

The COO Roundtable with Matt Sonnen

Episode 69 – Jina Yi & Victoria Latham

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

Matt Sonnen: Welcome everyone to another episode of the COO Roundtable. We have two guests joining us today that I have known for quite some time. I believe I met Jina Yi back in 2019. We all, we all have this way of dividing our memories into pre-COVID and post-COVID.

And I know for sure. I visited her offices pre-COVID. So I think it was 2019 when we met. Jina has been with Wealth Architects, which is headquartered in Mountain View, California. She's been there since 2007, and I'll let her explain all the different positions that she's held at the firm. When I met her back in 2019, she was the Chief Administrative Officer, but in 2021, she took on the roles of Chief Compliance Officer and Chief Operating Officer.

So those are her titles today. We actually highlighted Wealth Architects on a podcast back in 2020, it was Episode 23. We had Lynn Bourne on the podcast. She was president at the time, but I've always been a big fan of Jina's. I know she has lots of insights that she can share with our listeners.

So it was important for me to bring Jina on, at some point. So Jina, welcome to the podcast.

[00:01:20] **Jina Yi:** Thank you so much. And thanks for the invitation. I'm really happy to be here this morning.

[00:01:24] **Matt Sonnen:** Great. Well, joining Jina is Victoria Latham. Victoria is a longstanding member of the COO Society. She always brings insightful questions and experience to our monthly membership calls.

So I've known for, for a long time that I wanted Victoria to be on the podcast. I'll let her explain her firm affiliations because she has two - two firms that she's affiliated with. So Victoria is Director of Operations for Parallel Financial, which is in Greenville, South Carolina. And she's also the Chief Compliance Officer for Fiduciary Alliance, which is a roll up, so to speak.

Parallel Financial is one of the member firms of Fiduciary Alliance. So Victoria is intimately involved in the wealth management business of Parallel Financial, and she can also speak in depth about firm integrations, technology integrations through her work with Fiduciary Alliance. But with all of that, welcome Victoria to the COO Roundtable.

[00:02:20] **Victoria Latham:** Hey Matt, thank you so much. I really appreciate you inviting us to your podcast.

[00:02:26] **Matt Sonnen:** I probably botched that a little bit of your firm affiliation. So why don't you, in your own words, tell us about both Parallel Financial and Fiduciary Alliance.

[00:02:35] **Victoria Latham:** Sure, absolutely. So with Parallel Financial, that's actually the first firm that was founded by Brian Boughner and Anthony Mahfood here in Greenville, South Carolina.

So we're actually at afternoon time right now, if y'all are in the morning, California. So, you know, we, they tried to find a solution to kind of how do we service your clients. What do we do to build a company that allows us to create solutions for our clients that have specific needs? So whether you're a business owner, athlete, retiree, professional, or someone that's just starting out, we're able to kind of customize that and more into, you know, the, the wealth management side.

So they were able to do that then in 2016 and decided, Hey, why don't we come up with a solution for other business owners, you know, that are in the space. So they established Fiduciary Alliance LLC, and that became the RIA. So we kind of offered a platform solution for growth-driven advisors. So if you're either breaking away from your current situation, or you're looking for other solutions to just start your business, right?

So we're, we do their compliance, we do the administrative, we do the billing. So, and everyone gets to keep their own branding. Hence, Parallel Financial's different than the RIA name. And right now we're currently eleven firms and growing and hoping to grow more as we go. So, yeah.

[00:04:00] **Matt Sonnen:** That's great.

Thank you for that, for that recap. And then Jina, tell us about Wealth Architects.

[00:04:06] **Jina Yi:** Yeah, so well, as Matt mentioned, we're based in Mountain View, California, which is - I like to think of it as the heart of Silicon Valley. We were founded in 2005 by Mark Johnsen and Lois Cole, who broke away from Smith Barney at the time.

