

# The COO Roundtable with Matt Sonnen

## Episode 59 – Featuring Allison Felix & Erika Yelle

[00:00:04] **Luke Sonnen:** Hi. I'm Luke Sonnen. Welcome to The COO Roundtable, powered by Coldstream Wealth Management. Here's your host, Matt Sonnen.

[00:00:15] **Matt Sonnen:** Welcome, everyone, to Episode 59. We have a very interesting topic for today's episode. We're going to be discussing the concept of sabbaticals. It's not something our industry has historically promoted. Our industry is filled with type A personalities, myself included, who think the solution to all of our problems is to simply work harder, get up earlier, work later, work weekends if necessary. I think our society in general has started to embrace and discuss mental health and the need for a better work-life balance.

I know more and more RIA's are starting to offer extended time off for their employees under different scenarios. We'll talk to two folks today who have recently taken sabbaticals. Before I introduce them, and we hear their stories, I'll tell two quick stories from my own career. First, in 2010, I decided to take a 10-day motorcycle trip to New Orleans. My employer at the time said, "10 days? You need to pull over at the side of the road every hour and check in to make sure that we don't need you for anything."

I'm just as guilty as anybody. I happily did it. Maybe not every hour, but I know I wanted to get off the bike about every 100 miles or so. About every hour and a half, I think I would check in. I think it was a Blackberry back in the 2010 days. It was just, in my mind, it was impossible for me to disconnect from the office. The entire trip, I stayed very connected to the day-to-day operations of the firm. Again, I don't fault my former employer at all. I was just as guilty as they were; not believing that I could or should remove myself for even 10 days.

Then more recently, again, to prove that this is my own personal hangup, when we closed PFI Advisors in May of this year, I wanted to set an out-of-office message on my PFI email address and let people know, "Hey, we're no longer offering consulting services. If you want to get in touch with me, here's my Coldstream email address." When I went to set that message in Outlook, I discovered that the last time I had used my out-of-office, and actually, it was the only time in eight and a half years that Reese and I were running PFI Advisors, the only time I ever used an out-of-office was in 2017, when our daughter had passed away.

We took one whole week off. We headed to Santa Barbara to just get away for a while. I used my out-of-office then, but even then my message wasn't, "Hey, I'll talk to you in a week." It was, "We've had a death in the family. Please forgive me if my response time is a bit delayed for the next five business days." Even with this out-of-office, I still got up every single morning before Reese would wake up. I'd grab my computer, and I'd go down to the coffee shop at the hotel, and I would work on my emails for like an hour or maybe even two hours every single morning.

I tell these stories not to brag, for sure. Maybe it's a cry for help. I don't know. I know many people in our industry approach work in the same manner. I love my job. It's a huge part of my life. As we're going to discuss today, the need to disconnect is both important for the individual employee and their mental health, but it's also extremely important for the organization from a succession planning perspective and just making sure that the firm isn't too reliant on any one individual. We're going to get into all of that today.

Without further delay, let me introduce our two guests. Allison Felix's name may sound familiar to our listeners. She was a guest on Episode 50 of the podcast. Today's discussion on sabbaticals was actually Allison's idea. She reached out to me a few months ago when she had returned from her sabbatical. She said, "Hey, this is a topic that we're not discussing very often in our industry. What do you think about using this for The COO Roundtable?" I loved it, so here we are.

Allison is the Managing Partner and Chief Operating Officer of Cassaday & Company in McLean, Virginia. Not only can you go back and listen to episode 50 of this podcast, but she did a fantastic interview on Michael Kitces's podcast, which was titled [From Executive Assistant to COO: Scaling a \\$4 Billion Advisory Firm](#). If you want to hear the impact a COO can have on an organization, I highly recommend that episode. Allison, with all of that, welcome back to The COO Roundtable.

**[00:04:28] Allison Felix:** Thank you, Matt. I'm so happy to be here, and I really appreciate you being open to discussing this topic. I think it's really important.

**[00:04:36] Matt:** Yes. As you can see from my long intro, I need help. This is a good topic for me personally to talk about. Yes, thank you. Then joining Allison is someone I'm very close with. I work with her every single day here at Coldstream Wealth Management. Our second guest today is Coldstream's Chief Compliance Officer, Erika Yelle. Very similar to Allison, Erika has been at Coldstream for 20+ years and has had her hand in just about every aspect of the firm.

She has watched firsthand as the firm has grown to 160 employees and nearly \$7 billion assets under management. As part of her 20-year anniversary with the firm, she recently took a six-week sabbatical as recognition of her time and dedication to the firm. Erika, this is fun for both of us. Welcome to the podcast.

**[00:05:22] Erika Yelle:** Yes. Thank you for having me, Matt. I am excited to participate and happy to share my experience.

