Texas Financial Advisors Place a High Value on Networking

About Howard Frazier Barker Elliott, Inc.

Howard Frazier Barker Elliott, Inc., (HFBE) is a valuation, financial advisory and investment banking firm specializing in valuations of private and public corporations and partnerships for tax and financial reporting requirements, fairness opinions, mergers and acquisitions, litigation support and estate planning. HFBE has offices in Houston and Dallas.

Situation

As HFBE became one of the largest independent valuation advisory firms in the Southwest, its founding partners made the strategic decision to open a second office in Dallas to better serve customers in the state's second-largest city and nearby locations. The new growth made it difficult for the firm to ensure one of its strongest selling points – ready access to its knowledgeable senior management. Existing voice and data networks included a jumble of products and services from several vendors, complicating the ability of the professional staff to communicate with one another and with the firm's numerous clients.

Solution

HFBE connected its Houston headquarters with its growing Dallas office with a Multi-protocol Label Switching (MPLS)-based virtual private network. The solution ensures the privacy and security of a point-to-point network but is much simpler to manage. The firm uses ISDN PRI lines to support reliable voice services, and Managed Internet Services for Internet and email connectivity. The AT&T network has enabled HFBE to continue to offer the first-class service that makes it "the professional's choice for delivering value^{SM}."

Outstanding Customer Service Generates Repeat Professional Referrals

Experience, expertise and excellent customer service keep companies, professionals like attorneys and CPAs and individuals coming back to Howard Frazier Barker Elliott. Mary Anne Stoner, HFBE Chief Administrative Officer, estimates that fully 80 percent of the firm's business is based on repeat referrals.

"Customer service – the personal touch – is so important to our clients," Ms. Stoner said. The partners in some valuation companies work to sign new clients, and then hand them off to junior staff. At HFBE, however, "We pride ourselves on clients having access to senior management. The level of service we provide is phenomenal because of this access."

HFBE has built a national client base with a highly credentialed staff providing service in three main areas. The first, it's valuation service, includes financial analysis and value assessments involving tax and corporate planning. Second, the firm offers financial advisory services, including opinions for clients considering restructuring, sales or mergers, and offers litigation support, with its principals testifying as expert witnesses. In a recent $1.8 billion transaction, HFBE served as financial advisor and rendered an opinion of fairness to the trustees of the ClubCorp Employee Stock Ownership Plan. "We do quite a bit of employee stock ownership plans," she said. "We also help with restructuring debt and equity of private and publicly traded companies."

Howard Frazier Barker Elliott, Inc. Facts

- **Business Needs**
  Ensuring client and staff access to valuation advisory and investment banking firm's senior managers

- **Networking Solution**
  IP virtual private network helps financial professionals deliver value to their clients

- **Business Value**
  Solid connections with clients generate repeat referrals

- **Industry Focus**
  Finance

- **Size**
  Privately held corporation with a staff of 30

Investment banking is the third and newest aspect of HFBE's primary service areas. The firm advises clients in mergers and acquisitions, private placements and real estate equity and debt. "We have a really nice niche market and we are growing our business," Stoner said. In fact, the company has clients in 30 states.

The complexity of its service areas makes communication a vital component of HFBE's business. Because the company grew rapidly, it had updated its communications infrastructure a number of times. The result, Stoner said, was "a hodgepodge" of telecommunications vendors. "We were spending an awful lot of money and really not getting the services we needed."

Connections Count in the Financial Arena
Because personal connections are such an important aspect of its business, HFBE principals sought out colleagues and vendors to learn about options for improving their networks. "Alex Howard and Will Frazier often network and talk with people who run similar companies about what business solutions work best for them," Ms. Stoner said.

After meeting AT&T account managers and IT consultants at a business gathering, HFBE officials found they could strengthen communications between the company's locations. "They offered us a plan that would help us become a lot more productive," Stoner said. The heart of HFBE's network solution, an MPLS circuit connecting its Houston and Dallas offices, was installed last summer.

"It has been working great," she said. "The response is very quick. Our Dallas office seems to be working very well, and the Internet service never goes down." As a backup, AT&T installed a DSL line in Dallas to ensure continuous connectivity. An ISDN PRI line in the Houston headquarters gives HFBE the option to combine voice and data communications and the ability to add capacity when it's needed.

Because the company relies on the Internet for many critical operations like e-mail and remote access productivity, HFBE also uses AT&T Managed Internet Service. The network supports HFBE's three servers that house all the financial, database and management applications that employees need to do their jobs.

Financial Advisors Bank on Reliability
The solution has made life easier for HFBE clients and staff in several ways. For instance, something as simple as making phone calls between offices required staff to dial 10 digits and speak with an

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operator before they could reach the person with whom they wanted to speak, and it was equally difficult for clients to connect with HFBE's professional staff. "Besides the inefficiency [of our previous system], it was costly," said Ms. Stoner.

Staff now can reach one another directly no matter where they're located by punching in a three-digit extension number, and clients can dial direct to each staff member's desk. "It's wonderful," Stoner said. While it's too early to calculate cost savings, she said, "It looks as if we are saving because the bills are very straightforward." Bills from the company's former vendors contained "mysterious charges that were never explained to us," she noted.

The company's new network also improves business continuity. Because it is based on IP routing, the network can easily move data from one location to another. And unlike its previous point-to-point network, Stoner said, HFBE's new network is very easy to manage.

However, it was the strength of the AT&T brand and its solid market position that most attracted HFBE. "Alex Howard, the main decision-maker for our Houston office, wanted to go with a company like AT&T, which has the expertise and longevity," she said. "We know they're going be in business forever, and that's what he wanted for our company. We need to have stability; we just didn't want to have to worry about that aspect of the technology."

Because the company continues to attract customers from new markets, HFBE officials need to be able to rely on the scalability of their network. "We are constantly marketing, and every year we seem to be doing better than the previous year," she said. This success, built on the integrity and expertise of the firm's managers and the strength of the relationships HFBE builds with clients, positions HFBE to continue to receive repeat referrals from satisfied clients.

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