We have about 25 team members, serve about 400 client households, have about \$2 billion in assets under management, and we will celebrate our 20th anniversary next year. We love working with clients who believe that wealth is about more than just money, and they want to use this resource to create purposeful impact in their lives and community.

We believe in long term, extremely deep relationships, and our growth has been reflective of that philosophy. Our growth over the years has been primarily organic, word of mouth referrals, and our clients tend to share our philosophy and values, so they refer their family and friends who are like-minded.

We find that when you have a group of people who believe the same things and share the same values, that's a pretty powerful thing. In terms of growth, for the future, our measure of success has always been about impact. So I imagine that's how we'll continue to grow the firm.

[00:05:18] **Matt Sonnen:** Great. Well, Jina, I mentioned the different roles you've had at Wealth Architects.

But even before that, I know you worked at some big banks. And as you say, in your bio on your website, you said you were learning a lot at those big banks, but you weren't feeling much purpose in your work. So walk us through your career progression to where you are today.

[00:05:36] **Jina Yi:** Yeah, exactly. I've always worked in financial services.

I joined Wealth Architects in 2007 and I like to think that I was having a quarter life existential crisis. I spent some time being really introspective and after working in private client groups of big banks for almost ten years, I really wanted to look for a firm where I could make an impact and know that I was doing something more than just punching a time clock.

So when I started at Wealth Architects in 2007, I started as the Director of Client Services. I think the really amazing thing is that Mark and Lois really empowered me to create a client experience where I was able to treat each client as if they were my only client. I spent about eight years in that role, and I really enjoyed being client facing, problem solving, and really just serving clients with excellence.

And the Client Service Department of Wealth Architects will always be my baby. My motto was that there weren't any dead ends at Wealth Architects. And after serving our clients directly like this, I made a shift to serve our internal team in the same manner. I became Chief Administrative Officer in 2016.

And then my current roles of COO and CCO in 2021.

[00:06:57] **Matt Sonnen:** That's great. And we've, we've talked about that with a lot of our guests. It's, you know, you talk about no dead ends. It just, it's fascinating how people kind of zig and zag their careers and you just keep raising your hand saying, yeah, I'll go solve that.

Yeah, I'll go take that on. So I love that story.

[00:07:11] **Jina Yi:** Yeah, absolutely.

[00:07:13] **Matt Sonnen:** And Victoria, your LinkedIn bio, you, you have experience in legal, you have experience in insurance, and I can guarantee you are our first guest who has been a police officer. So talk us through your career path.

[00:07:27] **Victoria Latham:** Well, I gotta say I did not like envision or even plan to be, you know, a CCO or Director of Operation.

That wasn't something that you kind of go to college for. Yeah. So it's definitely You know, you went through your twenties and you kind of figure out a way to understand, but I, I graduated with a double major in homeland security and criminal justice, minored in political science. So definitely geared myself towards more of a law enforcement route.

So kind of to address that one, no business background at all. And even in my family I was the only one that went this route. You know, everyone was in business, I have a sister that works with the EPA. So it like everyone was just in that. So they thought it was pretty odd that I went into this route, but I got to figure it out for myself.

I did work as a police officer in Richmond and learned a lot but quickly realized that it was a mismatch. You were trying to push yourself into a career path that your whole kind of being - you know, you just couldn't identify with it, but I've got to say Matt, it was, it was a major character builder with the things that you encounter and I, I definitely appreciate the time that I was there and I still love my coworkers there, but it did make, put my eye open to what I really wanted to do, you know. I really noticed that I like the compliance side of things, where, you know, one of my internships in undergrad was with Capital One, and I did global sanctions.

So, like, really, really kind of, like, thought that was very interesting. So I looked at my career path and said, okay, did I pigeonhole myself with this major? And, you know, found out that when I was applying for jobs, everything was still linking me to law enforcement. So I said, you know, I'm going to do the MBA program and then, you know, position myself correctly in the business world.

And then found myself in the insurance world with Allianz. And had a great, had great mentors there to kind of help me think through, like, how do you become a better professional? What, what should I do? And then, you know, found it more interesting. And then, but - I had to move two months later, I had two months to move, right?

