

The COO Roundtable with Matt Sonnen

Episode 65 – Rebecca Davis & Joe Klein

[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 65. If you happen to miss the very end of Episode 64, I recommend you pause this episode and go listen to that final question from our Episode 64 conversation. I asked our guests, why is process so important? They both gave such incredible answers. It's right around the 40-minute mark of the interview, so you can fast-forward to it.

I know a lot of our listeners, myself included, and our guests today included, we're all process nerds. We always try to articulate to our firms why process is so vital to achieving scale. I think you will all appreciate that conversation. Let's jump into today's conversation with two more amazing guests. They will be sure to dazzle you with their brilliance, just as much as Adrian and Kailee did in the last episode.

Joining us today from Greenspring Advisors, headquartered in Maryland, with additional offices in New Jersey and Pennsylvania, is Rebecca Davis. Rebecca is the Director of Operations. She joined Greenspring about three years ago, and her bio states that she oversees the business operations, which includes payroll, benefits, technology, and financials. I met Rebecca almost exactly a year ago. It was May of last year at a DFA operations study group. Welcome to the podcast, Rebecca.

[00:01:38] **Rebecca Davis:** Hi, Matt. Thanks for having me.

[00:01:41] **Matt:** Joining Rebecca is Joe Klein, Chief Operating Officer at The Bahnsen Group, headquartered in Newport Beach, California, and with offices in six other states as well. In addition to his COO responsibilities, Joe is also the Executive Director of the firm's family office offering. He joined the firm in 2021 as the Director of Financial Planning, and then worked his way into the COO role in July of '23. As COO, he has all the department directors reporting to him. Joe, welcome to the COO Roundtable.

[00:02:15] **Joe Klein:** Matt, real pleasure and honor to be here, and happy to talk with you and Rebecca today.

[00:02:19] Matt: Cool. Well, Rebecca, I'll let you kick us off. Why don't you tell us a little bit about Greenspring Advisors?

[00:02:26] Rebecca: Yes. Matt, as you mentioned, we're headquartered in Towson, Maryland, which is just right outside of Baltimore County. We have two other physical locations. We have one in New Jersey, and most recently since 2022, we have one in Pennsylvania. We're now up to 41 team members, and \$6.8 billion in assets under management. Our CEO and Founder, Pat Collins, he actually, when he started the firm, he did so for all the same reasons that most do.

Conflict-free advice, what's in the best interest of his clients. What he was really passionate about was giving back to the community. One of our core values, and it's actually my favorite core value, but it's love your neighbor. Each year, we've been able to invest 5% of our profit back into our community. Actually, in 2012, we established an employee-run grant committee.

That committee selects recipients for our grant program. This year, not only will we be celebrating our 20-year anniversary, but we've also been able to give away about a million and a half dollars in grants and charitable contributions. Then our strategic goal now is to invest more than \$15 million into our community by 2036. That's something that makes me most proud about working for Greenspring, for sure.

[00:03:47] Matt: Incredible. Well, Joe, give us an overview of The Bahnsen Group.

[00:03:53] Joe: No problem, Matt. Our roots go back to 2002 when David Bahnsen started at Paine Webber out of Newport Beach. Our firm became what it is now when a group of 10 or so left Morgan Stanley in April of 2015. We went independent under the Hightower Advisors umbrella. That's where we've been now for the last nine years. I joined the firm in 2021, as you mentioned. I was about the 30th employee at the time.

Now, less than three years later, we're at 60 employees. We've grown a lot. We invest heavily in personnel. We're about a \$5.5 billion firm today. Our organic growth has been in excess of 20% now for the last seven years. Our client base is a group that really subscribes to our dividend growth philosophy. It ranges from those that have a million in assets and have been steady eddy sabers, W-2 individuals, to business owners that have \$50, \$100-plus million.

They've had liquidity events throughout their lifetime that have helped them amass the wealth that they've created. A big part of our growth story is the written content that we do, the podcast. I think just our firm has a culture of responsiveness that we're always getting the message out there to clients and prospects and people hear from us, no matter what's happening with markets and with our growth and personnel. We're in front of people all the time and something we're really proud of.

[00:05:30] Matt: Joe, I talked a little bit in the intro about some of the positions you've held since joining the firm. Walk us through your career path. I know the firm is associated with Hightower, but you were a Hightower-specific employee before joining forces with David. Walk us through all of that.

