



Bernie Kiely's Winding Road to Success in Personal Financial Planning

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Figure Out What Not to Do: Then Do What's Left

"I'm an expert in what doesn't work," says Bernie Kiely.

He's right, of course. Consider the case of a fresh faced 17-year-old Navy recruit standing up for inspection.

"Did you shave?" the training officer says.

"No sir," says Kiely.

"Why not?"

"Not old enough, sir."

Well, that didn't work. So the next day, one of his fellow recruits showed Kiely the way around a shaving kit. And so it went – at least for a while.

But today, Kiely is showing others the way – clients and even a few young CPAs with an interest in personal financial planning. With about \$50 million under management and only two employees, Kiely, with his wife and partner, Yvonne, has created a practice that is a model of efficiency and profitability.

And how did he get there? Well, in part by doing a lot of things that didn't work – at least not for him.

Knuckle Busting

Kiely grew up in Roselle Park. "When I was a kid, I thought my father was a gardener," he says. "I was hearing that the place he worked – it had something to do with a bush." Raymond Kiely, Bernie's dad, was a mechanical engineer at the Anheuser Busch brewery in Newark. His mother,



Rita, held down a clerical job.

“My father had two years of college,” Kiely says. “That was back in the days when you could get a good job without a college degree. We had a big family – my older sister and brother, Margaret and Frank and a younger brother, Gerry. College wasn’t inevitable.”



“I didn’t have a clear idea what I wanted to do, so after high school, I joined the Navy.” It was a good choice for Kiely. He served for two tours of duty during the Vietnam War aboard the heavy cruiser U.S.S. Newport News.

Petty Officer Kiely worked in the boiler room, keeping the ship running. He did the kind of mechanical work where scraped fingers – knuckle busting – was not uncommon. He recalls his service with pride and still a bit of awe – remembering, for example, his ship’s arrival in Tokyo Bay.

After leaving the Navy, Kiely came back to New Jersey. He got a job as a service technician with Xerox and started studying accounting at Upsala College at night on the GI Bill. After three years with Xerox, he got his first accounting job.

“Up until then I earned my living with a wrench,” Kiely says. “Now this was my first job where I was wearing white shirts and ties. I was absolutely terrified.”

Family Business

Kiely started work at a manufacturing company in Totowa. “It was small, a place where everyone who worked there felt like part of the family,” Kiely says. “We were audited by Peat Marwick,” he adds. “That was a beneficial part of my accounting education.”

He followed that job with a short stints working at Coopers & Lybrand and W. R. Grace. “That was a strange experience for me,” Kiely says. “It was my first real taste of working in corporate American. It was another thing that didn’t work for me. I learned I was not cut out for Corporate America.”

It took nearly a decade, but Kiely left Upsala and Rutgers Graduate School of Management with a B.A, an M.B.A. and a wife. “I met Yvonne in a financial management class,” he says.

Based on his work experience, Kiely knew he wanted to remain independent. He pursued his CPA certification and, on the first business day of 1983, opened his own accounting practice in Morristown.

Finding his Niche

For about ten years, Kiely maintained a wide-ranging practice. “I did anything I could do to pay the rent,” he says, describing his first days in business. Over time, he got involved in teaching, serving as an instructor for a CPA review course and teaching accounting classes at Rutgers in Newark. The firm stayed small with at most one additional employee.

He obtained licenses for selling insurance and becoming an investment broker. And he discovered that he didn’t really want to be a salesman. But he was becoming fully engaged with the basics of personal financial planning.

Kiely describes the business development during the time as “going sideways.”

However, after dropping his teaching assignments and the related income, his wife became pregnant. “I had to build the business,” Kiely says.

Fee-Only Personal Financial Planning

Kiely believes in value of the Certified Financial Planner (CFP) certification. He feels it is the “gold standard” for his niche. He had already determined that he didn’t want to be a “salesman” – preferring an approach that put him on “the same side of the table with my clients.” So deciding to specialize in a “fee only” practice was easy.

The biggest challenge was marketing. How do you gain recognition and get noticed so that referrals come your way?

Kiely has done it largely through public relations. Or as he puts it: “I answer the phone.”

For example, he became recognized as one of the people the Society could turn to who would dependably field questions from reporters. As the Society referrals increase, he became known as a “source” for many business writers as a result. He has been quoted hundreds of times in local media, for news stories and in financial columns such as the *Star-Ledger’s* “BizBrain.”

He raised his profile nationally – most notably with his inclusion in the *Worth* magazine annual listing of the best 250 financial advisors. “I read past editions of the magazine,” he says. Then he contacted the editor and asked how they determine “who’s the best.” The criteria were not clear-cut, but included some descriptions such as “having some gray hair” and having “teaching experience.”

Kiely pursued the listing assertively. And his submissions included a lock of his own, slightly graying hair and a copy of his “teacher of the year” award from Rutgers – Newark. Results: Kiely was included on the prestigious list in 1998, 1999, 2001 and 2002. *Accounting Today* identified him as one of the “40 Names to Know” in personal financial planning two times.

