

The COO Roundtable with Matt Sonnen

Episode 60 – Featuring Amber Salzman & Jean Paul Atallah

[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.

[00:00:14] **Matt Sonnen:** Welcome, everyone to episode 60, which marks our official five-year anniversary. Boy, does time fly. In December of 2018, I recorded a short intro detailing what *The COO Roundtable* was all about. Then we launched Episode 1 in January of 2019, and we've recorded once a month ever since.

If you'll indulge me for just a second, I wanted to read two paragraphs from that intro podcast back in 2018. Back then I said, "With the goal of shedding light on the tremendously important work COOs perform every day in the trenches, this podcast is a bit of a passion project of mine. As I have seen throughout my 20-year career in financial services, operations professionals are widely viewed as cost centers and not revenue generators within sales organizations. We intend to demonstrate that without leveraging a Chief Operating Officer, RIAs cannot achieve the organic or inorganic growth initiatives that they set for themselves. We strongly believe that COOs are needed to free the owners of these organizations from the daily minutiae of running a business."

Then later in that intro episode I said, "We are declaring 2019 as the year of the COO in the RIA industry and aim to spend the year illuminating the hard work successful Chief Operating Officers bring to their respective firms through *The COO Roundtable*. Our featured COOs will discuss how they overcome challenges pertaining to the day-to-day administration of their firms, how they maintain a holistic view of their organization's culture, how they drive workflow improvements, and how they navigate the human resources element of being a COO."

Now, if you jump forward to 2023, I mentioned on the podcast when this report first came out, the *2022 Investment News Compensation and Staffing* report had a short two sentences that were dedicated to the COO role under the trends in compensation section. It stated, "The COO position has experienced a consistent rise in its recognition and value over the past four years. Since 2019, it has had the largest gains in compensation, perhaps reflecting the increase in the responsibilities and recognition of COOs across the industry."

Now, I don't know if we can say that our podcast is the sole reason for the increased recognition across our industry, but I'm going to go ahead and puff my chest out a little bit today because I'm extremely proud of that fact. Whether we can contribute it to the podcast or not, I can feel confident that my goal five years ago has been achieved, and I'm incredibly grateful for that. Though we're not done, not by any means, I'm still extremely passionate about this cause and have every intention of pumping out five more years of podcast episodes detailing the importance of this role in the RIA industry. Let's get back to work. We'll dive right into this episode.

We have two great guests that will undoubtedly prove the immense worth that they've brought to their organizations. We're going to talk about workflows, we're going to talk about org structure, and we're going to hit on HR. Let's dive right into it. Joining us today from Capstone Financial Advisors in Downers Grove, Illinois is Amber Salzman, Manager of Client Services and she's also a partner at the firm.

Her bio on the website states, "Much of Amber's job happens behind the scenes. She leads the client services team, works closely with advisors, and supports clients however needed." She also has her Financial Paraplanner Qualified Professional certification, the FPQP. Amber, welcome to *The COO Roundtable*.

[00:03:55] Amber Salzman: Thanks, Matt, for having me. Happy to be here.

[00:03:57] Matt: Awesome. Then joining Amber, we have Jean Paul Atallah, the COO and CCO at RZH Advisors. They're headquartered in Stamford, Connecticut. His bio on their website reads, "Jean Paul brings a fresh perspective to RZH's operational side of the business, ensuring that all of our systems, resources, and people are working efficiently to benefit our clients." Welcome to the podcast, Jean Paul.

[00:04:24] Jean Paul Atallah: Thank you, Matt. Looking forward to this conversation.

[00:04:27] Matt: Great. Amber, I'm going to kick it off with you. Please tell us a little bit about Capstone Financial Advisors.

[00:04:34] Amber: Of course. Capstone is located in Downers Grove, Illinois, which is just a little bit west of Chicago. Currently, we have 35 employees and \$1.8 billion in AUM. The firm started back in 1999. The story goes that our two founders were working together at another great firm and decided to break away and start their own organization. They had caught the entrepreneurial bug, if you will, and wanted to create something new and different that was centered around the client experience and just doing more for clients.

Specifically, not just making recommendations, but then also implementing those recommendations.