[00:05:47] Joe: Absolutely. Hightower was in the middle of my career. I'll start from the beginning and I'll echo, I think, what many on this podcast have said before that when I was graduating college, I didn't have a vision of being a Chief Operating Officer at an RIA as where I would be maybe 10 years later. Sure enough, here we are. My interest in financial planning stemmed from when my parents were planning for college for me.

I'm the oldest of three. They were working with a certified financial planner at the time. We never had an advisor, real advisor relationship in our economic structure. That gave me a first preview into how financial advice could be valuable. I went to NYU Stern and I felt that private wealth management was frowned upon at NYU. I ended up doing what many did. I was in an investment bank.

I worked for Barclays doing leveraged finance credit. I think like LBOs for single B, double B companies. I loved the work, but I hated the regulatory environment. I did consulting for a year. I thought that was challenging, but I felt that was maybe what really prepared me for my career and where I'm going now, which it's consulting I find is just an ultimate problem solving job. The ability to take a mess of information and try to present it succinctly and clearly to an end client.

From there, I ended up at Hightower. I was there for three years in an equity research, trading, investment portfolio kind of job. I did the CFP behind the scenes on my own time. When it came to the spring of 2021, I had conversations with Stephanie Link and Bob Oros about my goals of moving to Southern California, and ultimately working for one of the Hightower teams.

I had The Bahnsen Group circled on top of my list just knowing what they had done historically. It was just a perfect fit for both sides that what I was looking to do in a financial planning capacity, working with clients, but not necessarily being an advisor, was the exact position they needed at the time. That was in mid-2021 and now I'm on my third job title in less than three years, but it's been a wonderful experience.

[00:08:08] Matt: I hear that in people's career paths a lot. It's geography first. Hey, I want to move to this part of the country, but let me find a job. Then it's amazing when the stars align and you find just the perfect opportunity in the part of the country that you're looking for. That's great. Well, Rebecca, you've worked in several industries outside of wealth management. Walk us through your career path, please.

[00:08:32] Rebecca: Yes. My background was in accounting. I was an accounting major. Initially, I thought I was going to do what a lot of accounting majors do, which is work for a CPA firm, get my CPA, maybe go into tax accounting or public accounting.

After working for a couple of years, actually a friend of mine who was an attorney started his own law firm. He took some huge clients, big national clients, and the firm was growing really quickly.

He was like, "I need somebody with an accounting background, somebody who can run my office, handle the HR, a little bit of everything." That was when I really learned about operations. Very quickly, within a couple of years, we went from a handful of employees and attorneys to 50 spread throughout the country because we landed some pretty big national accounts. That was a lot of fun.

That was my start to the legal industry where I stayed for a number of years. I also have some background in hospitality management as a CFO, but it was actually through my director role at a law firm where I met Greenspring. Greenspring Advisors not only provides wealth management, but we also have an institutional department, which focuses on corporate retirement plans. I happen to be vetting new fiduciaries to oversee the law firm's 401(k) plan, and Greenspring was selected to submit an RFP.

Basically, they headed out of the park. Over a few years, I got to know their team by, I was attending client events. The more people I met, the more I loved them. They were progressive, genuine, kind. They gave back to the community, as I mentioned earlier. They work hard, just everything I really valued. Then the atmosphere kind of sucks you in because of the family feel.

After a few years of working with them as a client, I jokingly reached out to my advisor and I was like, "I see you guys are growing pretty quickly, and I think you're going to need me soon. Let me know when you're ready." He was just like-- I must've had some like, Spidey, Spider-Man sense because they had actually just posted a job description for a director of operations role. He was like, "Send me your resume and I'll get you an interview." Here I am.

[00:10:50] Matt: That's fantastic. Again, the stars align, that's great. Well, Joe, you had mentioned organic growth earlier. Both of your firms leverage content marketing to drive organic growth, and everyone knows I'm a huge fan of content marketing. Rebecca, I'll go to you first. I know your firm produces a radio show. Talk to us a little bit about content marketing at your firm.

[00:11:13] Rebecca: I'm really glad you brought up the radio show because I love the nostalgia of radio shows in general, in the world of digital communication overload. Listening to an AM radio station on Saturday morning just brings me back to like so many childhood memories with my parents. Actually, this show has been running ever since I was a child. The show is called *Financial Freedom* and Tim Decker, he's one of our partners out of the Pennsylvania office.