So my husband was in residency in Greenville, South Carolina. So we found out in April and then they said, you've got to move in two months. So we had to buy the whole, move, upgrade our whole life. And find a job in Greenville, which is always exciting. And then found my home here as a Client Service Manager, you know, wanted to be a reliable asset to the company and learned everything.

So I went through opening accounts, helped out our CIO with trading, I did some marketing. So I wanted to be integrated into the company for sure. Clearly with my, you know, with the background that I had, I had nothing wealth management related or even into that as strong as Jina did.

But I like read the books that we had on, on our counters, with Schwab, with TD and eventually paid off and I moved up, you know, like we had a need, like you said, I raised my hand and said, Hey, you know, do you need a Direction of Operation? So I kind of moved through it and then figured things out as we go.

And then a need for a compliance officer arose as I kind of got experience on it and then raised my hand again. And here we are.

[00:10:55] **Matt Sonnen:** That's great. Well, later on in the podcast, we'll talk about something we talk about a lot, which is change management and getting employees to adopt different either processes or technologies.

And we always, you know, I always use the phrase: so, do you use a carrot or a stick and Victoria, you literally have a baton. So I'm going to be curious when we get to that part, when

we get to those questions, I want to hear your, if you're, if you have to resort to your, your past career when getting people to adhere to your policies and procedures.

[00:11:28] **Victoria Latham:** Yes, definitely.

[00:11:31] **Matt Sonnen:** But first let's talk - another topic we talk about a lot is just time management. Every one of our operations guests on this podcast struggles with their seemingly never ending list of responsibilities and tasks and determining which of their tasks are, are truly important and which maybe are urgent, but not necessarily important.

So, you know, Jina and Victoria, you both are handling compliance in addition to operations. So I know both of you have a lot on your plate. So Victoria, I'll go to you first. How do you, how do you tackle your to-do list every morning?

[00:12:04] **Victoria Latham:** Well, you know, in this industry, we quickly realize that task lists- task lists are more of a roadmap, right?

You can't be married to it- you know, like things happen. You work on a certain set of tasks and then something happens, there's a fire. And then you can just pretty much kiss your plans goodbye at that point. So I set the expectation in my head that, and it will let you live a happier life and save yourself some frustration to kind of adjust and you plan for the expected so that you can respond to the unexpected. But with that being said, you don't want to miss something due to an uncontrolled schedule, especially for someone that holds two roles like Jina and I. For me, I'm very intentional. I have to be very intentional when I'm inside and outside of work.

I mean, you know, I don't have any kids, but I do take care of an elderly parent with dementia. So she has her own specialized needs. So I, I try my best to not let it bleed outside of work. So the very last day of my work day, I see what didn't get done and set the prioritization level. And then for the ones that have to get done for the next day, I have to set a calendar and time block.

So for me, it allows me for a dedicated time. It's, it's like the screaming child alert of you know, Microsoft office and say, I have to get this done. And then, it also stops people from asking the questions on operations. And, you know, people always need something. And at least with this, you're setting your boundaries so that the ones that- they don't get pushed towards the very end of the day and eventually just slip through the cracks. For those that need help, though, the ones that, you know, say, like, there are some emergent things that they need some answers, my team members are wonderful and, you know, we've positioned everyone to be trusted by all of the other member firms to ask any questions, whether operational or anything else that's easy to answer. On a compliance side, though, we had to hire an outside consultant to assist with some compliance functions.

So, whether that's email reviews, advertising, filing ADVs, any updates to kind of help the- alleviate, like, the pressure of the administrative tasks associated with that, so then I can be more strategic on approach for the compliance as opposed to being reactive, and that really helps out significantly with that. As a smaller RIA, we run lean, so every single role that we have is significant.