**[00:05:29] Matt:** Allison, I'll go to you first. Give us an overview of Cassaday & Company.

**[00:05:35] Allison:** Cassaday & Company just celebrated their 30th anniversary. It was started in 1993. It was the vision of Steve Cassaday, who understood that independence in our world and in the world of investing for clients is critical. We started in McLean, Virginia. We're actually still in the same building on the same floor, just have moved across the hall as we have continually added space. Someday we hope to take up the entire floor. We are currently at 86 employees.

When I started, we were probably around 12 or 13. Your reference to the Kitces's podcast is well appreciated because it really was taking this from a very small organization to where we are today, which is now just under \$5 billion in assets. When I meet other COOs, a lot of them are at that size, maybe 5, maybe 10, maybe 20 employees. It's hard to imagine getting closer and closer to 100. That seems to be where we are inching. We're targeting generally high net worth clientele.

DC is known for a lot of former military, government contractors, people who are sometimes on their second or third career. When you talk about people needing to take a break, our clients probably don't hear this message enough as well, because a lot of them come back to work after retirement. Our firm has grown in more ways than just assets and headcount. It's diversity of thought. It's certainly in our post-COVID world grown in how we approach working, whether it be hybrid style, fully remote. Employees have left the state of Virginia and moved on. How do we make those things work?

With that came this launch of a sabbatical offering as well. We'll get into that story as we get further, but just benefits in general. How are you supporting your employees in a world that does require you 24/7? Matt, I appreciated your story about the motorcycle because checking in every hour and a half, that may seem long to some of us.

**[00:07:58] Matt:** Absolutely. Erika, our listeners heard me give an overview of Coldstream shortly after I joined. It was [episode 52](#). Obviously, I don't have the long history with the firm that you do. I'm excited to hear you describe the firm in your own words.

**[00:08:11] Erika:** Sure. Coldstream was started in April of 1996 in Bellevue, Washington, which is just outside of Seattle. It started with four employees. I joined the firm in 2002. Like Allison, there were about 12 people when I started. Now, 27 years later, we have, like you said, over 160 employees and almost \$7 billion in AUM. Like Allison's company, our ideal client is high net worth and ultra-high net worth individuals and their families.

Coldstream is under a holding company. Under the umbrella, our core business is wealth management. We also have affiliated entities that cover complementary services and property and casualty insurance, life insurance; we have limited purpose broker-dealer; we have an affiliate that does strategic business transition and investment banking consulting for small and mid-market private businesses that are looking to fulfill succession plans or merge with a public company or merge with another private company; and then we also have a private fund focused on builder lending in the Pacific Northwest.

There's a lot going on under the Coldstream umbrella. As far as our growth path, so like I said, I joined in 2002. When I started, we had about \$350 million in AUM, and it took Coldstream over 10 years to get to our first billion. I will say our biggest period of growth has been in the last five years. At the end of 2018, we're sitting at around \$2.7 billion in AUM. Today we're at nearly \$7 billion. We've always had organic growth targets and initiatives for all the business lines, so insurance and broker-dealer and strategic business transitions, but I will say the bulk of that growth has been through inorganic growth. We had merger activity in 2017, and we had two mergers in 2021, and then another in 2022, which gave us an office in Alaska. Then our latest merger closed this year in September. That more than doubled us in the last five years.

To accommodate some of that growth, we've had really key hires in the last three years. In addition to who we already had, we added a Chief Wealth Strategist focusing on financial planning. We added a Director of Corporate Development focusing on upcoming possible M&A targets, a Chief Revenue Officer who's helping us develop and manage strategic goals, and then we hired a COO named Matt Sonnen, who I love.

I feel one of our biggest differentiators as we continue to grow and seek partners to join us, whether it's merger partners or employees to support all this growth, is that we seek to remain independent and employee-owned for as long as possible. Right now, about two-thirds of our 160-plus employees own shares in Coldstream. I think that's highly unusual in our industry. I agree with Allison, sabbaticals are super important. You need a break from all the growth and all the things that are happening, and it's a good thing.

**[00:11:54] Matt:** You talk about, I think a lot of RIA's have that same growth plan, and it's just sort of that entrepreneurial journey as you grind it out for a decade and chugging along, chugging along, and then eventually you hit that hockey stick. I mentioned, Erika, you've been at the firm for over 20 years. Tell us about your career path and all the various roles through all of that crazy growth that you personally have had your hands on.

**[00:12:22] Erika:** Yes, so a little backstory. Before I joined Coldstream in 2002, I was 15 years at a self-clearing discount brokerage firm called Freeman Welwood that was based here in Seattle. I was a manager in back-office operations overseeing the

departments that do, back then, stock certificates and restricted stock processing. Stock certificates don't really exist anymore, but back then there were piles and piles of stock certificates coming in.