The ideal Capstone client is any high-net-worth individual in their family who generally has some level of complexity to their financial landscape, combined with a commitment to delegate specifically to us. Not necessarily someone who wants to do their own thing and pick our brains every once in a while, but rather who's really looking for a true partner. Our clients often have some type of specific planning opportunity that brings them to us.

For example, they might be paying too much income tax, planning for retirement, or planning to sell their business, or sometimes it's just a little more general, like wanting peace of mind. We often work with high-ranking corporate executives, real estate professionals, attorneys, physicians, and small business owners. That's just a little bit about us.

[00:05:43] Matt: Great. Jean Paul, why don't you give us a rundown of RZH Advisors?

[00:05:48] Jean Paul: Sure. RZH was founded in 2000. Our three founding partners worked together at a wire house. They decided that they wanted to be independent. They left that wire house in 2000 and joined a broker-dealer affiliation with Commonwealth until 2010. In May 2010, they ended that broker-dealer affiliation and became a fully independent RIA, with about just over \$325 million in client assets at the time, and we're about to end 2023 with just over \$1.6 billion in AUM all through organic growth. We have 11 employees.

Our ideal client is typically a high-net-worth or ultra-high-net-worth individual or small business owner with \$3 to \$10 million in assets as our typical sweet spot, or an individual that's going through a period of transition. Historically, we've worked a lot with women who are now in charge of their financial situation for the first time in their lives for various reasons with divorce, or death, or something like that. We like to say that we're serving as their financial therapists. We want to remove the stress that money can cause, especially if you've never had to manage it on your own before.

Our mission is to help clients embrace life to the full extent of their wealth. We've grown exclusively through referrals throughout our entire history. We believe our true differentiator is our planning process. Our marketing strategy really focuses on increasing our brand awareness and highlighting our team member accomplishments. We don't do any traditional advertising, we don't run newspaper ads, or commercials, or anything like that. We plan on growing exclusively through referrals for the foreseeable future.

[00:07:29] Matt: I know you joined RZH about a year and a half ago, but you've been in financial services your entire career. Walk us through your career path.

[00:07:37] Jean Paul: That's correct. I've been in the industry about 15 years at this point and I've worn so many different hats in that time. It all started after I got introduced to the financial services industry through an internship at Ameriprise

Financial in 2009. When I graduated school, I started working for a group affiliated with MetLife selling insurance, annuities, financial products, but that was on a commission basis. I quickly realized that I loved the industry. I realized that commissions and being an advisor really wasn't for me. I left MetLife in 2010 and I joined TD Bank at the time.

I was a financial services rep. It was great because I was able to sell bank products, mortgages, home equity lines on credit, that kind of thing. It was great because rather than me having to go out and find business, the tellers would refer business to us. After doing that for a couple of years, I wanted the next step in my career. I was looking for other opportunities within banking, and I actually stumbled across an operations liaison role at Wells Fargo Advisors. That was an excellent opportunity because it allowed me to combine my knowledge of financial services and investments with what I learned at the bank, such as check deposits, disbursements, other things like that.

I worked in that role at Wells Fargo until 2014 when a group at Wells Fargo actually approached me and said that they wanted to go independent, they wanted to start their own practice, and they needed someone to lead their ops team. I left Wells Fargo to join that team and we launched a brand new firm, a startup that was affiliated at the time with Wells Fargo Advisors Financial Network. That team, after two years with Wells Fargo Advisors Financial Network, we went fully independent, launched an RIA in 2016, and at that point, I became the Chief Compliance Officer and Operations Manager.

I have to say, those years were probably the most formative in my career. It's where I learned how to solve problems, interact with the business owners, manage vendors, and explore new fintech. It's where I really fell in love with operations. I was in that role for about four years. Then finally in 2022, I was contacted by a recruiter who was now looking to fill a role for a Chief Operating Officer for an RIA down here in southwestern Connecticut. I made the move in June of 2022, how time flies. It's been a great ride so far.

[00:10:11] Matt: That's great. I love the story. I've joked on this podcast so many times, nobody grew up thinking, "I'm going to be a COO of a registered investment advisor." I did fall in love with operations the same way you did. Just, it's completely different every single day. You never know what you're going to walk into. [laughs] I liked all of your comments there.

[00:10:31] Jean Paul: I feel like when you do a bunch of different roles in an industry, you quickly realize what you don't like. Then you're like, "Okay, I want to stay in the industry, but I want to focus on what I do like and where I can provide value." Like you said earlier, at the beginning of the podcast, I'm one of those people that truly believes that COO has provided value to any organization.