[00:14:41] **Matt Sonnen:** Those are some great tips. I like the blocking things on your calendar; otherwise people are just going to, are going to grab your time. I was talking to a

COO just this morning and she was saying- I walked in, I hadn't even- my bag was still on my shoulder and someone came up to me.

Do you have a minute? And she said, I thought maybe like the network was down and it was like something urgent. I said, what's going on? And what they had to talk to me about was not urgent at all. And I said, well, can I at least, can I at least put my bag down and set up my computer and, and, and sit down for a second?

So it, yes, we're, we're in high demand for sure.

[00:15:13] **Victoria Latham:** Yeah, absolutely.

[00:15:15] **Matt Sonnen:** Yeah. Well, Jina, what is your approach to time management?

[00:15:19] **Jina Yi:** Well, first of all, I really love Victoria's phrase, how you, you can plan for the expected, which helps you prepare for the unexpected. I have a phrase where you hope for the best, but you prepare for the worst, but Victoria's phrase sounds much less doomsday.

So I really like your, your approach there. Seriously, though, I, I love lists. I have lists for different things and I have a master list for my list. I think one of the things that I've always prided myself on is just my ability to retain information in my head. But I think we can all agree, like, as we get older, you know, there are cracks there.

So having these lists really help me make sure that I'm not dropping balls or falling through the cracks. And I honestly like to prepare for my week, maybe on a Sunday evening, just by reviewing my calendar, prioritizing, like, to-do items and making a plan for getting these things done. I like handwritten lists or notes, because I feel like I retain things better when I just put my pen to paper like that, but I'll definitely leverage technology as well to make sure all my bases are covered. And there are some really great tools to do that. I'm also a really big believer and I think we call it the three Ds.

You either do it, you delegate it, or you ditch it. I think one of the most amazing things about our team is that we have a lot of subject matter expertise, and I think you'll both agree, like, from an operational perspective, we tend to be like, deep generalists, right? So, even- I agree with Victoria; we also have outside compliance council and I really rely on them to be the subject matter experts, and I view my role as really more of the liaison between the team and our outside counsel in order to best serve our clients' interests so that really means just making sure that we're compliant, that we're doing a lot of training, we're doing a lot of, you know, just kind of boots on the ground reviews, and being accessible. I really love that I have a team that I can delegate things to that may not necessarily need my attention, but it could be a great learning opportunity for someone else. And, you know, I think we can all agree there are things that we all want to do, but the longer it stays on the list, the more you have to ask yourself: is this really something necessary or feasible? If not, you delete it. I think I totally agree with Victoria as well. I think one of the strongest characteristics of an operationally minded person is really their ability to pivot.

So, lists and to-dos can definitely fall by the wayside when something urgent comes up. But if you have a list, you can always come back to it.

[00:18:05] **Matt Sonnen:** I totally agree, not only with your love of lists in general, but, I, for me, it has to be written- the typed list doesn't work as well. It really does- something about writing it on paper- it gets into your brain better. And then I cheat a little bit. I get the best of both worlds. I use an e ink tablet- I forget what they call these things- it, mine's a Supernote. I know the Remarkable is a little bit more popular, but it's sort of the best of both worlds because it is handwritten notes, but you can lasso lines of your to-do list and move them around so you can move stuff to the top, to the bottom, whatever; you can erase rather than just crossing things off of the list, so it's sort of the best of both worlds because people say, oh, I have to use OneNote or whatever, cause I can move things around, well, I get to do that and I get that brain function of handwriting the list, but I can't agree more with you about how important the lists are.

[00:18:56] **Jina Yi:** I'll have to check out that note tool.

[00:18:58] **Matt Sonnen:** Yeah. It's, it's great. SuperNote. And then the other one that's kind of, its competitor- its big competitor is the Remarkable, but I love both of those.

Yeah. So another responsibility that falls on both of your plates is that of hiring. And as many of our listeners know, hiring is hard. It's so expensive to spend time and energy and money on training someone only to have it not work out. So Victoria, once you've- once you've identified a candidate, what is your interview process to ensure that you're getting the right person in the right role?