I also oversaw dividends, reorgs, exchanges traded, and over-the-counter trade settlements, and account transfers. That company got bought out in 2002, and all the operations moved to New Jersey. I didn't want to go to New Jersey, so I looked around locally and connected with Coldstream. I was hired in as Director of Operations, working with the portfolio, accounting, reporting, and billing team members.

Then within a few months of me joining that team and leading that team, I inherited our private fund and fund-to-fund accounting, which I'd never done before, but learned quickly. That was 2002. In 2003, the SEC came out with the rule requiring RIA's to have a compliance program and appoint a CCO. That was given to me as well. You might ask if I drew the short straw. I think it was just handed to me, like here, this is what you're going to do.

Again, at the time when I joined Coldstream, there were only about 12 people, and everybody is wearing multiple hats, so somebody is got to pick it up. I love compliance, and it's been a good career. Across the 20 years, I've also managed the client services team for a bit. I continued to manage operations until about five years ago, and then we hired people who took that over. I also chair the firm's risk committee, so I collaborate with department heads all across the organization to assess and mitigate all types of risk.

Then, right now, I have two people reporting to me. One is full-time, and the other is part-time. Yes, I've seen a lot of change over the last 20 years. Right now, I'm the third-longest tenured person in the company. Being in compliance, I have a key role not only in day-to-day processes and policies, but I also weigh in on a lot of the executive-level decisions, being part of the management group.

I will say, being involved in so many things and seeing a lot of growth over that time, when I hit my 10-year mark, we did have a sabbatical policy in place at that time, but I actually had to delay it for almost two years because I didn't have someone to back me up on some of the operations stuff. Like I mentioned, I was doing the fund-to-fund accounting. Nobody else knew how to do that, so I had to make sure somebody in operations could cover that.

Then I was the sole compliance person for a long time, and so I had to hire a backup so I could get to the point where I felt like I could take, at that time, our policy was a four-week sabbatical. Then my second sabbatical, which I just took, like you said, earlier this year, I started planning that in Q1 of this year. Then in Q2, we launched the due diligence process on our latest merger partner, and the close was targeted to be

two weeks after I came back. I don't think there's ever really an ideal time to take a sabbatical, but you can squeeze in, and everyone survives.

**[00:16:17] Matt:** Yes. Allison, I think your story is very similar to Erika's. As I mentioned, your path from executive assistant to managing partner and COO. Tell us in your own words about that progression that you went through.

**[00:16:30] Allison:** Also similar to yours, Cassaday & Company engaged in a deal at the end of '21. We now have a holding company. When you become part of a larger entity, even if you are self-managing the day-to-day operations, it just adds to the complexity to a role that already was complex. The piece that I think that Erika could probably relate to is that as you sort of grow up in an organization, and you've worn multiple hats because you're a smaller entity, you end up having a harder time delegating all the pieces of those out.

You may hire professionals to take on key functions, but you become the institutional knowledge, you become the go-to resource, and you become someone who is always tied to those functions, whether that be the financial management of the firm itself, the HR, the technology, the marketing, in Erika's case, compliance. We have our hands in so many things that the burnout factor, which is the reason that sabbaticals are so important, is pretty high at that point.

After we engaged in a research effort in '21, and finally decided on who we would partner with, and then went through due diligence in the process there, I mean, that in and of itself is a full-time job. You're talking nights and weekends and holidays. I can remember wrapping Christmas presents while also having my laptop in front of me. When you get out of that, someone at the holding company had jokingly said to me, "Well, there's this period of PTSD that you go through after that because you just had so much come at you all in a short period of time."

I think that was actually so apt to use that terminology because there is this period of processing the growth that you've been through, the change that you've been through, the need to communicate out to everyone at the entity and then your clients in addition. For me, the growth and expansion at Cassaday has been so great because I'm always doing something different, but you always have that piece where you are still tied to things that maybe you were doing as an executive admin.

To this day, I still look at my CEO's calendar just to make sure I understand what's going on. I recently had an admin of my own say, "Stop doing that. Cut the cord." To me, it's important to understand what's going on, but I could understand how she interpreted it as still a legacy administrative assistant habit.

**[00:19:13] Matt:** By the way, I'm glad to hear both of you say this a little bit, so I don't feel quite as bad with my stories that I kicked off with. Before we dive into how you both came about to take the sabbatical and your firm's views and policies around



sabbaticals, let's just talk about the industry in general and this prevailing thought that everybody has is nose to the grindstone, 60 hours a week, et cetera. Erika, I'll go to you first on that one. Just talk about the industry in general.