Despite the two recent downturns in the stock market, Kiely and Yvonne, who is an MBA and a Chartered Mutual Fund Counselor, have developed a strong, stable business.

Moving Forward

Kiely is very active with NAPFA. He has served in various capacities in the past and is currently serving as the Dean of its School of Taxation. He also hosts a regional gathering of fee-only planners at his office monthly. “It’s a valuable resource that helps us all stay involved and help people as they deal with business challenges.

He’s a frequent informal advisor to people wanting to get involved in personal financial planning. “At least once or twice a month people contact me to talk about personal financial planning,” Kiely says. “I meet with them, talk with them, share my experience.”

One avenue that he won’t be pursuing, it seems, is continuing the family business through another generation. The Kielys’ daughter, Alexandra, is in her junior year at Drew University majoring in art history and theatre. “She’s planning on getting a PhD.,” Kiely says. “And she is saying that she see’s herself, someday, marrying another PhD. – a nerd – and enjoying dinner table conversation that is much more interesting than what she hears around the Kiely household.”

You never know. In the meantime, Kiely will continue to learn life lessons from “what doesn’t work,” answer the phone and help others make smart decisions.

Key Resources for Building a Fee-Only Financial Planning Practice

By Bernie Kiely

First, you need to be sure you are pursuing this kind of work because it’s what you really want to do. It can’t be an alternative plan or fall-back – something to do because other plans didn’t work out. I have never met a successful financial planner who got into the field out of desperation.

Second – you need to be prepared to work for at least two years without a paycheck. You have to have money set aside, have a spouse or significant other with a full time job; or some other means of support. The start-up cost, measured in moments of stress and anxiety, can be very significant.

Three – have a business plan. Document your ideas about your business – step by step – how you are going to succeed. It is said: a failure to plan is a plan to fail. That is true. If you want to approach a bank to talk about a loan or a business line of credit – the bankers will ask to see your business plan. If you want to work with a major brokerage such as TD Ameritrade – you will have to show them your business plan. To succeed, you need to show people you are serious. Your business plan is step one in that direction.

Finally – marketing outreach. How do you get your first clients and build your referral network? Slowly. It is hard work that takes a major investment in time and engagement.

Public relations can be a big help. Meet with editors and help reporters whenever you can. Be reliable and accessible, and you have a good chance of becoming a “reliable source.”

However, you also need to be aware of changing media landscape. You need a website. You need to be on Facebook. Be alert to the opportunities that “social media” give you to build your network. And – while all kinds of media are important – face to face contact and networking skills are essential. Be engaged in your community in areas that interest you. Be a volunteer. Get involved with civic groups, religious organization and other volunteer activities.

Be sure to take advantage of the NJSCPA and the networking activities it creates for you: committees, resource groups, chapter involvement, young CPA events – they can all be helpful. The Society also offers CPE programs on working with Social Media which is becoming another essential skill for networking.

Developing your marketing outreach is like turning a huge millstone. It takes a great deal of effort to get it moving and up to speed. However, once you have it moving, you will find that it tends to build on itself and keep moving.

Certifications

I consider the Certified Financial Planner certification to be the essential credential for my field. The CFP is the standard. It has existed from much longer than the AICPA-administered Personal Financial Planner certification and is, in my opinion, more comprehensive and authoritative. Additionally it is required for admission to the National Association of Personal Financial Advisors

Associations

- *National Association of Personal Financial Advisors.* This is a membership organization for fee-only planners. It has stringent membership requirements including CFP certification and a comprehensive financial plan for peer review. Overall, membership requires that advisors must be competent and be able to prove it. Membership benefits include excellent networking recourses, a referral service and the NAFPA University: a program that helps bridge the gap between theoretical knowledge and “the real world.”
- *New Jersey Society of Certified Public Accountants.* The NJSCPA Personal Financial Planning Resource Group provides a way to network with people in the PFP specialty. I’ve been a member for many years and chaired the group in 2001. Additionally, the Society offers a wide range of resource for the planning specialty as well as general practice management. And from my own experience, I recommend meeting and working with people in the communications department to help create opportunities for working with the media and participating in outreach programs like the Society’s financial literacy programs. These are all activities that will help you get the marking “millstone” turning.

Books

- *So You Want to Be a Financial Planner, 3rd Edition* by Nancy Langdon Jones
A comprehensive view of being in the financial planning business. It is focused on the business side of the business – not on planning practices. It includes case histories and covers a the full range of compensation plans including fee-only work.
- *Garrett’s Guide to Financial Planning; Second Edition* by Sheryl Garrett
A “nuts and bolts” view of the financial planning profession with and emphasis on practical information.
- *Facing Financial Dysfunction: Why Smart People Do Stupid Things with Money!* by Burt Whitehead

This is one of several books by Whitehead, the founder of the Cambridge System. It describes Whitehead's approach to personal financial planning.

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