



Jonathan Lachowitz: "Some of our American clients who used to live in Switzerland have returned to the U.S. permanently." View of Lake Geneva taken from Ouchy.

Photo: 123RF

**Portrait of a Small Business** - Founder of White Lighthouse in Lausanne, Jonathan Lachowitz is a financial planning specialist in Lausanne and in the United States. The excruciating complexities of tax systems don't scare him. His clients are mostly linked to both countries.

## The "expats" get back to sleep

He's grown his SME on both sides of the Atlantic, crossing the ocean. Since the beginning of the pandemic, Jonathan Lachowitz has even managed to get there a good dozen times. Specializing in financial management and tax consulting, he handles for his clients the mountains of complexities that arise when Americans set up shop in Switzerland or are active on both sides. He is a graduate of IMD, New York University, holds an MBA and is a Certified Financial Planner (CFP). He is active in the Swiss Financial Planners Organization (SFPO). Retiring, tax, he started on his own in Lausanne 2006. In the middle of the financial crisis of 2009, he experienced the worst periods of tax wars between the United States and Switzerland, the UBS affair, the offensives and retreats of the IRS. But he doesn't get high and he doesn't think he's a guru.

He's a hard-working man! His company is called White Lighthouse - an acronym that designates his work values (Work hard, Integrity, Trust, Education). Soon, he was interviewed by USA Today, which gave him a certain notoriety in the United States. "After being quoted in several articles in 2014, I was asked to write about cross-border personal finance for the Wall Street Journal, where I published more than a dozen articles," he explains. As we observed back in 2008, he's a straight shooter, but expats are getting their sleep back. Interview with Jonathan back from Boston.

**What has changed since 2008?**  
When I started in 2006, I actually had no clients. I had a list of over 50 people I wanted to contact, two of whom became clients. That's what it looked like. So it was a slow but steady growth year after year. When I started the business, I needed 18 months of cash from the bank, and at the end of that time, I had made enough money to continue for the next 18 months. Then I simply grew my business. In 2020, IMD, where I had briefly worked 20 years before and where I had taken several courses, decided to write a case study on my company's journey: it's true that it feels good!



Jonathan Lachowitz. Photo: Aurélien Puthod

Today, between clients in Switzerland and the United States - where we have a subsidiary based in Lexington, Massachusetts - we manage a total of 500 million dollars. We manage a total of 500 million dollars. Our specialty is really financial planning, so all decisions related to investment management. Our clients are mostly related to Switzerland, the United States or both countries. Many of our American clients, for example, used to live in Switzerland but have returned to the US permanently. Over time, I've developed a love of teamwork. You learn so much better. Because in our business, and this has not changed: I still have so much to learn! I am grateful to all those people who gave me advice and a little help along the way. The job of the entrepreneur is to put all the pieces together and create a value proposition.

**Five things you've learned since 2008?**  
First, that smart people make irrational decisions but we can get them out of that irrationality by helping them. Second, I would say that I have learned to keep it simple with clients. Complex issues need to be kept simple with everyone, not just clients. Another way to put it is to not make the solutions or the use of language more complex than they need to be. Intelligence is simple.

The best plan is the one that can be easily executed. Third, that the world is increasingly unpredictable and that it is important to explain to the client that the value of his or her portfolio can drop by 30%. Fourthly, that sometimes it is better to do nothing than to get agitated. And last but not least, if you love your job, you don't feel the weight of the work. This is probably something we share with many SMEs. Finally, a point about networking: I always say that the word "network" is synonymous with "work". To network effectively, you have to be able to add value to others, my added value being to try to know more than anyone else about the "cross-border" problems of Americans in Switzerland.

**What is the biggest challenge for an SME like yours today?**

I would say it's finding great collaborators. Finding clients is not difficult at the moment: they come by themselves. But the way we treat them is the determining factor. It's the personality of the employee that makes the difference.

**Since Joe Biden's visit to Switzerland, how are relations between the two countries and Switzerland's image in the United States?**

I wouldn't expect a real game changer from any particular administration, especially on the tax front. Unrelated to Biden's visit, but related to Congress, I am a board member of American Citizens Abroad, founded over 40 years ago in Geneva. We continue to hope that Congress will revisit the issue of citizen-based taxation, an issue we have been

working on for many years that would alleviate many tax problems for both U.S. citizens and financial services providers.

The situation between the two countries remains complex with dozens of different tax regimes. But Switzerland's image remains excellent for people who know where to put it on a map! Few people in the United States remember the tax problems of the UBS episode, but Swiss financial institutions and Americans in Switzerland are still feeling the effects. On the other hand, the image of the United States as seen from Switzerland has taken a hit. Many Americans, binationals, people based in Switzerland, have simply renounced their citizenship.

**What is the image of Swiss SMEs in the United States and what advice would you give to those who are considering entering or developing this market?**

Their reputation for quality cannot be overstated and it cannot be stressed enough how important Switzerland is as a direct investor in the United States in many different ways. The first thing I would say is for an entrepreneur to spend time there, because that experience is the best way to understand how it works. And when you're there, you need to find people who know your industry well, with whom you can develop a relationship of trust and who will be able to represent your interests in the best possible way. The market is infinitely diverse and you have to be proactive to get in. I would also like to highlight the dynamism of the Swissnex scientific exchange network.

**What sectors do you see as having good opportunities at the moment?**  
Technology, especially software, is impacting every sector ... and I think it's actually the proliferation of software that is having the greatest deflationary impact on the global economy. Health care technology is indeed booming, especially telemedicine. I would also focus on fintechs and biotechs.

**How do you assess the framework conditions offered by Switzerland, particularly in terms of taxation?**  
More often than not, the intention is good but the implementation suffers. When I started my small business, things were relatively easy and start-up was easy, even with a C license. I think if I had to do it today, it would be much more difficult.

Interview by François Othenin-Girard



Et vogue sa PME financière sur les eaux du mythique «financial district» à New York!

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