



Newsletters for Sale

August 16, 2007--Some advisors send out newsletters; some don't. Some create their own; others buy "canned" newsletters that they may or may not customize.

And then a select few advisors not only send out newsletters and write them themselves, but they actually put one helluva lot of work into them--original analysis and research that elevates their letters above those of most advisors. Matt McCall and Alan Lancz are two such advisors who realized their newsletters were so good that perhaps there was a market for them--not just with their clients who receive them for free but with prospects, other individual investors, and even professionals who would pay real money for them.

What does it take to build a newsletter than can become a revenue source separate from everything else you do?

McCall is an advisor with [Penn Financial Group](#) of Royersford, Pa., a company he started in August 2003. "I've done a few financial planning reviews with clients, but it's not my expertise; we're primarily running portfolios," says McCall.

McCall's mission is to offer individual investors the type of financial advice that, at one time, only high-end clients received. And that's one of the reasons for the two newsletters he started researching and writing within a year of his firm's inception: [ETF Bulletin](#) and the *Penn Financial Group Letter*. "We sell both of these newsletters, for \$299 and \$150, respectively," he says.

In other words, these are meaty letters that not only explain to clients why McCall does what he does with their money, but explains what would-be clients and do-it-yourselfers might be doing with theirs. Could any advisor do what McCall does? With the proper background, yes. McCall began his career as a registered rep with Charles Schwab Inc., followed by a stint as the co-host of a nationally syndicated financial talk show with Wall Street Radio, Inc.. With the help of his Schwab background, McCall eventually became the chief technical analyst for Wall Street Radio and was learning how to disseminate his expertise a number of ways. "Besides the radio show, I was developing seminar materials and presenting those seminars from coast to coast on money management and the procedures of technical analysis."

Perhaps it was a natural evolution, then, for McCall to create and publish the two newsletters, with which subscribers also receive a 15-minute video recommending his favorite stocks. "We publish the four-page *ETF Bulletin* every week, providing subscribers with buy/sell recommendations on both moderate and aggressive portfolios,"

says McCall. Not only does he earn income from subscribers who are not clients, but his subscriber base of 350 includes a handful of other advisors, as well. And some prospects who get the newsletter first and eventually become clients, he says. Clients get the newsletter automatically and at no charge.

Says McCall, "I was spending many hours a day doing stock analysis and realized I was gathering information that could be valuable to more than just me and my clients. I had to do the work anyway, so why not sell it?"

Alan Lancz came to the newsletter business along a path not too dissimilar from McCall's. Owner of Alan B. Lancz & Associates of Toledo, Ohio, a firm he started in 1980 right out of college, Lancz says that one day in 1984 he was writing a synopsis on why the firm had bought a stock with a falling price for its clients' accounts. The financial media picked up on the story. "We were asked, 'What is this *Lancz Letter*?' " he says. "Our reaction was, 'Why don't we make [*The Lancz Letter*](#) a subscription item for people who can't afford our services?' " Lancz began selling his newsletter in 1985.

Like McCall's firm, Lancz & Associates designs custom portfolios for individual clients, and while Lancz' team of six will probe its 75 high-net-worth clients for their goals and objectives, the firm doesn't do financial planning, per se. "We started sending our newsletter to our clients monthly, but with the emergence of the Internet, it became a weekly, and even a daily, online commentary, too," says Lancz.

And so the audience expanded. "Brokers, other money managers, banks--they're all forced by Sarbanes Oxley to look at independent research, so some have picked up on our newsletter." They find out about it in the media. For example, says Lancz, "the last time I was on Bloomberg, they mentioned the newsletter for us." Lancz doesn't need to advertise because, since his first media inquiry in 1984, accurate stock picks and market calls have drawn in reporters looking for a story.

Lancz won't say how many subscribers he's got and how they break down between clients and non-clients, but he does say his subscriber base has grown considerably over the years and he gets a prospective client now and then from the newsletter. "We've seen a few occasions when individuals have subscribed to the newsletter and later upgrade to the Members Only part of our Web site. Then, if they still can't handle the management of their investments themselves--or maybe they've sold a business and have lots of cash--they might look to us for management."

Members Only is another money-maker for Lancz, not unlike his newsletter. It's a real-time presentation of the firm's current portfolios. "We were the first money management firm in the country to offer this transparency on a real-time basis," says Lancz. "The service includes proprietary research on capital trends, sector happenings, domestic and global financial events, and analysis of their strategic ramifications."

A one-year subscription (15 to 17 issues) to *The Lancz Letter* costs \$250, and a two-year subscription (30 to 34 issues) costs \$400. These enterprises add a nice chunk of change to the total revenues of McCall and Lancz.

Is this a revenue source other advisors can duplicate? Well, not just any advisor. You have to be doing investment analysis (or other popular research) that is perceived as unique and valuable, you have to develop a marketing plan, and you have to catch the media's eye.

Or maybe--like McCall and Lancz--you're already doing something that others would find value in and all you have to do is put it out there in the market.