**[00:19:42] Erika:** Yes, I feel like anyone who's in a C-level position, whether you're an investment advisory firm or financial firm or otherwise, and whether you're a COO or CCO or CEO, when you're at that level, you're not only getting the day-to-day job done, but you're always looking ahead and looking for opportunities to grow and improve for ways to be more efficient and mitigate risk and leverage the talent you have. It just goes on and on.

It's definitely not a 9:00 to 5:00 job, and so your calendar is always full and try to get the must-do critical things done, and then you still want to allocate time for the what's next items in order to keep growing and improving. It can be tough to feel like "I deserve to take a break" when everybody around you is doing the same thing.

I feel like even if you aren't in a C-level position, if you're in a smaller firm like Allison was saying, where everybody is key, and you're most likely wearing multiple hats, and there's always something to do and things to cover and new things that pop up that need to be solved, and it just can't happen if you're just working 9:00 to 5:00 or 8:00 to 4:00 in any absences, shift that burden to other people who are also already wearing multiple hats. There's just a lot of pressure. I feel like we just got to keep working more and thinking ahead and doing more. It's tough.

**[00:21:15] Matt:** Allison, what are your thoughts on the famous Gordon Gekko quote that I feel like our industry was founded on when he told Charlie Sheen back in the '80s that, "Lunch is for wimps. Don't take lunch." Is our industry making progress and moving away from that mentality?

**[00:21:32] Allison:** Well, I thought a lot about this question, Matt, because in my life I probably had known only one person who'd ever taken a sabbatical. In my perspective, it was educators, people at universities, sometimes people in religious institutions, they may take a sabbatical to even a different part of the world. It didn't seem that taking a sabbatical was even in the realm of possibility when it first was presented to me.

I think that this "nose to the grindstone" perspective and this "lunch for wimps" quote is so stretched over all of the industry, and yet, I was happy to find out when I started researching that others in our industry have started offering corporate sabbaticals. I expected to find little to no finance industry firms that were doing that, but to understand that Capital One, Charles Schwab, Edward Jones, Goldman Sachs, others, those are large entities, and so they have a little bit more wiggle room in some of the benefits that they provide.

To understand that those companies see the value in a sabbatical benefit, I think, gives hope to us for the industry because I know for our firm, if you're not eating your lunch

at your desk, what are you even doing? To see somebody in the break room gives you pause at times. I don't think that that's the right approach. We have often, at Cassaday & Company, spoken to people who are interviewing for positions at the firm. We just continually stress to them how fast-paced we are.

Some of them come on, and they are hired, and they say, "Gosh, you guys tried to warn me, but I just had no idea." I don't think that that's a badge of honor necessarily. I think that because the industry is so competitive, and essentially what a lot of us offer can be commoditized, we really have to work our butts off to be competitive. That translates to always available, always responding, never making the client wait.

We often have clients say, "Gosh, I didn't expect a response over the weekend or on a Friday during a holiday weekend," or what have you. We've embraced this unreasonable expectation of those in our industry that are going to be on top of everything 24/7 as Erika mentioned. It's not only not possible without a burnout factor. It's also not healthy and doesn't breed the forward-thinking that Erika mentioned in a really creative and just critical thinking manner. It's more about thinking through exhaustion, frankly.

Sometimes even just employees stepping away, getting fresh air, taking a walk around the block, it can make such a difference in their work. Why wouldn't we start to at least peel back the onion layers on what is possible in terms of giving employees a break because technology, as I mentioned, COVID, working from home, everybody being online all the time is starting to become too much of a norm. I just think you're going to face a lot of people who are unhappy in their roles and eventually leave the industry, which I would hate to see.

We already have less CFPs coming forward than in years past. We already struggle with attracting women to the industry. I think that opening our viewpoint as an industry to this benefit would really serve us well in the long run.

**[00:25:13] Matt:** Yes, that was very well said.

**[00:25:16] Erika:** I was going to agree with you on the remote work and even hybrid work. I know in the last three, four years, it's made it so that everyone is technically always accessible and available, and you can hop in and out at any time. I think that has added a little bit of pressure to always feel like, well, I can stay on top of stuff if I go eat dinner, and then come back to this.

**[00:25:45] Matt:** Allison, tell us how and why you approached the firm with your thought for taking a sabbatical and how their thoughts have evolved around this concept since you've come back.

**[00:25:55] Allison:** My approach was very different than Erika's. She had been with Coldstream, who already had this as an offered benefit for employees. We've never



done something like this at Cassaday & Company. My first introduction to the concept of even taking a sabbatical was honestly from my physician. There was a medical need at the time. Much like we've already discussed, my initial thought was, "How can I even be out for a few weeks?" This belief that we are irreplaceable. While important to the firm, no one is truly irreplaceable, and yet, I kept going every day as if that was the case.