[00:19:31] **Victoria Latham:** Oh, Matt. I mean, that's definitely something that's a struggle. We're currently in the middle of that right now too. So, you know, after we, we kind of, go through the candidate list, you know, we have to be really kind of like the same thing- intentional- right? So we don't really have the resources for a revolving door- like, employees that just kind of want to stay a few months and then jump off or anything like that. So we have to really really be picky and make sure that, you know, that the company gains back their investment on the employee for, you know, like, I feel like it takes at least a year for a company to recoup, like the training and, you know, all of the hiring process that we do that for us, I mean, we do everything in house. So really time is what we, we really, really have- of course, you know, the computer and all of that stuff is kind of, you know, you know, built into that. But we just updated the process and it's actually- it can be pretty lengthy and involved, and we have a phone interview to see fit, and we take that time, actually, to not only show what we're looking for, but also really tell them what we have so that they can figure out if we're a fit for them. So, kind of like the same thing we do with our clients. It's the same process. You never want to be- you never want to be in a spot where you've hired someone that didn't want to be there due to an expectation. We go through a physical interview, we have a project to test like the capability, a panel interview, personality test, and then, you know- I know it is lengthy, but it just kind of shows like, who's actually willing to work with us and not just blast sending out like applications only in just because it's it's easy. And, you know, even our applications have a task in there to see who's paying attention, and not only that, to test your, your attention to detail on that side of things.

Yeah. I mean, that's, that's kind of like how we go through it.

[00:21:32] **Matt Sonnen:** Yeah. I think my biggest fear is always just hiring someone that needs a job, that just needs the paycheck. And so clearly, as they should in the interview process, are saying, "this is the greatest company I've ever seen. This is the biggest job I've ever interviewed for."

I have to have,"- you know, but it's why you need all of these different panel interviews and, and phone interviews, and in-person interviews, and you're trying to weed that out, is- do you really have passion for this role that we're about to put you in, or are you just looking for - you know - I just need another job?

[00:22:05] **Victoria Latham:** Yeah. We have to be strategic since, like I said, you know, like I mentioned earlier, we run lean, so even just taking away a team member who's- who might be the SME for alternative investments. Now she's taking the time to train that person on the basics of Schwab when, you know, you're maybe we're on a capital call and she couldn't break away from it. So, like, we have to be very, very, like, we have to be sure of the people that we put into those seats.

Because I mean, yeah, three months' training, but then actually they don't learn the business process. It's impossible to learn a business process and be actually profitable to a company for less than a year, in my opinion.

[00:22:51] **Matt Sonnen:** I agree. So Jina, what process do you use to ensure not only a skills fit, but a cultural fit into the organization as well?

[00:23:00] **Jina Yi:** You know, it's, um, when we talk about a cultural fit and we're going through the hiring process, just to kind of really state the obvious, but it's really two sides of the same coin, right? You have a candidate who's looking for a great fit. And hopefully they're not just looking for a paycheck, but we, as a firm, we're looking for candidates who are aligned in values as well.

So for us, the interview process, it is lengthy. It's not the kind of process where, you know, we meet with a candidate and two weeks later, we're giving an offer letter, but it, it really, like Victoria said, it really takes time to make sure that we are a good match on both ends. And so, as a firm, a couple of years ago, we worked with an outside partner who really helped us hone in on our interview process.

I mean, we revamped our job descriptions, what questions to ask, how to move things along. I- we really tried to cover it from A to Z, and really put a fresh pair of eyes on to assess how we were approaching this process. I think one of the most impactful things we did as a team was to read Patrick Lencioni's book, "The Ideal Team Player," and this book really resonated with us because basically the ideal team player was our team and we were looking for candidates who were hungry, humble, and smart. If you haven't read the book, I really- I highly recommend it. And we realized that because our team members demonstrate the same characteristics, we really wanted to add to that as we build out our team.

