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Brokers? Not Anymore

Is the old world of stock brokerage dead? Dave Bromelkamp of RBC Dain Rauscher has little doubt. "The events of the past 24 months have convinced both investors and investment professionals that the old model just doesn't work anymore," he says.

Ironically, Bromelkamp won an outstanding broker of the year award in 2001. But it's a job title he's left behind; today, financial consultant is his preferred job description.

Starting in the brokerage business in 1988, Bromelkamp did business the old-fashioned way. That is, he made cold calls, generally selling the stock or bond of the month. His job was to sell transactions; his reward was commissions.

But in 1995, he began his conversion to a new business model. Recast as a financial consultant, he helps clients choose professional money managers. Now he works for fees, not commissions. The process imposes an investment strategy and discipline on his clients, elements that are often missing from the traditional stock brokerage model, he says.

Bromelkamp is not alone in this, of course. Firms like Merrill Lynch, for example, have been pushing their brokers to act less like brokers and more like asset gatherers and money managers. But Bromelkamp draws the distinctions with a sharp edge as he maps out the old and new world orders for colleagues at Dain's downtown Minneapolis office and for outside audiences. As his lists show, he can't resist tweaking the old while he sells the new.

—Sven A. Wehrwein

Dave Bromelkamp's World of Financial Services

Old World Order New World Order

Broker	Consultant
Commissions	Fees
Transactions	Advice
Give away advice	Give away trades
Charge for trades	Charge for advice
Sales culture	Professionalism
Sales force	Advisors
Sales training	Professional training
Sales skills	Professional credentials
Lots of accounts	Few relationships
Transaction-based	Process-oriented
Uncertified	Certified
Individual	Team
Generalists	Specialists
Security selection	Modern portfolio theory
Unrelated transactions	Comprehensive solution
Emotional	Intellectual
Hidden costs	Transparency
Stock pickers	Wealth managers