

Business

The Edge



Choosing a financial adviser

Always remember to ask the right questions and consider all of the options. **by Jerry Hicks**

Victoria Collins, executive vice-president of Keller Group Management, knows what it takes to find a good financial adviser – she teaches a course about it at the UC Irvine business school.

Many of us are clueless where to start looking for financial advice. Managing cash, dealing with debt and finding the right stocks all are critical issues that come up.

HICKS: OK, how do you get started seeking a financial adviser?

COLLINS: Never interview fewer than three, and use a standardized form of questions. Rate their answers on a scale of 1 to 5. Stick with your agenda instead of theirs.

H: What if they all rate high?

C: Ask the adviser for two or three referrals. Also, look for mutual clients who have done business with this adviser.

H: Why not just go with a large firm that has a strong reputation?

C: Be careful that the big box firm doesn't have its own agenda. You need personal attention that a boutique firm can offer you.

H: We hear horror stories about advisers running off with their clients' money.

C: Always choose a financial adviser who uses an outside custodian to control the funds. That way, the adviser does not have access to your money.

H: What are some of those questions from that list you recommend?

C: How long have you been in business? What type of services do you offer? How do you differ from your competitors? How does your firm add value over your competitors? How many clients do you have? How much money do you manage? What is your investment philosophy? How do you review and evaluate performance? How will you communicate with me, and how often? What was the worst investment mistake your firm has ever made, and what did you learn from it?