

GROWTH STRATEGIES

AN INFORMATION ARSENAL FOR EMERGING COMPANIES



EXPERT ADVICE: Doctors Julie A. Thomas, left, and Mary Ann Franken, partners in Contemporary Women's Care PA, in Carrollton, turned to Morey Glazer's company when they wanted advice on handling the financial aspects of their business.

Helping the financially challenged prosper

Doctors Resource Service helps physicians hang on to their earnings

By **RUSTY CAWLEY**
Staff Writer

FAR NORTH DALLAS — Doctors are great at making money, financial adviser Morey Glazer says, but they're not very good at keeping it — much less making it grow.

"You'll run into doctors who've taken hospital jobs that pay \$100,000 to \$200,000 per year," says Glazer, "and who at the end of five-to-10 years will have nothing. They've blown it all on bad investments with their friends or they've

lost it in a divorce. As a group, doctors just don't seem to know how to keep their money."

It's a phenomenon that astounds Glazer, an accountant by nature and by training. But it also has provided him with a niche with which to grow his company, which now posts more than \$1 million in annual gross revenue.

Glazer's firm is Doctors Resource Service, which he launched in 1993.

The company essentially takes

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complete control of a doctor's financial situation, from bookkeeping to tax preparation, from investment decisions to retirement planning.

Doctors Resource Service can help with loan applications, insurance reviews, family partnerships, equipment purchases, real estate sales, estate taxes, inventory control, asset protection, credit policies, budgets, cost controls, cash flow — virtually every aspect of a doctor's financial life.

"A medical degree is almost a license to print money," Glazer says. "But the medical schools teach their students everything except how to run a business. I'm sorry, but a doctor's practice is a business and it needs to be treated like one. Doctors are completely unprepared to do that. An M.D. is not the same as an M.B.A. degree, and you

can tell it just by looking at the financial records that most doctors keep. It's a mess."

'All this money'

It seems Glazer has always sought to create order from chaos. While growing up in Springfield, Ill., Glazer demonstrated a knack for numbers, especially in card games. His mother noticed and steered him toward a career in accounting.

Young Mosey Glazer wanted to be a pharmacist. He worked in drugstores during his teen-age years, after the family moved to Chicago. He liked the work. Besides, the drugstores of the 1950s — with their soda fountains — proved to be a great place to meet girls.

But Glazer's mother won out. He got his accounting degree from Roosevelt University in Chicago, following that up with some graduate work at Northwestern University in Evanston.

By 1960, he was working as an accountant. He was also married, with one child and another on the way.

For the next eight years, Glazer moved from firm to firm, consulting on taxes and tax audits. In 1968, he joined Larabida Children's Hospital as its financial director. It was here that he found his niche.

"I began to see all these doctors making all this money and none of them seemed to know what to do with it," Glazer says today. "It was appalling. Absolutely appalling."

So in 1970, Glazer left Larabida to start his own firm, specializing in helping doctors get their financial worlds in order. That lasted until 1977, when Glazer sold his practice to take a job with ESZ & M Ltd., setting up pension plans for health care professionals.

That job eventually sent him south to Dallas, where ESZ & M put Glazer in charge of establishing the company's Southwest division.

"I found exactly the same thing here that I saw in Chicago," Glazer says. "Doctors buying cars and planes and boats they didn't really need. Doctors moving in and out of investment deals without thinking about the tax consequences. Doctors putting their money into deals with friends without really looking at the deals."

Dallas was ripe for Glazer's expertise. So he bought out the ESZ & M office. He expanded its reach to include insurance and securities sales. In 1987, he brought in his son, David, to help run the office. And he

begun to scour the market for doctors who needed his expertise.

Free advice

Today, Glazer has moved beyond simply helping doctors with their bookkeeping and taxes. He and his staff create an overall plan for clients to manage the money coming in, the money flowing out and the money that stays.

He also has expanded beyond doctors to reach a broader base of clients. Doctors Resource Service is now part of a larger concern — The Glazer Group — which serves more than 3,000 clients, most of them in Texas.

Glazer finds his clients by giving away much of what he knows, both one-on-one and in seminars. Pose a financial situation and Glazer will rattle off a list of tax strategies and investment angles to deal with it.

"I give out lots and lots of advice for free," Glazer says. "I figure if I give someone some good advice, and it works out for them, then they might come on with us as a client. I look at it like a kind of advertising."

These days, The Glazer Group manages more than \$25 million in investment assets. But he continues to adapt to the times. For example, for a portion of that portfolio, he has adopted what is known as "Modern Portfolio Theory."

That theory emphasizes spreading money across several classes of assets: common stocks, corporate bonds, money markets, Treasury bonds, tax-free bonds, mutual funds, even hedge funds.

By doing that, an investor can choose a level of risk based on historical performances, says Ralph B. Heffelman of ICMC, a Dallas-based investment and financial management firm. What's more, he says, an investor can improve the portfolio's overall performance.

"Allocating investments carefully over different asset classes is the most important choice an investor can make," Heffelman says.

Glazer agrees. "Most of our clients are very wealthy people with very large portfolios," he says. "Investing by asset class just makes sense for them. They may be wealthy, but most of them want to retire someday, too."

That his home with Glazer, who himself is approaching retirement age.

"I'm looking to create something that will last."

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QUICK TAKE

Doctors Resource Service

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Web site: www.doctorsresource.com

1999 revenue: \$1 million

Employees: 16

Mission: "I wish I could get everyone in America to start thinking about their investments and their taxes. So much money is lost because people don't think about what they're doing."

Advice: "Don't nickel-and-dime your clients. Help them to predict just how much it's going to cost to do business with you."

Goal: "I want to build a company that's going to last a long time."

— Maurice M. Glazer, chairman