My body was telling me that that was not going to work any longer. I probably sat with that myself for several weeks and really did some soul-searching on approaching the firm with what I needed in order to be not only successful and healthy in my personal life but a better employee for them. Because I've worked somewhere for over two decades, I had a lot of support behind me in this effort.

It came not only from top leadership but the rest of our management team and other employees at the firm who were willing to jump in and take on roles and functions that they don't normally have in their already busy work lives. For me, the planning time was probably a little bit less. It certainly wasn't two years, Erika, which I feel for you on having to find the right people to train and cover a sabbatical.

The point of one is to be able to take off and completely disconnect, and so you have to have a level of trust in your team. As a COO, I think it's pretty common that we want to plan and be organized and make sure things are covered. I kept telling myself that if I didn't plan it and go out on my own terms, then it may be taken out of my hands. That was the approach initially with the firm is just I know I need to do this, but I also want to make this a good use of personal time, reflection, making sure everything is focused on my health and well-being because that was what was really critical at the time.

The firm couldn't have been more supportive. It did launch conversation at the firm, which I was really happy about, with regards to adding this as a future benefit with looking at what are our expected response times, are we putting pressures on ourselves that we believe are coming from elsewhere? These responses after hours, responses on a weekend, who's really putting that out there, and can we dispel it if it's not necessary? Some really healthy conversations started to form as a result of this time off.

The other thing that started happening was other employees recognizing where they wanted to be spending their time in their role at the organization and really getting a chance to step up and own some things while I was away. Our management team really came together with the help of a business coach that we've used probably close to the entire time our firm has been in existence. Having the right support behind you is critical to the approach to leadership about taking this time off.

**[00:29:28] Matt:** I will say I'm very guilty of-- I try to be very open and tell people, "Hey, I work when I can. I work a lot. You're going to get an email from me at 11 o'clock at

night, you're going to get an email from me at 3:00 in the morning." I try to ahead, "I do not expect a response from you," but that's still not very fair because if you get an email from your boss or superior at whatever time it is, there is that pressure even if they've given you this nice little speech, "Hey, I don't expect you to reply." There still is that pressure.

I've tried to get better. Just recently, I've tried to get better for the first time in my career of using scheduled emails. Yes, if I want to work at 11 o'clock at night, that's fine, but I try not to send emails like I used to.

**[00:30:14] Allison:** Similarly, Matt, I've had those conversations with staff over the years and just explained that on off time, people are working when it's convenient for them. If my boss is working on a Saturday morning, but I'm not touching base till Sunday afternoon, well, that's what fit into our time off. We're not on a 9:00 to 5:00 schedule on those days off or our paid time off days. That's the other thing that sort of kills me is when people "take vacation," and I say that in quotes because they are checking in the whole time. You felt the need when your daughter passed to still be available to people, as if the expectation was coming from them as well. I don't know if you've seen the meme that talks about a European out of office looks like, "Hey, I've gone camping for the summer. Please email again in September," whereas the United States response is, "I am out of the office undergoing kidney surgery. I will be unavailable for a couple hours, but please reach out, cell, email, whatever, and I will get back to you as soon as possible." It's ingrained in our culture has become this 24/7 availability, no matter what is going on the other side of that email or that phone call.

**[00:31:29] Matt:** I have seen that. Obviously, I've told you the stories already. I've laughed very hard at that because I've felt that pressure my entire career. Erika, we talked about it, Coldstream has had a policy in place for quite a while but talk to us about the evolution the firm has gone through and how you approach this idea originally.

**[00:31:50] Erika:** Back when I started with Coldstream in 2002, the company was not yet 10 years old, had about a dozen employees. Everyone had been there five years or less. Back when I started, PTO was pretty standard for the times, which was, okay, you get two weeks of vacation, and you get a week of sick leave, and you could accrue more, but you couldn't carry over a ton. Back then, for me, I have three kids now, but I had a son, he was two and a half years old. I had a long commute and lots of new responsibilities that were given to me in the first two years with Coldstream. I had a son who was in daycare, which meant he brought home a ton of germs all the time. My time off, a lot of it was spent staying home to care for him, all the germs he was bringing home, or I was sick. This was way before remote work or working from home. That was frowned upon back then, like, "Hey, people need to be in the office at a desk within these hours."

Also coming from where I was before, I had worked there 15 years, I had worked my way up to a significant amount of total time off. It was over five weeks at the time, no limits, on carryovers. Interestingly, the genesis of the Coldstream change to add a sabbatical was also a medical issue for me. It required time off from work, and I had to do chemo treatments. Everyone in that company was super supportive. I really felt the love and care and concern of my work family.

