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Baird & Co. expands as industry cuts back

CEO of wealth-management firm with office in Charleston says he wants company to keep light on its feet, flexible

By John P. McDermott

One of the newest wealth-management firms to set up shop in Charleston is no Johnny-come-lately.

Robert W. Baird & Co. has been kicking around the financial markets for 91 years, but it's only been in the past 12 months or so that the Midwest-based outfit has started looking to the Southeast to expand its reach as many larger rivals were retrenching.

The Milwaukee firm's downtown Charleston office, its first in South Carolina, opened late last summer and is staffed mostly with former Morgan Stanley Smith Barney advisers, led by Charles "Bucky" Knowlton Jr., whose stable of recruits includes 47-year industry fixture Conrad Zimmerman.

Knowlton, senior vice president and branch manager, called Zimmerman's decision to join the firm "a heck of a statement." Like some other advisers around town, both had grown weary of the confines of working within a sprawling and bureaucratic Wall Street monolith.

"Bigness changed the whole thing," Knowlton said.

While Baird isn't exactly tiny, it is a considered a boutique shop. Under CEO Paul Purcell, the firm has beefed up its ranks by about 15 percent since late 2007 while most of its competition was jettisoning workers.

"That was incredibly bold," Purcell said during a visit this month to the new Meeting Street office.

Baird has moved quickly to establish a foothold not only in Charleston but in key North Carolina cities as well, by setting up branches in Charlotte, Raleigh and Winston-Salem over the past year.

"So we really got a great footprint in the Carolinas that we long wanted to have," Purcell said.

He said the Southeast is an attractive wealth-management market because it's gaining population and new business investment.

"Follow the jobs, follow the economic development, follow the wealth," Purcell said. "That's what it's all about. And Charleston is a great fit for us culturally."

A die-hard Chicagoan originally from Utah, he commutes two hours to Milwaukee in a van that has been converted into a high-tech mobile office.

He scoffs at some of the rules, policies and limitations that the huge Wall Street firms have imposed on their local advisers.

"People who've been in this business 30 or 40 years, you have a 27-year-old telling them what to do. How ridiculous is that? It's utterly ridiculous. Hire the right people and you don't have to worry about that stuff," he said.



Purcell

Purcell offered some other thoughts on the industry and his firm in a recent interview.

Some excerpts:

On getting through the financial crash in 2008:

Anytime the stock market goes down 50 percent in a six-month period it traumatizes everybody. We got through it very, very well. We've been in existence 91 years.

On Baird's inclusion on *Fortune* magazine's annual list of Best Places to Work for the eighth year in row:

We try to make sure that every person ... feels important, that we reinvest in them as a person and as a professional. When you do that, they feel really good about their job, they feel really good about the people they work with and they feel really good about the firm.

On being a boutique advisory firm:

We don't want to be large; we want to be good, really good. When you get too large, you really lose your focus. ... So we like our size. ... The trends are to get larger, and that's our enemy. Bureaucracy and inefficiency are our enemy. We want to be very light on our feet and very flexible to make sure we never lose a client's interest.

On Baird's response to the financial meltdown in late 2008:

At that point, almost all of the firms on Wall Street were laying people off right and left. ... We said, "If this was ever time to do a layoff, this was the time. It's

happening everywhere.” ... We said, “We think we can get through this,” ... and in December 2008, we went to everybody: “Look, there will be no layoffs. Go back to work. If things change, we’ll tell you.”

On what the firm did next:

In the first quarter of 2009, it became very obvious there was incredibly attractive opportunity to hire ... people throughout the firm. ... We got together and said, “This is close to a once-in-a-lifetime opportunity” because so many

people were being laid off and many talented people in some of the firms were feeling completely disenfranchised watching many of their friends being dismissed summarily. It was almost thoughtless in many respects.

On the result of that decision as the financial advisory business improved last year:

We performed very, very well. We kept our people, and we had all that new talent. ...

It worked like you would hope to. The blackboard exercise doesn’t always work out exactly as you’d like, but this one did. And it made the firm a much better firm.

