job to step up to the plate and take advantage of investment opportunities that present themselves."

Bean grew up on a small family farm where money was scarce and saw the combination of his personable skillsets and interest in finance as a good match for a career in financial services.

But when he talks about creating a financial plan – especially one for retirement – he sounds like a

hard-working farmer. "You need to plant your feet and hips firmly to make sure you have solid ground to stand on," he said. "That's where financial planning starts," Bean emphasized, "we build a strong foundation with a plan that has the right details and inputs to better understand what our client's future will look like. This allows us to be much more successful in helping our clients reach their goals with better decision making and sound investment management going forward."

For more information about Heritage Financial Services, please visit: [heritagefinancial.net](https://heritagefinancial.net)