It was a number of months through that year of going through the recovery. After I recovered, I felt like I was right back into work overload mode and high stress again. I started to feel like, "okay, I need to see what else is out there because this is a lot for what I've been offered for time off." I started to look around. Yes, it is really rare that at that time sabbaticals were being offered, but they were out there.

Not only were other companies offering sabbaticals, but their standard for vacation was more than the two weeks that we were offering. There were 401(k) matches, which at the time I joined, and because we were so small, we didn't have a 401(k) yet. There was no match, but again, it's a benefit. Then there was recognition of longer tenured employees. At 5 years or 7 years or 10 years, you were getting a bonus for being with the company for a long time.

Again, remember when I joined in 2002, no one had been there more than five years yet. I had to have a really difficult conversation with the managing partners to let them know how I was feeling and what information I had gathered about what some other firms were doing. They were really surprised to hear what I had gathered as information and how we compared to them.

They started to look at, "okay, what do we need to do to not only lose Erika, but also attract and retain employees and make sure that those who stayed long-term felt appreciated and rewarded." I feel like our current Managing Shareholder, Kevin, was key in getting a lot of these suggestions implemented as soon as possible, including sabbaticals. He's one of the key reasons why I've stayed at Coldstream for over 20 years.

Actually, our latest merger partner who just joined us in 2021, had an even more generous sabbatical policy than ours. When I took my second one, I had more time than the policy we had before. Loved that too.

**[00:36:07] Matt:** Yes. That's great. It keeps evolving. We've touched on this already, but it's important. I want to dive in a little bit more. We've talked about how integral you both are to your firm's daily operations. Positions like yours, you can't just say, "Hey, I'll be out on sabbatical starting this Friday. Good luck, everyone. Bye-bye." Erika, talk to us about the planning involved leading up to your extended time away.

**[00:36:33] Erika:** I will go back to my comment that I don't think there is ever really an ideal time to take a sabbatical, but it can definitely be squeezed in. There are three

things that I think are really key. The first one is planning, if possible, way-way ahead. We've built into our team member handbook that sabbaticals must be scheduled a certain number of months prior to being taken. I think it's really important to start talking about it with your team and with everyone you interact with well in advance.

That gives teams and everyone you interact with an opportunity to start learning new procedures and enable certain authorizations. If you're the only person authorized to approve high-dollar wires, other people need to get those authorizations and get access to the systems and cross-train if it's needed. Projects and key initiatives that are already underway, making sure they can accommodate you being out, or projects need to be put on pause to resume after you return if that's possible.

Make sure backups, like I mentioned, are established well in advance so people know what they're supposed to be doing and that they are going to be on call between this date and this date. If it's something they don't normally do, have them do several practice runs so that when it does pop up, it isn't super stressful for them when it does happen. Because the first time you're running through authorizing high-dollar wires, there is a wire cutoff, so you have to get it done or that wire is not going.

Also, make sure your backup team doesn't inadvertently schedule time off at the time that you're going to be gone. Otherwise, that makes it really tough on the people who are still there. Then, Allison, you mentioned considering outsourcing coverage. I think that is something to consider, particularly if you have a smaller company, whether it's temporary or maybe permanently, can something be done more efficiently by someone else, or does it free you up to do more productive things, even if it costs a few more dollars?

Maybe you want to outsource that permanently. The second thing is communicating. This is connected to the planning piece, but I feel it could be a separate thing. Communicate and remind people multiple times in meetings and projects and initiatives that are continuing to move forward that you're going to be out. If you're scheduling the next meeting out and decisions need to be made, remind people, "Hey, I'm going to be out 30 days from now when you're scheduling the next meeting. If you want my input, or you need information from me, maybe we should connect next week before I'm out, so you have my input." Include that in your consideration as you move forward.

I did a compilation. I made a multi-page list of all the things that I saw as critical and needed to be covered while I was out. I could share that not only with my team, but I shared it also with Matt because we collaborate and partner on a number of projects, so that if there are any questions or concerns on what I'm seeing as the priorities and projects and where they stand, we could talk about it before I was going to be out.

Then related to that, communicating the high and low priorities so you can have this giant list, but if the people who are covering for you think, "okay, I can't drop the ball on any of these," they're going to be super stressed out. I tried to make sure, as they're doing their day job, plus covering for me, they were clear on, okay, this is what you need to focus on, and these things are okay to let go, either just leave them till I come back, or it's okay to let go of them, and I'll pick it up later.

Hopefully, that'll also prevent them from stressing out about dropping the ball on something you assigned to them. Then my third thing is trust. Trust, I think, Allison, you mentioned this too, that those who you're counting on to cover for you while you're out will do a fine job, and everyone will survive. Not only so you can worry less while you're gone, but you'll be also less tempted to check in. That one I think is super tough, but it's really important.

**[00:41:18] Matt:** Allison, how did you approach the weeks and months leading up to your sabbatical? I know you said you didn't have as much time to plan.