Hungry refers to people who are driven and strive for excellence. Humble refers to those who believe in team above self. And smart really talks to the emotional intelligence, not just the technical skills. I mean, we believe that we can teach technical skills, but there are just those innate qualities that you really can't teach.

And that's really what we're looking for, and we've made mistakes along the way, definitely. But when we can find those candidates, we find that bringing those types of folks on really reinforce and grow our culture rather than detract from it.

[00:25:07] **Matt Sonnen:** He's such a great writer. I've read "Getting Naked," which is about client service, and then I've read, obviously, his real famous one is "The Five Dysfunctions of a Team," but I have not read "Ideal Team Player." I'm adding that one to my list.

[00:25:18] **Jina Yi:** Yeah, that's a great one. That's a great one.

[00:25:20] **Matt Sonnen:** Yeah.

[00:25:20] **Victoria Latham:** I definitely just wrote that down.

[00:25:22] **Matt Sonnen:** Yep.

[00:25:22] **Victoria Latham:** I'm going to have to read it.

[00:25:25] **Matt Sonnen:** Well, as we said, getting the wrong person can be so disruptive to your entire team or your entire organization. If they're complaining all day, again, cause they're not really that great fit, or if they simply don't have the right skills for the role that you've put them in, it can really be draining on everyone.

The manager has to spend more time with them. Their coworkers are working hard to cover up any of the gaps that this underperforming employee may have created. So Jina, I'll give you a very broad question. How do you keep your culture intact as your firm is growing and you're adding more and more people to it?

[00:26:00] **Jina Yi:** I mean, that's the big question, right? It's how do you keep that- that core the same? That was very apparent when you were a team of four or five versus, like, a team of 25 or 50 or 100 and for us, we think the solution is feedback. We're really big believers in feedback. And I know it sounds a little cliché, but we really do view feedback as a gift and as a way to help each other succeed. If I'm giving you feedback, it's really because I want to see you succeed. And I know you have the potential for it. It's not to criticize you or shut you down or try to cut you off at the knees. We really make a point to do it very often and in the moment.

Because we're trying to develop a culture and really foster a culture based on feedback. We also have connect sessions where we pair up and we either go for a walk or we go to Starbucks, go grab lunch, whatever it is to really just take a few moments and step away from the business in order to share feedback with each other about what you can do to help me be more successful and what I can do to help you be more successful.

And this isn't just a top-down approach. At our firm, feedback is approached as something we give to each other, regardless of role or where you kind of sit on the hierarchy chart. Feedback can be challenging with new team members, though- for those who aren't used to our definition of feedback. They could have had negative experiences and feedback sometimes has a negative connotation.

So we spend a lot of time with new team members to help redefine that word for them and make it not so scary. I think hiring well is obviously a big part of making sure that culture doesn't get diluted as we grow. And when you spend a lot of time making sure that you're sharing the same values, that really solidifies the culture as well as the mentality that

excellence doesn't mean perfection. It really means doing great things consistently over time and coming to work with your best self as often as you can as much as possible.

[00:28:04] **Matt Sonnen:** Well, I'll throw out my own book recommendation. I just finished- Reed Hastings is the co-founder of Netflix and he wrote a book called "The No Rules Rules." I forget what the subtitle of the book is, but "No Rules Rules," Netflix: you'll find it.

And they talk about how important feedback is. And he said, when we first instituted this, and we said, it's not just your manager giving you feedback; everyone should be giving everyone feedback- up, down, sideways in the organization. He said, but we were worried that this was going to create a bunch of jerks, that they were just going to- you know- throw out anything at any time and just say, hey, I'm just giving you feedback.

So he says, we've been very intentional about telling people your intention of the feedback has to be making the firm better. And if you're just venting and you're just, hey, I don't like it when you do that, you chew too loud. I can hear you breathing through your nose, whatever, you know- if the feedback has to be- the intention of the feedback has to be: is this going to make the firm better?