[00:10:49] Matt: That's awesome. Amber, you've been at Capstone for over a decade, so give us your career story.

[00:10:56] Amber: Matt, I'm sure my background's similar to many of your guests. I actually have a history major with an emphasis in medieval studies and a minor in gerontology, [laughs] so makes a lot of sense. No, honestly, not the most traditional path to a finance career. After school, I realized I didn't want to teach history like I originally planned and I found myself in a social work setting, in a nursing home, that's the gerontology minor for a few years after college. At that point, I serendipitously transitioned into a role in financial services, which led me to Capstone about 11 years ago.

When I started at Capstone, I didn't really know much about the RIA industry, but I was really intrigued by the business model and the idea of being a fiduciary for clients. The idea, I quickly realized, of advisors giving advice that's truly in the best interest of that specific client and their individual situation and is not tied to a commission on a specific product was really refreshing, and is really what kept me at Capstone.

I started an entry level client service position, moved to a senior level role, and now I'm the Manager of Client Services. I manage the client service specialist teams here at Capstone and the other administrative positions at the firm as well. I'm a part of the management team and a shareholder, and now have the privilege of leading initiatives and working on strategy for the firm as well.

[00:12:10] Matt: That's another thing we've talked about on this podcast over the years is just how do you move up the chain, so to speak. It really just comes to raising your hand whenever those opportunities arise. I love that all within one firm, you've been able to work your way up. That's great.

Amber, I'm going to hit you in the weeds question right off the bat here. I know you recently made upgrades to your CRM processes. Can you talk us through that a little bit?

[00:12:36] Amber: Of course. Beginning of 2023, I actually started shopping CRM really from a place of frustration. We had had lower than ideal adoption at the firm, and the functionality just didn't seem to be there. To set the stage, I was shopping CRM, having demo calls. In May of '23, I was in Austin, Texas for a Dimensional Fund Advisor study group that I'm a part of. I had the pleasure of meeting you, Matt, because you were a guest speaker for us during our meetings that week. One of the topics that you discussed was this idea of focusing on process and not technology. A quick little plug, Matt, you wrote a great article in January of '23 for WealthManagement.com with the same title.

If anyone listening hasn't read it, you should go [check it out](#). It's a great article. The idea behind this thought is pretty simple. Before switching to a fancy new tech, RIAs should just take a deep dive into their current processes around that technology tool and see what inconsistencies or inefficiencies there may be. The reason for that is you often

and knowingly bring bad processes with you to the new system. Then what you have is you spend more time and more money with a new system, still have the bad processes, and it just doesn't bring the lift that you think it's going to.

Assuming an RIA is using one of the industry's major tech vendors and not some antiquated software, switching from tool to tool isn't really going to make that big of an impact. After hearing your presentation and having some discussions with you, Matt, during this meeting, it really made me pause and rethink why I was shopping CRMs in the first place and reevaluate our current ecosystem. I came back to Capstone, I put a pause on CRM vendor shopping, which was a breath of fresh air because that was pretty exhausting.

Instead, I just spent that time identifying holes in our current process that surround the CRM and data integrity specifically and had some discussions with our current vendor to try and fix some of the existing pain points. At the end of the day, I ended up not switching CRMs and decided not to throw the proverbial "baby out with the bathwater." We're relatively happy.

[00:14:35] Matt: I wasn't looking for a plug, but that's very rewarding to hear that you took action on that article and it's worked out. That's fantastic to hear. Jean Paul, I know you recently did implement a new CRM because RZH didn't have a CRM at all before you arrived. Walk us through that process.

[00:14:54] Jean Paul: That's correct. To Amber's point, I can attest it is exhausting. Now looking back at it, we're happy we went through the process. Fortunately, having worked in all these different roles and organizations prior to my time here at RZH, I had used three different CRM systems in those previous roles. I knew what I liked and what I didn't like in a CRM. Taking that experience, I created a matrix and assigned weightings to dashboards and layouts, calendar functions, task management and workflows, mobile apps, and third-party integrations, which is our biggest factor here in our decision-making process.

