

HOUSTON★CHRONICLE

WWW.CHRON.COM

SUNDAY, MAY 28, 2006

★★★★*

VOL. 105 • NO. 227 • \$1.75

INVESTING



BOUTIQUE WEALTH MANAGEMENT: John Goott, left, and son Daniel Goott of Investec Advisory Group provide guidance to clients with financial portfolios starting at \$1 million.

SHARÓN STEINMANN : CHRONICLE

That personal touch

■ Father-son team gives clients an alternative to big brokerage houses

By **MASON LERNER**
FOR THE CHRONICLE

JOHN and Daniel Goott run a small business that handles big money. The father and son team, and their senior associate, Mark Grenader, offer an alternative to the big investment firms and brokerage houses that fill the airwaves with advertisements claiming to have the solutions to secure their clients' financial futures.

Their company, Investec Advisory Group, provides guidance to clients who have financial portfolios starting at \$1 million.

Because they cater to an elite and small client base, they feel Investec can offer more personalized, unbiased customer service than a larger firm ever could.

"We are styled as a boutique wealth management firm," said John Goott. "The advantage that we have is that we're independent. We're not tied to any financial product, any financial institution or anything of that nature."

He said this means that there will never be a time when Investec feels pressured to recommend a specific investment product like a stock or a mutual fund to a client.

"A lot of big firms have conflicts of interest," Goott said. "They have an investment banking division, proprietary mutual funds and other in-house products to push and sales quotas to reach."

"What we're looking at is an arm's length transaction. If we're looking at a mutual fund, we focus on what makes it a good mutual fund, what can it do for our client and how does it fit into their portfolio."

Face time

Daniel Goott knows about this firsthand.

Not only has he watched his father cultivate Investec since he started the business in 1984, he worked for four years with Prudential Financial in San Diego after receiving a business degree from the University of Texas at Austin.

After he joined his father at Investec three years ago, he quickly noticed there was a huge difference between working as a cog in a giant corporation versus being an integral part of a company's strategy.

INVESTEC ADVISORY GROUP

Location: 1001 W Loop South, Suite 800

■ **Phone:** 713-622-9111

■ **Web site:**

www.investecadvisorygroup.com

"The main thing is face time," Daniel Goott said. "At a big firm that deals with hundreds, if not thousands of clients, it is impossible to give them all the attention that they need to fully understand what is going on with their portfolio. Because we have a smaller clientele we can communicate what is happening with their portfolios at all times."

He added that getting their clients' trust and the results they seek is all Investec has needed to increase the client base.

"All of our business that we have built so far has been word of mouth," he said.

'Advertising for them'

Independent small business consultant Ernie Rapp said that from his experience, many investors with \$1 million-plus in their portfolio aren't necessarily charmed by slick advertising campaigns.

"The size of business that they are lends itself nicely to not having to advertise," he

said. "Their clients do their advertising for them. That can be comforting, because when they talk to a prospective client, they have a really good chance with that client, because somebody has already told them that they are a trustworthy firm. Their client base probably would not refer them a client that would not be a good fit for them."

'We don't sell a product'

Rapp also agreed that people with larger portfolios are more likely to need more attention to help guide them through the maze of options available to them than an "up and coming" broker could offer at a larger firm.

"You shouldn't have to worry about them doing something silly and contrary to your interests," Rapp said. "It sounds like the way they make a profit is by aligning their interest with their clients."

Their biggest selling point might be that they are not paid per transaction, so they don't have to pressure clients into making moves just to collect a fee.

Their fee-based structure allows them to make more money if they give sound advice.

"We don't sell a product," John Goott said. "We sell a service."