**[00:41:25] Allison:** We didn't. I would say that the number one thing that in circumstance, when you're planning relatively quickly, is getting others at the organization to identify where they believe they can help or pitch in. I think that that is such a differentiator, not only in their level of interest and willingness, but they honestly come up with ideas that I wouldn't have thought of, areas that maybe they have an interest in or something they've always wanted to tackle.

We get caught up in what people's job description or roles and responsibility is on a piece of paper and not what's possible when given the opportunity. This really allowed some people to stretch their wings, as I said, in ways that I wouldn't have previously imagined. I do think that Erika mentioned so many points that I would agree with and reiterate. I'll try to come up with a couple of different things, but I think that providing clarity regarding escalation resources is really critical if you're in a leadership position, or you're a person that members of the organization are coming to you frequently.

That's the number one concern that some of our people had was, well, who do we go to then, in what scenario? Even if it's something that isn't recreating the wheel, more so just reiterating who those resources are. Also, what current SOPs are because, in our case, the longer tenured employees or the ones who have more comfort with the person who's going out, they may circumvent a standard operating procedure and come to you. What that's doing then is causing reliance on you.

Reiterating what the actual process should be, so that your absence isn't as prominent in their world, and they don't feel stuck or that they can't proceed without you. I would agree with Erika, you have to lay out what your communication expectations will be and bring in outside resources when you have that opportunity. One of the resources we used was someone who'd worked with the firm as a consultant for years.

Her knowledge of the firm was beyond what a traditional temp or coach or someone that we had more recently worked with would have. She had some trust already built in with members of the organization, and she already had knowledge about it. I think that that's an important piece if you have the kind of resource that will make it more productive than a hindrance. Also talk to other entities like your holding company or your broker-dealer.

In various times of people's lives and stress and crazy times at our firm, we have checked in with our broker dealer and said, "Look, here's a short term we need from you guys." They've often been more than willing to help. I think that just opening your eyes to all the resources that might be available to you. I would say that as the individual who is coming back, you need to prep yourself for what re-entry will look like. I think that's going to be different for everyone.

Then, certainly, considering both you as a professional and you as this being a personal benefit, you really need to determine your list of goals or your must-dos and must-don'ts for your time off. In my case, it was a medical-driven sabbatical, but turned very much into a period of exploration. What's out there besides being a mom and a COO and other things that add value to my life. Setting up these very strategic, intentional efforts really changed the course of my personal sabbatical.

Regardless of what's driving you to the sabbatical, I think it's really important to pre-determine some things you want to get out of it. Not all of it is going to be something that you can anticipate, and you have to take it as it comes. Some people may appreciate the time that's less organized for them, but the last thing you want is to get to the end and say, "Gosh, what did I even do all that time?" Regardless of how long your sabbatical was. I think my original goal was six or eight weeks, which to me felt like a lifetime.

In the end, I think I was out for a total of 15 weeks. Part of that was determining at a midway point that mentally I wasn't ready to come back yet. I had to be really careful about the check-ins that I was having in order to prep for re-entry and what was going on. Again, I had the grace and support of the people around me to say, "Hey, we want you to come back and be ready to come back." Erika mentioned coming back and feeling as busy or overwhelmed. I really wanted to be intentional about not doing that. Taking care of the health thing initially, and then assessing what else makes you, you. Spending time on that was really important before I returned to the grindstone.

**[00:46:46] Matt:** We're coming up on the top of the hour. I want to be cognizant of both of your times. You've been so helpful with all your great answers. I'll just throw one last question out to both of you. Let's just talk about the benefits, both to you personally and to the broader organization. What did everyone gain from the experience with you being gone on sabbatical? Erika, I'll go to you first on that one.



**[00:47:07] Erika:** I liked the comment that you had, Allison, about allowing other people to stretch their wings and do things that they don't normally do. I thought everyone who covered for me did a great job and really respected that I was out of the office and rarely reached out with questions. As I mentioned before, we were in the middle of doing due diligence on a potential merger partner. One of my direct reports got really good exposure to what that looks like.

She hasn't always been involved in the whole process. She got thrown right in the middle of it in weekly meetings. I think it was a good experience for her to see how that whole process evolves and what happens and what the discussions are like. It was a really good opportunity for her. Then overall, she did a fantastic job. I was a little concerned, I will say, going into my sabbatical whether or not it was going to be a lot and/or too much, but it went great.

I thoroughly enjoyed my sabbatical. She rarely reached out to me. The couple of times that she did, it was just like, "okay, I just want to check my thinking," which she was thinking exactly how I would have approached the questions that she had. Again, a super positive on that note. Then, for me personally, I started, like I said, planning my sabbatical back in Q1 of this year, and I was really looking forward to it. I needed this break from the day-to-day stresses of all the things. There's work and kids and school and sports things going on.