We knew that if we were going to have adoption of this tool and have people actually using it, it needed to integrate with all the other systems that we already had in place. Finally, we looked at three different options out there. We looked at Salesforce-based CRMs, Microsoft Dynamics-based CRMs, and then another one that's their own independent thing, not based on one of those industry players, participated in demos.

We actually asked the vendors to build us a custom workflow so that we can try it out with our stakeholders at the firm and get them involved because if we want these people to use it, we needed them to actually like what they're using versus mandating that they use a piece of technology. Ultimately, we selected a CRM that was based on dynamics, given the integration that it has with Office 365, and we rolled it out in July of

2023. We're about six months in, still learning all of it and adjusting to it. So far, it's been a very positive change for our firm.

[00:16:38] Matt: Other than adoption, which you brought up and how important that is that are people actually going to use it once you've implemented, but other than adoption, I know that whenever you're dealing with a CRM project, it always begins with data integrity. I have a two-part question for both of you. Number one, how do you ensure you have clean data in your CRM?

Then number two, this is the hard one, have either of you solved that holy grail that everyone in the RIA space is looking for, [laughs] but no one that I know of has really seemed to have found yet, which is can you change an address in your CRM and have that address change flow through the rest of the tools that make up your tech stack? Jean Paul, I'll go to you first on this one.

[00:17:19] Jean Paul: After we selected the CRM and we were ready to go live, obviously the big step is, "Okay, how do we get all of our fragmented data that's in multiple locations into this tool?" We had data in multiple spots. We had custodial data, prior to the CRM we were using Outlook contact records to store all of our client demographic information, we had information on households and portfolios in our portfolio management tool. We first sat down and decided, "Okay, what's our source of truth? Where are we going to start with? This is the most accurate information about our clients, and then that's what we're going to use if we have discrepancy between the data sources."

We decided to focus on our custodial data. We figured that's where you're going to have the most up-to-date address, phone number, age information, that kind of thing. We divided and conquered. We took all of our households, we split them into five groups, and we, unfortunately, had to go through them one by one. It was a very manual process. It was something that needed to be done, probably should have been done many, many years ago, but we finally got it completed. We updated the information in all of the various systems, and then we decided that we were going to migrate pieces of each of those data sources into the new CRM.

After the CRM met live in July of '23, we maintained the data both internally in the CRM via spreadsheets and in the new CRM. We wanted to just do some data validation there. Now, about six months past the transition or we're beginning to transition everything exclusive to the CRM – so birthdays, client anniversaries, addresses, all that information, now we're relying on the CRM for that source of truth. The goal is that we just want everything in one spot, so people don't have to worry about maintaining multiple databases for information.

To your question about addresses, Matt, if someone can figure out how to do this in their industry, they're going to be a very wealthy individual because we have not,

unfortunately, solved that challenge, how you can change your address in one spot and have it flow through everything else. What we did to compensate for that is we built a workflow that captures all of the necessary steps and locations that you need to change your address, so that a team member doesn't have to just rely on memory to know where to do it.

We have them first change it in the CRM, then at the custodian, and then at our portfolio reporting system, and the goal being that the CRM is going to be the source of truth for address information. That's what we use now for mass mailings for clients, such as holiday cards and our ADV annual updating agreement, that kind of thing.

[00:19:53] Matt: You made a very important point in there in that you had to go one-by-one through your households. So many firms I've worked with over the years, whether it's CRM or any other technology they're trying to implement, "I'm going to do a data dump of all my clients, all my account numbers, whatever it may be, and the vendor's going to clean it up for me." How the heck is the vendor going to know which account numbers roll up to which household, et cetera? I'm so glad you mentioned that. It is such a crucial part. No one wants to do it, but you have to brute force it sometimes and do that one-by-one analysis.

[00:20:29] Jean Paul: Absolutely. We do have about 400 households, so it was not an easy task for sure. I have to give hats off to the team that I worked with to do this, especially our Client Service Director, who knows the clients and who's related to whom and everything like that. Without that exercise, like Amber said, you're going to have this data dump, and you're going to have bad processes, and people are not going to use it. It was definitely a worthwhile exercise now that we've gone through it.

[00:20:57] Matt: That's great. I'm so glad you mentioned that. Amber, to remind you the two questions, how do you ensure you have clean data in your CRM? Then number two, have you found the holy grail? I'll have you tackle these two questions.