He's been hosting it live every Saturday morning for the last 30 years. The cool thing about it is listeners can call in, they call in live with questions and week after week,

Tim's always there on the line to get them advice. From that type of marketing, from an operation standpoint, like we're all statistics junkies. One of the downsides is not really being able to drill down on the exact number of listeners.

It's like having an itch that you can't scratch. We do know how many people the station reaches, and I think it reaches like anywhere from one to 2000. I'd really love to know how many active listeners we have. It has been really successful. We get great feedback from our clients too, who listened to it. It adds value there. Within the last year, about 17% of our opportunities have been generated from the radio show.

[00:12:28] Matt: Wow. That's incredible. Joe, I know David is a prolific writer, and he's a guest on several financial TV shows. Tell us how you leverage content marketing to get the word out about Bahnsen Group.

[00:12:49] Joe: We have two recording studios, one in New York and one in our Newport Beach office, and three full-time employees dedicated just to the production and distribution of content. It is a huge part of what we do. The hundreds of emails that get sent out around market commentary and-- I would say we probably have-- I think last year we did over 300 different podcast episodes, which is mostly David along with a few others that contribute under their own properties.

The content is a huge part of how we get the word out about who we are, what we do, and how people connect with us that aren't already a client. We have a lot of individuals who pick up the phone or write an email just out to us saying, "Hey, I'm interested in The Bahnsen Group." We didn't go find that person individually, they found us. That's a different interaction for someone who's not a client who maybe can be, maybe cannot be.

It creates a warmth to the introductory conversation that I think is hard to find unless you have that content that exists out there. We also have a long list of subscribers to various blogs, I guess for lack of a better word. We have the ability to just check in with people who we know have been reading it and engaging with the content for a long time. Some of the replies to that are no thanks, I'm good.

Sometimes it's someone that has a level of investments that we just really couldn't form a relationship with. Plenty of times it's someone who has several million dollars, and they're a ripe opportunity for what we do and what we do well. The amount of warm leads that we have, the amount of people that subscribe to Dividend Growth being our main investment philosophy along with some of our other values in and around that is something that just really drives a lot of new business opportunity to our firm.

[00:15:02] Matt: I'm obviously not a marketing expert by any means, but I will throw out a huge caveat for our listeners. Radio can work if you do it for 30 years. Podcast work, would you say Joe, 300 podcast episodes last year alone, is that what you said?

[00:15:19] Joe: Correct, and it's across different properties. We have our own that happens every week, but then there are plenty of other-- even radio shows that I guess I'm counting a radio show as a podcast. There are plenty of others that are being done by David throughout the week. Then we have a few other individuals at our firm that contribute to podcast or again radio shows that there's a lot of media that our group produces. I'm sure Rebecca's does as well and it leads to results if you constantly show up.

[00:15:53] Matt: Yes, it's about consistency. Again, I'm not the marketing expert, and there's plenty of other people in our industry that are sending this message way better than I can but it's about consistency. I know personally many firms that, yes, this whole content marketing thing, we try to post a post, a single post on Facebook once and it didn't get anything.

Yes, that doesn't work and it works for other people but it doesn't work for our firm. It is 100% about consistency. Content marketing, again, big passion of mine. That's how you find clients. Let's talk about what your firms are doing to retain clients now. Joe, what services outside of traditional wealth management are you offering to make clients more sticky?

[00:16:40] Joe: I think our core service model lends itself to the advisor being able to spend more time with their prospects or their clients, whether it's the content department, our experience department that helps package our outbound message, not just literally distributing but how it looks and feels. Our operations department that's more of a, one operations associate to one advisor or two, they're superb people.

Our team of financial planners, we have six, we're probably going to move to-- we're moving to eight in the next couple of months. I think maybe beyond that core, we have our own risk department with two full-time employees that can do creative insurance solutions. Really, it's a client-first service model, not a profit-first service model. Our insurance revenue is not what keeps the lights on.

There are plenty of things we do that are not compensated, but it helps the client. Our tax department, similar, it's five people now, we're doing 400 tax returns. We did zero tax returns in 2022. It's create some revenue for the company, but really it's about being full service and expanding what we can do for clients and doing it in a way that's economical for them and something that we can provide. We have our own in-house research and trading.