I have two in high school and one in college. Just every day is just rushing here and there and covering so many things. For my sabbatical, there were two things I wanted to accomplish. One was time with my family, and then the other was time for me. My family time, we planned a trip to Hawaii. Me and my kids, all my kids, went and visited where my mom grew up in Hawaii. My mom passed away in 2020, and I had been trying to get back to Hawaii to where she grew up to spread some of her ashes.

Obviously, 2020 was COVID, and it was tough to do that. We finally got back there, did that, met a lot of relatives, shared with my kids where my mom grew up, went to her grade school and her high school and met some relatives that they hadn't met before, plus we had a bunch of fun. I did have one week off in between where I thought I was going to have an actual unscheduled week off, and then my son, who is in his last year of college, decided he was going to get an apartment. I ended up using that week to get him back to school in Illinois and getting him set up in his apartment. Then three days after I got back from that, I had planned a trip to Greece with two of my best girlfriends. It was 10 days in Greece. That was absolutely fabulous. We started planning it early in the year. We went to a couple of different islands, and it was wonderful. I did not check emails the entire time, ate a bunch of food, and relaxed at the beach.

**[00:50:52] Matt:** Allison, how did you think about your time away, both for yourself and the company in general?

**[00:50:58] Allison:** First, I'm going to take a lesson from Erika and plan more trips on the next one. Ours coincided with my son's spring break, and we took him to Puerto Rico. His father is Puerto Rican. We too did a little bit of family history and exploration. I would say that just benefits to both me personally and the broader organization is that, for me, I got to slow way down. Even the difference between the constant rushing, as Erika mentioned, as a working parent with children who are active, the pace is fast, and it's fast everywhere. Your body gets used to that.

Just being able to take walks, be able to read a book. We got a dog during the sabbatical, which may or may not have been a great idea. He also would come on walks with me, and that was really just meditative. I also explored art classes and things that I just wouldn't normally have the time to be able to explore and just look outside of who I am, outside of my professional world. I do think that taking time off can also give you pause to say, is this the right role for me, is this the right place for me long term? For me, I kept coming back to yes, ultimately.

I would do check ins with our business coach towards the latter part of my sabbatical. Just the energy that surrounded the re-engagement of what was going on was clear to me that I was in the right place doing the right thing. I just needed to make sure that when I returned, I still was focusing on the right things. Erika mentioned not having vacation time from your support overlap with your sabbatical. Unfortunately, we had a pretty critical manager need to go out on a maternity leave that overlapped.

When I got back, it was a little more hectic than I think I would have preferred. Again, it gave us time to say, "where am I spending time that the firm could have someone else spending that time, or where's my higher payoff activity?" I think also it really set the stage for laying out some boundaries around communication. I don't know if people love when I say this or not, but when I returned to work, I did not put Outlook back on my cell phone. I think that for a lot of people, that feels like cutting off your right arm.

I definitely was intentional about disconnecting on my leave because I thought we honestly did this out of medical necessity initially, and then it turned into something more personally beneficial. I thought I had one shot at it, and I didn't want to screw it up. Taking that time to disconnect because I'd never had it was really important to me. When I came back, I still wanted to have just a boundary that surrounded when I would spend time on work and when I didn't.

The people in my firm who are my support people know when a text or a phone call is important. I understand this is not a feasible step that everyone can take. We do have to check in, especially if we're client-facing, but setting whatever boundary makes sense to you, I think is really important. That's what I've tried to communicate to other members of our firm. I do think that there is more time off being taken by some that never used to.

I think that these are healthy things that make us better employees' long term. I think that the organization still has a lot more to discuss and uncover, especially as we come to year-end, and reflect on the year. I am hoping to take a page out of Coldstream's book at some point and add an opportunity for sabbaticals to our benefits package. I think that whether it is shorter than mine, longer than mine, there is true value in taking a break when most of us have been working for not only our adult lives, but possibly even longer than that.

**[00:55:13] Matt:** I cannot thank you both enough, and especially Allison, for reaching out to me with the idea for this topic. I think it's an extremely important conversation to have, and it's very relevant to COOs and operations folks who are so integral to ensuring an RIA is running smoothly. It's not easy for those folks to get away. As we've discussed today, it has massive benefits, not only for the employee, but for the firm as well. Allison and Erika, thank you so much for being here and sharing your experiences with us.

**[00:55:41] Allison:** Thanks, Matt. Thanks, Erika.

**[00:55:42] Erika:** Thank you.

**[00:55:44] Matt:** That is a wrap on Episode 59. We will talk to everyone soon.

**[00:56:04] [END OF AUDIO]**