[00:21:09] Amber: Of course. In terms of clean data, one of my passion projects in 2023 was to do an overhaul of the client code, which we use as the one identifier that we give to new clients who engage with the firm. That identifier follows them across the board. What I had realized at my time at Capstone was, if we weren't super diligent about keeping that identifier the same, things got all hodgepodge and mismatched. My goal was to really formalize the convention for that code, and then work specifically with everyone responsible here at Capstone for the various systems and get them all updated. That's CRM, reporting, document management system, billing tax to just ensure that code was clean across the board. Then this is going to help us move to automate some of our internal processes and aggregate data in a cleaner manner. As you both have mentioned, you can't do that without clean data to start. We're super excited about that project.

That flows a little bit into number two. I have not solved the holy grail of address changes, but I think I'm making progress. Another goal for this year for me was fewer clicks when it comes to that address change because as all of us know, it happens often. What I did was I found our source of truth as well, Jean Paul, is the CRM.

I found a feature of our CRM where an automatic email is triggered when an address data field is changed. When the client service specialist goes into the CRM, makes the address change in that specific field, it automatically sends an email to other back-office ops people, so they can update their system. I think in a perfect world, it'll update us automatically. We updated one spot, and it flows to the other system. That's my end goal. This was a good middle ground. For those of us that do address changes, there's quite a few clicks. I was happy to cut down a little bit on that.

Then the tool that we're going to be starting to utilize in 2024 is related to Smartsheet, which is a system that we started using a few years ago to help us basically track a tax return as it goes through the office. Smartsheet is a cloud-based work management and collaboration software system. Basically, we use that internally. One of the features we found that they have is called Data Shuttle, which is basically configured to automatically push or pull data across different systems. Now that I have the clean data, the identifier is the same, I'm really excited to start using Data Shuttle in '24 and see how that really helps improve processes for us.

[00:23:28] Matt: That's great. You multiply all those clicks by the number of clients times the number of processes that you're going through, it adds up. I love that, fewer clicks. Let's transition into talking about the delivery of service to your clients. Jean Paul, have you structured your firm with individual service teams or are your processes typically run through a centralized service team?

[00:23:52] Jean Paul: Currently, given the number of team members that we have, we only have 11 people, we do have a centralized service team. We have two client-facing service individuals. Those are the people who are responsible for all the new account opening, disbursements, scheduling client calls, that kind of thing. Like I said earlier, our Director of Client Services has been with us for over 15 years. For the majority of that, it was just her. All of our clients know her and trust her.

While we've made a couple of additions over the years to our firm, we're currently evaluating the best ways to bifurcate all of our client relationships, so that we can move towards more individualized service teams where every client has a specific client service associate dedicated to them. I'm not going to lie; it's been a bit of a challenge for us. This centralized service model has been super important to us for our firm's success over the years. It's one of the reasons why we've been able to have such tremendous growth organically over the past two decades. Realistically, that's not sustainable for the long-term. It's not a scalable model. It is something that we're currently working through.

Now that we have a CRM, and we can actually with one click see who the client service associate is, and we can have the workflows, assign tasks based on your role within the organization, we are really looking forward to doing this individualized service team method because we think that's really the way that we're going to be able to have scalable growth and scalable personalization, we'll call it. We're looking forward to that. We are currently working through that process right now.

[00:25:32] Matt: Great. Amber, what about you? How's Capstone structured?

[00:25:36] Amber: Capstone does have individual service teams. Every client, no matter the size, has a dedicated wealth advisor, a planner, and then that client service specialist. That service team really gets to know the client and their specific situation, their communication preferences, and the cadence of those communications. We have found it works really well for that continuity of the client experience.

If someone's out on vacation, there's more than just one person who really knows that client's story if an emergency pops up. That being said, though, over the last five years or so, we have centralized trading and tax. We've also found that approach does offer that scalability and they gain deficiency without diminishing the personalized service our clients expect from Capstone.

[00:26:16] Matt: We've talked about tech, we've talked about clients, now let's talk about people. Amber, I'll go to you first. How do you ensure that your employees are motivated to come to work every day and provide that exceptional client service day in and day out?

[00:26:31] Amber: It's such a great question, Matt, especially in our current environment. For me, at the end of the day, I come back to the golden rule in the sense that I've done my best work in environments where I feel supported and treated as a partner versus just a number of spreadsheets. I really try and take that same stance of my team. I'm a mom of two, and I have a full-time career, and a husband with a career who also travels. Life often gets "lifey" sometimes.