We do about a billion dollars in alternative investments, think private equity, private credit, real estate. Then my baby, if you will, was creating the family office services, which is where I spend a lot of my time and leading the financial planning and the organization of that particular business unit. It's only about 2% of our clients in terms of

headcount, but the revenue that is flowing through that arm is much larger, probably 10 times larger.

Really the goal of our whole firm is how do we create one firm that meets the client's needs in so many ways, and do it at a level that's better than anywhere else they could find. Anytime someone asks the question, could XYZ firm serve me better? Their answer is probably no. Personnel is key to all of that. It's key to both our firms, Rebecca and ours and all the other RIAs out there. I think we invest heavily in our human capital and just the infrastructure of our firm as a whole.

[00:19:02] Matt: Rebecca, in terms of retaining clients, I know you've spent a lot of time designing the client experience. Walk us through that.

[00:19:11] Rebecca: Greenspring's core purpose is to help every person live their ideal life. Pat Collins, our CEO, and Laura Stoner, our Director of People, they've done an incredible job at fostering this culture, not with just our clients, but with our teammates too. To help our clients live their ideal life, one thing we try to do is keep our client-to-advisor ratio low. So that our advisors can get to know our clients on a more personal level, like what they value, why.

Also understand the emotional drivers behind their decisions, like money, wealth, success, even ideal life. The terms all mean something different to different people. Even that's a challenge, like getting to know our clients. You have to be pretty vulnerable. You have to be able to get people to open up. You have to be pretty vulnerable to be able to share your finances, but then there's the emotional aspect too.

One thing we try to have our advisors focus on is getting comfortable asking impact questions. One question, I was actually just asked this question a couple of days ago and I loved it. Somebody asked me, they said, "If you could buy happiness, what would you buy and how much would you spend?" It's impact questions like that, that kind of help us to understand like what our clients value so that we can provide more of like human-first advice.

Then a couple of other initiatives that we've taken to try to improve our client experience is just last month, we elected an employee to become our Director of Client Experience. It's a new position within the firm. We also created a client experience committee this year. They're meeting quarterly and their goal is to just keep thinking of ways that we can continue to improve. I'm really excited to see what they come up with.

[00:20:54] Matt: Again, not my area of expertise. I'm not in marketing. I'm not in on the sales side, but I'm a huge believer that our industry has shifted from, Mr. Mrs. Client, let's talk about your portfolio's performance versus a benchmark. Those are the conversations versus what you're talking about which is again, is where I think our

industry is headed which is those impact questions. I think that's so great. How do you want to spend your money?

What are you trying to use your money for? Then we'll back into what the portfolio should look like. I love that. I'm a big fan. You both have mentioned that you're in founder-led businesses. One of the reasons that we're hired as COO or as a Director of Operations is to take some of those tasks and responsibilities off of the founder or the CEO's plate. I'm curious how you both have navigated that. Joe, I'll go to you first on this one.

[00:21:53] Joe: Our founder, David Bahnsen, he has multiple jobs between being the managing partner, CEO. He's an advisor to a smaller but still a real book of business. He's the chief investment officer and he drives all the content or much of the content and the outbound message. David works more than anyone I've ever met. Really all of us at the Bahnsen Group, not just myself, try to find ways to protect his time however possible.

I think as me being one of five people that report directly to him, I have a different engagement in protecting his time and a different responsibility to do that. My goal every day is how do I solve every problem that comes my way without involving him. I think it's a really fine line to stretch my authority and get the right answer versus the cost of getting it wrong and creating a problem. So far, my batting average there has been very high and it needs to continue to do that.

I think that's what Rebecca's job is, my job is we got to go get it right and consistently right. Cover as much ground as possible so that the founder can spend his or her time in the way that is most valuable to the business. I find what I've done very commonly is when I do need to engage with David, present information to him succinctly, be very direct. Often short questions or very direct calls to action so that I make it as easy as possible for him to give me the information that I need while not taking up much of his time or his brain power.

[00:23:33] Matt: All of that advice obviously applies exactly to COOs, but any job, right? Any position, any role, if you can solve your boss's problems, you're going to move up. We've talked about, you've had a few different positions and you've moved into this role. I can see why when you-- I just think you have the right mentality of how to tackle all of this. Rebecca, talk to us about that transition of responsibilities that's going on at Greenspring.

