

# Steele Capital Management

Client since December 2005

## Steele Capital Management Sharpens their Client Focus with Tamarac Advisor

The secret to advisor success is finding the time to get to know the goals, dreams, and outcomes that each client desires—and then staying in touch with news on the progress being made.

Members of the Baby Boom generation love this kind of collaborative bond. As they edge closer to retirement, they are more focused on managing their wealth than any previous generation, and advisors are learning to be responsive to their hands-on approach. But an advisor's time, of course, is always at a premium.

Steele Capital Management, an independent, Iowa-based wealth management firm, has a large number of clients aged 40 to 60. With five investment advisors, the firm has built a solid business in the region by assuring their clients of timely, personal service, something Baby Boomers particularly appreciate and respect. To give their advisors the time to work and plan with their clients, Steele Capital has begun working with a dynamic, feature-rich rebalancing platform: Tamarac Advisor.

"For many years I looked for a rebalancing solution that could aid us in the management of our accounts, but never found anything sophisticated enough until Tamarac," said Kevin Timmerman, president of Steele Capital. "We have \$750 million under management in individual and qualified retirement plans. We're also a Third Party Plan Administrator, and act as a turnkey asset management program for other financial advisers. What we needed was a system powerful enough to rebalance everything—individual accounts and families—at the same time."

Timmerman was impressed with Tamarac's ability to incorporate the full range of factors that impact an individual account while performing a mass rebalancing.

"A particular client may have invested in a fund that we wouldn't have picked, but we may need to maintain that position because of a tax penalty," Timmerman explained, "while the majority of our clients' investments should be directed toward our preferred funds. With Tamarac, that's automatic."

Steele Capital focuses on no-load mutual funds, individual bonds, and equities, but personal client care is where they prefer to invest advisors' time. Tamarac's modeling capability allows the firm's advisors to get perspectives on impacts to their clients' financial pictures, and then spend time discussing alternative strategies with clients.

For instance, several clients in their fifties have recently lost their parents, a life passage that many of today's Boomers are confronting. Each of these clients needed to add a substantial inheritance to their portfolio. But to make the decision about how best to do that, advisors needed to "look around corners" at tax effects and other factors, and then discuss all the possible outcomes with their clients.

That work used to be done by hand, an arduous task. Now Tamarac produces trade order scenarios that factor in taxes, fees, and risk. What used to take hours now takes minutes. That savings in time can then be used to work personally with a client determining the best moves to make.

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- Kevin Timmerman  
President, Steele Capital

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"It's really a time-saving machine," said Timmerman. "With Tamarac Advisor, there are a variety of models to choose from: we can look at raising cash, screen for tax effects, or maintain margin positions. And it has been a revelation for rebalancing. Rebalancing has always been an issue for us because we believe it's a necessity to do regularly, but it's very time-consuming with traditional methods. Now I can rebalance all our clients' accounts in the same day."

At times, Tamarac Advisor's customized rebalancing pulls double duty. Timmerman explained: "I had a client who needed to withdraw \$50,000 to help his parents pay off their mortgage. I told Tamarac Advisor to raise the cash in a way that restored his original asset allocation." The results display Tamarac's attention to every ramification of the trade order. "It recommended pulling only \$2,000 from one fund because of fees, and \$10,000 from a fund that was overweighted."

Timmerman clearly relishes the number of scenarios he can confront with Tamarac's aid. "Let's say a particular fund or investment falls out of favor—I can go into Tamarac Advisor and take it out of everyone's account, then go over a preview of what that action will entail. Tamarac puts all those decisions on a platter for me, and I just scan the spreadsheet. And let's say one client is a 100%-equity investor and another is a 50/50 investor—Advisor will show me what will happen for each of them. It's just the kind of robust application we needed."

While Tamarac's results are generated incredibly quickly, it's not genie-in-a-bottle magic. Advisors are in the driver's seat when it comes to the thousands of calculations that Tamarac performs. As Timmerman put it: "The program doesn't replace decision-making by our advisors, it makes recommendations based on our models and alerts us to factors like capital gains, short-term redemption fees, or transaction fees before we process the trade order."

From another perspective, the gains Tamarac represents in capacity and productivity have made definite impact on the firm's efficiency. "For my business, it's as essential as Morningstar and Advent," Timmerman said. "In fact, because of the performance benefit, I foresee Tamarac reducing our need to hire another portfolio manager."

The list of Tamarac's performance benefits, according to Timmerman, includes the Internet itself—"I really like the web-based platform for two reasons: it upgrades by itself and it follows me. I could be at a conference and rebalance right there."

Given the Steele Capital obsession with client care, it's not surprising that they expect superior customer service from Tamarac, too: "Most software companies are a pain, you know. They put you on hold for 45 minutes," said Timmerman. "Tamarac makes me feel like I'm their only client. They're phenomenal."

When choosing between the time advisors spend tweaking spreadsheets versus cultivating their relationships with clients, it helps to remember one thing: it's in sharing their dreams that clients commit to achieving them. Kevin Timmerman and his team, with the help of Tamarac, have found the high ground where long-term customer relationships rise from the foundation of meticulously managed accounts. Their success is proof that, in the financial sector, time saved means money earned, and more.

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**For more information:**

- Online at: [www.tamaracinc.com](http://www.tamaracinc.com)
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