A kid's going to get sick, a car might break down, a relative might have an emergency. I found that I'm able to get the best out of my people when I understand at a certain level that they're going through some of the same things that I am and might have some ups and downs, and just trying to have that understanding that their best productivity is going to come at a time when they feel supported and respected as well.

[00:27:14] Matt: I love it. Life gets "lifey." That's important for us to all remember. I love it. Jean Paul, I know that in addition to operations and compliance, you've tackled some HR tasks in your new role at RZH. Tell us about some of the things you've done there.

[00:27:31] Jean Paul: Sure. First of all, I have to definitely echo Amber's comments there. Being with a firm of only 11 individuals, we definitely strive to create a culture where we foster our employees, we give them the tools and resources that they need to be successful. At the end of the day, we believe, like Amber said, if they enjoy what they do and they like coming to work every day, then it's going to truly lead to an elevated client experience for our clients, and then ultimately drive the success of our firm.

One of the ways that we tried to do that, enhance our employee experience was we looked at our current benefit offering and our payroll provider to see if there are some better opportunities available out there in the marketplace. I'm happy to say that we actually rolled out a new PEO in November that allowed us to both improve the benefit offerings to our employees while simultaneously reducing cost for the employees and for the firm – projecting a cost savings of about \$28,000 annually based on our current benefit enrollment. It's not an insignificant savings.

We've also updated our team member handbook to clarify various policies, so there's no confusion, and then to have a centralized location where a team member can go and find information on our benefit offering, our paid time off, et cetera. One of the fun things that we did was, I introduced something called the social and entertainment committee, that I affectionately refer to as the fun SEC. The fun SEC plans quarterly team member events and little officer prizes for our team members around the holidays.

It's something that people look forward to. We introduced RZH swag this past year. Now we have outerwear, backpacks, umbrellas, water bottles, pens because we really believe these small things, we call them “small things, big gestures” go a long way in fostering this team culture and environment. Again, like Amber said, when you have a happy team, you have happy clients, and you have a successful firm.

[00:29:34] Matt: I love that both of you are sharing very detailed and actionable advice for our listeners. This has been fantastic. You have so many great tips among both of you. You're both clearly students of the industry. Amber, where do you go to gain knowledge and learn best practices from your industry peers?

[00:29:54] Amber: One of my favorite places to go is HIFON, which stands for High Impact Financial Operations Network. It's an online community of RIA operations leaders that share best practices, advice, and support. There are different threads of conversations really about everything under the sun from an operational standpoint, and even breakout groups. What I like about the website is if you're a lurker and you just want to read and digest, and not really engage, you can do that, or you can answer questions on a current thread or even start your own. I actually had recently a really nice conversation with someone in a similar position of mine at a different RIA at a different part of the country.

My senior ops person here at Capstone had a CRM question and she connected us. Then we've actually had some breakout groups that have been really successful as well. Sometimes you just feel like you're on an island and you're not sure what other people are doing. It gives you a sense of some of the other struggles that different RIA operation leaders are going through as well. Then the other place that I like to go is the study group that I'm a part of through Dimensional Fund Advisors. It's an operations and strategy group. It's mostly over Zoom.

I've been a part of it for a few years now. It's still very impactful in the sense that it's a smaller group, so we get to know each other. There is one in-person meeting that I mentioned when I met Matt back in May of this year. Because it's smaller, you really get to know these different firms and form these outside relationships. Again, share insights, pain points, and just have an open and really honest forum to discuss issues.

[00:31:21] Matt: I'm having this trip down memory lane today with our five-year anniversary. Shaun Kapusinski who started HIFON, I think it was, and I want to say [Episode 3](#), it was one of the top three episodes that we created. He was a guest here on *The COO Roundtable*. I've known him for many years, he's fantastic. What he's built with HIFON is great. Like you said, it's all about trying to solve that horrible feeling that we all have is, "I'm on an island, and I'm all alone, and I don't have anywhere else to turn to, to see what other people are doing." I'm a big fan of HIFON. Jean Paul, where do you go to, to gather information that you can hopefully implement at your firm?