[00:24:01] Rebecca: Yes, so like I mentioned earlier, I've been here for three years. I've had my operations roles that led me to Greenspring. I was always tasked with handling just the business side of things, technology, HR, staffing, insurance, accounting, internal financial reporting, and even just ad hoc projects like an office move, relocation, opening up registrations in new states. I tend to just assume that everything

business-related is my responsibility. I think that's benefited me because sometimes I'll just do it because I assume it's my responsibility. By the time it gets around, someone asks me if I can take care of it, it's already been done.

The one thing I will say, it is in our CEO's nature to serve and he has a huge heart. Sometimes we all, and not just me, but our other directors. Whether it be our Director of Financial Planning or Director of Investments, or even our Director of People, sometimes we just have to like slap his hand and tell him to hand the work over. Sometimes that's the most effective if we have to like constantly be aware of what he's working on, so we can tell him, no, we're going to take that from you.

[00:25:12] Matt: Yes, the proactive approach. That's exactly right. Yes, I love it. Clearly, you both have a lot on your plates. One of my favorite questions on this podcast is always to simply ask, how do you get it all done? Rebecca, how do you manage your massive to-do list every single day?

[00:25:31] Rebecca: Well, I like that you said manage and not complete because we know it's never going to be completed. You name it, I've probably tried it. I delegate, I use time blocking. Some days I eat the frog. It really doesn't matter what time management technique it seems like something always comes up that derails whatever it is I'm trying to get accomplished. I think if I had to pick one, years ago I read a book by Gary Keller and it was called *The ONE Thing*. Have you guys read that book?

[00:26:04] Matt: I feel like I know his name, but I don't know that particular book.

[00:26:08] Joe: Yes, I've heard of it, but I've not read it.

[00:26:10] Rebecca: Basically it talks about focusing your energy just on one thing at a time, and each day prioritizing and focusing on that one thing. Every morning I will write three things down on a Post-it note that I need to get done or I want to get done. Then I'll highlight one as my main priority for that day. No matter what comes up, I have to get that one thing accomplished. It could be thinking strategically about a project, or plan, or it could just be putting together a financial report.

I think the biggest struggle that I've had-- I'm a lot like my father and that I place a very high value-- I place value on myself based on how productive I am. I'm like that at home, I'm like that at work. Growing up, my dad recognized that and he would always encourage me to get as much accomplished as possible, but also to give myself grace.

He always said like, "What you accomplished today is just one less thing you have to do tomorrow. Focus on that." I think just like striving to be happy with what you can get done versus what you didn't. I have to remind myself of that every day. I have a Post-it note on my desk to remind myself of that because I will forget.

[00:27:32] Matt: I have seen this book and now that I'm-- the cover of it is vertical, not horizontal, *The ONE Thing* I have seen this book. Yes, *The ONE Thing*, the surprisingly simple truth about extraordinary results, Gary Keller. I'm going to buy that today. Thank you for the tip.

[00:27:49] Rebecca: Yes, of course.

[00:27:49] Matt: Yes, that's great. Well, Joe, in addition to your COO responsibilities, you're handling a number of client relationships as well. Tell us about your time management techniques.

[00:27:51] Joe: I'll start by saying that I share some of the personality trait that Rebecca just described about productivity. I think at times I become a victim to doing that well. Whether getting more stuff or not being satisfied with accomplishing 10 things, why didn't I get to number 11 and 12 and that the job is truly never done? For me staying on task and I echo what Rebecca said about *ONE Thing*, I may have not done it in the exact context of the book.

I have done other planner organizer things in the past that I really do start my mornings with what's the thought-intensive, labor-intensive work that I can do before others are ramping up in their day and emails start flying around. That tends to be the client work that I do. That again is our family office services and doing financial planning and estate planning strategy for individuals that have 25, 50, over 100, \$150 million. Then as the day goes on, things come up, but I'm still working through my to-do list.

We're big salesforce taskers and action plans. That's in our DNA. That's what I lean into to keep on task and not forget something. I'm ruthless about flagging emails to reply to, or just replying to people as soon as really reasonably possible. Same day is pretty much my expectation all the time. That's really the core to how I stay on task because the job never ends. There's always something coming up at firms of our size and how we both grow.