And if, as long as that's your intention and you're coming from a good place, you have that right, and you have the obligation, actually, they say, to give the feedback to one of your coworkers, but I love what you said. Feedback is so important.

[00:29:13] **Jina Yi:** Absolutely.

[00:29:15] **Matt Sonnen:** Yeah. Well, Victoria, your firm is growing rapidly. What are little things that you can do to ensure that your culture remains the same as more and more people join?

[00:29:24] **Victoria Latham:** Well, kind of like what Jina was saying is definitely trying to- the idea would be hiring, you know, the best employees that you can. But of course that's not always the case. And we, you know- there's a couple of hires that just didn't work out and they weren't just a match, but I feel like there's a certain sacrifice as you add more people to the group, right- you know- we started with me as only the client service and a Director of Operations. So that was it; it was easy. Culture was- this gets done at a specific date and call it a day. But I do feel that the culture currently in our firm is strong and, you know, that if you can't keep up, like, you'll quickly fall off the ship.

It's so ingrained in when you enter and, like, to how people interact and and how people kind of- how things are done. And I think it's definitely a culture inside of a business is tested at its toughest moments. How does everyone step out when everything is on fire? Who is coming in there, who is setting up, who's asking what needs to get done, and who's sitting back and leaving at 3:58, or whatever it is that the time is up. So setting the expectations for us in the front end is a big thing. We just did a values update too- we kind of took it for granted where we're saying, well, you know, everyone should, but when it's not visible and that's what the leadership team and I kind of talked about is when it's not visible to others, and what is it exactly that you want? You're setting like silent expectations for somebody else to interpret.

So that communication factor, I think, is really big as well. Like how - it's obvious that you should own the work that you have, but what does that mean? What does that truly mean? What does it mean for you? And what does it mean for the firm? So I do think that's a really

big value. And maybe some people would say that it's silly to write those out. But there is- there's absolute value in it as your firm grows. Other things- just like little things. It's like you lead by example, right?

So whatever it is that you want them to do, or the, like, even a certain reaction, there's a little bit of, like, experimentation, right? With how humans kind of work in general is just doing what you say, what you're going to do. And it kind of gives you as much transparency and also maintaining that trust with you and your employees. Like, you know, we say we value you- it's not just a pizza party. We actually address the things in those reviews. Like, you know, if we're doing a six-month review and you're telling us there's an issue with communication, we actually have to do it and fix what it is that we do, to make you feel better and feel more connected to the company.

Now there are certain things that we do set- say like, you know, there's not everything that we can disclose, you know, from the top down, just because there's things that we adjust for, but when they feel like you're attacking the problem that they've addressed, I think it helps out a lot too, and they're more likely to be invested in everything that you're doing because they have impact. So yeah, I mean, kind of like the same thing with Jina; it's just taking the time to review needs, addressing issues, and helping them grow is the biggest thing that we've done to keep our culture intact as we add on more groups, and of course how busy things have been getting. So.

[00:32:55] **Matt Sonnen:** Yeah, no, I, I love everything you said, knowing what you need, and then you also mentioned, like, it seems like it's easy. Let's just go hire the best available candidate, but the best available candidate may not fill your specific need.

One of the COO Society courses, I talk about the famous 1983 NBA draft. Michael Jordan was clearly the best player on the board, but the Houston Rockets chose a center because they already had Clyde Drexler at guard and Clyde Drexler's in the hall of fame- I mean, he was amazing. So they said, we don't need a guard, even though Michael Jordan is the best player out there. We don't need a guard for our team. It's not going to fit our culture of what we need. So they chose the center and you can argue whether or not they should have taken Michael Jordan or not.

But I think a lot of RIAs make that mistake- is, oh, I'm just going to hire this superstar. They're a superstar in an area that we actually don't need, but they're so good, we'll just figure out somewhere for them to go. And I just think that many times- sometimes it works- but I think you're setting yourself up for failure there if it's just- I'm just going to grab this superstar and stick them somewhere. And I just think that culturally just creates a lot of drama.