[00:32:00] Jean Paul: Similar to Amber, I'm also a member of a Dimensional Fund Advisor study group based out of New York City. I'm actually pretty active in that. It's where we found our current PEO that we switched to in November. In mid '23, I just reached out to them. I was like, "Hey, we're looking to increase our benefit offerings. Who do you guys use for payroll providers and benefits, and are you happy with them?" I got tremendous feedback from a bunch of the DFA group members, and it was how we created our shortlist for our PEO selection.

Whoever is listening to this, if you're not a member of a group like that, I definitely encourage you doing that because, like Amber said, sometimes we could feel like we're alone on an island, but there are thousands of other RIAs out there that are going through the same struggles that we go on a daily basis. Having that community, I think, is truly invaluable. Additionally, I try to attend about two to three conferences a year. I usually do Orion Ascent and Fidelity Inside Track. I think those are the two major ones where I've seen value in those.

It's actually the Fidelity Inside Track where I met another COO of a firm that connected me with Matt. Matt and I met, we discussed, and that's why I'm here today. That's another resource. I think there's tremendous value in conferences. Finally, I serve on a couple of different committees within our custodian, so we custody at Fidelity. I think

this is great because I get to provide feedback and pilot new features that Fidelity is testing out for their custodial clients.

You're able to meet a lot of different individuals in similar roles in the operations roles that I currently serve in. You just create these connections where you're like, "Oh, you know what? I remember this person said X, Y, Z or they use X, Y, Z system," and so you can reach out to them with questions. Those are usually the things that I use most to further my industry knowledge.

[00:34:02] Matt: My last question, we're recording this in mid-December. This episode won't be released until early January. By then, you're going to both be on the other side of it. Right now, as we sit here today, you're both in the thick of year-end tasks and processing. Jean Paul, tell us how you've approached this mad dash here at the end of the year.

[00:34:23] Jean Paul: I have to give tremendous credit to our client service director who's got this year-end process down to a science. Like I said, she's been with us for over 15 years. I joined in 2022, so I didn't want to disrupt what they're doing because it works. What we're trying to do now as we approach year-end is we want to review all of the processes that we already have in place and identify areas where we can use the CRM to make them a bit more efficient.

Our plan is for 2024, when we get through the year-end dash, we're going to sit down, and we're going to look at exactly how all those year-end tasks were handled such as RMDs, tax-loss harvesting, charitable contributions, and see what opportunities exist within our CRM to automate some of those processes, and remove some of the manual tracking that we have in place.

[00:35:15] Matt: I like it. Amber, are you doing anything different this year from years past?

[00:35:20] Amber: This year I wanted to really rethink the usual year-end process. I think one of the benefits of being at the same organization for an extended period of time is you get to see multiple year-ends over and over and pinpoint some trends. I saw a little bit of a trend that I'm sure, like many other RIAs, year-end is a big deal for us. It's a very busy time of year. We're wrapping up the books, there's a lot of things that are happening. I wanted to take a step back and ask the question, are there year-end items that have to be done at year-end? Could they be done sooner? Is there a reason that we are processing what we're processing in December?

By starting that conversation and starting to talk to our advisors, I realized that there are certain things that we could do earlier in the year. We have some clients that are okay doing RMD for that year after their tax return is done and don't need to wait till December. We started to have those conversations, similarly charitable contributions, and different things, do they have to be done in December or could we at least start

having the conversations in the summertime or even in November versus that last month of the year?

Ask me after 12/30, we'll see how it all goes. I'm optimistic that just by reframing that question and maybe pushing some of these items to the summertime when it's relatively "quieter," if there is a quiet time here, I think will really help alleviate a lot of the stress at the year-end.

[00:36:39] Matt: Amber and Jean Paul, you've shared so many insights with us today. It's really great that we had such a detailed conversation here for the five-year anniversary episode we hit on. We pretty much hit on all the topics that I called out back in 2018 as the core focus areas for COOs. Thank you, both, so much for being here and for giving us such detailed answers to the questions that I threw at you.

[00:37:01] Jean Paul: Thank you, Matt. This is a great opportunity.

[00:37:03] Amber: Thanks, Matt. It was so fun being on the podcast. We appreciate the opportunity.

[00:37:08] Matt: That is a wrap on Episode 60. Happy New Year everyone! We will talk to you soon.

[music]

[00:37:30] [END OF AUDIO]