[00:29:46] Matt: I think I do it backwards than the quote professionals tell us to do it, but I get up very early. Although the professionals say the morning times when you're supposed to get through, Rebecca, you mentioned eat the frog. You're supposed to get through your creative work. I have to get up that early to get through my emails. I may not respond in the afternoon to a bunch of emails. I get so far behind on my emails, but I get up very early before all the Zooms start, all the meetings start.

I bang through all my emails because I don't know if that's the right thing to do or not, but using the inbox as your to-do list is what I've done. Again, I don't know if that's the right way to do it or not, but that's how I do it. Outside of our never-ending to-do lists, I've often said that the hardest part of our job is managing people, and I always like talking about this topic as well. Rebecca, what is your people management strategy?

[00:30:45] **Rebecca:** Well, Matt, you're exactly right. The hardest part is definitely managing people. I've often wondered why they don't require more psychology and behavioral science classes in business school because it is so hard, but so important. I've already talked a lot about our core purpose, which is to help people live their ideal life, and I mentioned that it's not limited to clients. It extends to teammates, friends, our colleagues, family.

We ask ourselves, "Well, what are the key elements to living an ideal life?" The three elements that we identified are very similar to Maslow's Hierarchy of Needs. We just worded it differently, but it's security, belonging, and purpose. We want to make sure that we give our employees security, and to do that, we've developed career pathing for each role. We also ensure that our comp and benefits are in line with competition through the benchmarking surveys.

We recently implemented an equity-like program for our team members, and we also have a financial planning and advice team, but we offer that not to clients. We also offer it in-house. Then the second aspect, belonging, to keep our team engaged, this is something we're also constantly working on. We actually have a quarterly initiative this year, how to increase belonging, and a handful of our team is going to be running this to come up with ideas.

We have an engagement committee, and then I mentioned the grant committee earlier. The committees and initiatives that we have, most are run by our staff, which gives everyone an opportunity to work on projects and really have a say and input and put their personal stamp on some of our procedures. Our hope is that leads to a feeling of belonging too. Then we do the things like we send quarterly poll surveys, and we have an active recognition program.

Again, that's just something that's constantly evolving. Then for the final element, purpose, client testimonials are huge to us, and they're also a reminder that what we're doing is leading a purpose-driven life. We share client testimonials at our monthly all-hands meetings. One of my favorite things that we do in that meeting too is we allow one person to talk about a moment in which they were most proud of Greenspring.

Usually it's advisor sharing a story; an example, I won't go into the detail, but recently an advisor shared a story about a client who was diagnosed with cancer, and the client happened to be the sole breadwinner, and the spouse didn't know a lot about the finances. Just being able to help them navigate the finances, their insurances, disability insurance, their life insurance, address their fears, and then also educate the family.

I'm getting goosebumps talking about it now, because hearing these touching stories just reminds us of why we're all here, and reminds us of our purpose. Basically, we believe if we provide security, belonging, and purpose to both our clients and our

teammates, then our team's going to stay motivated, they're going to stay engaged. We're going to retain our clients, and growth is going to be inevitable.

[00:33:59] Matt: Yes, it's funny. Coldstream approaches it very similarly. Our mission statement is enhancing people's lives, which is very similar to yours. I just said slightly differently. Our managing shareholder is always good to remind everybody that mission of enhancing people's lives doesn't only apply to the clients. The mission of the business is we should be enhancing the lives of our team members as well. We approach it very similarly. I agree with everything you said.

[00:34:16] Rebecca: It's great to hear.

[00:34:17] Matt: Yes. Well, Joe, how do you approach the concept of managing people?

[00:34:23] Joe: We connect with employees frequently through different touch points. David Bahnsen, for several years now, has been writing a daily team email that covers a whole span of things. Whether it's business updates, whether it's something that he read recently that he wants to share. Sometimes it's inspirational, although I don't know if that's necessarily what he's always going for, but at least I find it inspirational, a lot of what he says. It keeps people in touch and in the know.

I write a Friday email with different updates or recaps from things David has said, or getting a process out there, or a reminder to do something in a certain way. My weekly Friday email spans a handful of different topics, but it's a way to just keep touching the employee base with, this is something you should know, or maybe this is something you should do. Doing that over and over and over again, I think, leads to people staying on task, staying engaged.

Something similar to Rebecca's comment, at the end of every Friday email, last year we did a let's get to know section, and an employee answered a few questions. This year, on the back of our company theme in 2024, which is what's your why. I've been reaching out to one employee a week and asking them what's your why, and the answers will range. I think it's a great way to learn something about someone that just wouldn't come up in regular conversation. Beyond that, we have a company retreat that everyone looks forward to. It's a real fun time of coming together as a firm. It's more business-focused.

It's not sit in the spa and hang out, but we do hang out, we're together, we're thinking about the business strategically, what we're doing, how we're doing it. There are fun social events, whether it's a dinner, or a boat ride, or a golf outing, people can choose their own adventure for part of it. I think people just love to come together, and as a firm that now has expanded into seven different offices. We have about half our employees in Newport Beach, but that means the other half are spread out. It's a great opportunity for people to meet one another, to reconnect beyond just the day-to-day.

Those are some of the big things we do with employees, and I think just staffing the business. We're very careful and thoughtful around where we need more resources. We find that about every half a million dollars of revenue leads to a new hire. We have individuals that really want to grow their careers. We're finding ways to make sure that they have a path that's carved out for them, and at the firm, and organic growth. I'll maybe talk about this more later, but organic growth solves a lot of problems when it comes to people developing and growing.

[00:37:31] Matt: Well, I know, Joe, I know your firm's employee base is relatively young, so I'm curious how you keep your team members motivated.

[00:37:40] Joe: We're building into how does someone evolve from where they started to where they are to what's the next step for them. I think it's looking at our level of directors who lead their various departments, and tasking them with how does your department evolve? How does every employee take the next step? For those that want to, not everyone is looking to change what they're doing. I think younger employees tend to want more growth, and they haven't realized their full potential, whatever they view that to be.

I think a challenge with our firm is that long-term growth plans are worthless. We could really only plan one year at a time, and then by the end of the year, we'd laugh at what the plan was at the beginning of the year because things just happen quickly at a firm that is growing at the rate that we are. Organic growth creates a lot of white space for employees. It creates opportunity for someone to fill in, to manage more tasks, to maybe now manage a team that. Maybe even if it's a team of one, but now you have a different set of responsibilities.

You have the ability to grow your compensation in a way that if we were a stagnant firm growing at 0%, 2%, that a lot of people just run in place. You're doing business, but you're not really expanding and enlarging. Now, as the firm gets bigger, we need to think about how bonuses are structured and doing something that is qualitative and quantitative and definable for someone to understand, all right, this is how I'm going to get paid or this is how I earn more. Job titles matter. Promoting people matter.

Giving people more responsibility, and how they've earned that I think is really important. Then maybe something new we've done in the last six months is develop a new associate advisor program where our financial planners have a clear opportunity to grow into an advisor for those that want to. Personally, as someone who started in our financial planning department and when we were one and a half employees, so to speak, one and a half full-time employees in our planning department it's now being eight.

It gives me tremendous joy that our planners who have worked really hard and are developing in their careers have a way to flourish into something bigger for those that

have put the work in and for those who want to see their next step in their career in in a very organic way. I think it's just good for business continuity and business succession as well. Not that we have an old firm, I think we have a very young firm, but we know the industry is struggling with that. For us to build that organically, I think is a tremendous outcome that something I'm really proud of a firm that we're doing.

[00:40:10] Matt: Rebecca, what strategies are you implementing to keep your team members engaged?

[00:40:14] Rebecca: Well, I guess I touched on this earlier as part of our people management strategy. We have a quarterly initiative right now, which I'm really excited to see what additional ideas the team members are working on and what they come up with. Based on feedback from employees, being able to serve and even run some of these committees on an annual basis, we rotate team members off, has been really instrumental in helping them feel like they're really part of the firm right now. That's probably one of the things that I'm most proud of.

[00:40:48] Matt: Fantastic. Well, I can't thank you both enough for sharing your thoughts with us today. I've learned a lot from both of you and I know our listeners have as well. Rebecca and Joe, thank you so much for being here today.

[00:41:00] Rebecca: Thanks, Matt.

[00:41:01] Joe: Thank you so much, Matt.

[00:41:04] Matt: Well, that is a wrap on Episode 65. We will talk to you all again soon.

[music]

[00:41:22] [END OF AUDIO]