[00:34:05] **Victoria Latham:** Yeah. And kind of like Jina was saying too, though, is there's, you can teach a process. As long as they're willing and if they are that good, they will put the effort in and learn. It's the soft skills and- you know- like you have to be able to kind of think on your toes, you know, in this industry. And for example, just targeting that: you're not going to be successful and you're going to feel like- you know- you're not doing well, and you're probably least likely to come back to work if your task list is so bad and you can't adjust. Right? So definitely those soft skills or being able to talk to a client and how to do problem solving. We did it. You would think it'd be common sense, but there's certain people who's not as strong in those areas.

[00:34:50] **Jina Yi:** Yeah. And it's kind of like- you know, when you were in school, and you were made to participate in group projects. And that- like for me, that was the worst thing ever, but it really- I think it's trying to teach you how to work within a team. Right?

[00:35:04] **Matt Sonnen:** Right. Exactly. Yeah.

[00:35:07] **Victoria Latham:** Jina, were you the one that carried the rest of the team?

[00:35:10] **Jina Yi:** Yeah, probably not, but then- you know, one of the things that Victoria mentioned that really just kind of struck a chord with me is that when the culture is really tested when things get rough and I think we all went through that, right, in 2020- for me, it was such a proud moment for us as an organization to know that we could go to shelter in place, block and tackle everything that was going on, like a global pandemic, from which something that we couldn't go back to the office for a year and a half.

Like, who could have even imagined something like that? But to know that the culture was tested during that time period, and we were able to come back from that. I think that really speaks to the strength of a culture as well.

[00:35:57] **Matt Sonnen:** Yeah. Well, let's jump from people to technology. There are so many technology tools aimed at the RIA space, and I would say that integration of those various tools is probably the number one challenge that COOs deal with. So Jina, what is your process for identifying the next tool that you want to add to your tech stack? And then how do you go about implementing it both from a people perspective and a technology perspective?

[00:36:23] **Jina Yi:** Yeah, this is a really hard one. I am by no means a tech person. It just falls under my umbrella. But as a firm, we invest very heavily in technology. We want to be in a place where we can leverage technology so that our team can spend their time doing what they do best, which is working directly with clients and each other.

So, we have a full-time technology associate, and she is devoted full time to our tech stack. So that means exploring new applications proactively and continuing our internal work to integrate everything as much as possible, and we use a lot of custom work for that. We keep an eye out for new technology all the time, which can be a little bit tricky because new things tend to be shiny and bright.

But at the same time, I personally am not a big fan of being a beta user for a new tech, so just kind of keeping things on the watch list to see how it progresses is something we do quite a bit. And frankly, we also listen to our team. They're really good about- again- providing feedback and identifying pain points and bottlenecks and areas for improvement. So, once we get that feedback, it's about looking for solutions. Getting feedback is also a really powerful way of driving buy-in and adoption. So we find that works really well for us.

[00:37:41] **Matt Sonnen:** Great. Well, Victoria, this is so tricky because not only does it need to be the right technology, but you need to get your people to use the technology.

I told you earlier, I was going to ask you this question. Um, so if you can't get the people to use the technology, you've just wasted a bunch of money on that, on that new shiny tech as Jina called it. So how do you approach tech integration?

[00:38:03] **Victoria Latham:** Yeah, and the thing is, like, you know, with creation of process, you're right. It's a drain on the ones either doing it, whether that's a specific process on paper or doing it via like a workflow on a programming. And then, for some firms, I know they've used outside services or consultants to do that. That's another drain, monetarily and of course, time that it takes to do that.

So, challenge though is, you know, with not just inherent to advisors, you know, what we notice is that if something's not easy to use or they can't do it within, you know, two minutes or understand it and it diverges too much from what their day to day is, you might as well just let it go- they're not gonna use it.

Problem with that is it further, like, festers the underlying issue that you were trying to resolve with that process anyway. So how do you do that? And you're kind of like- I took this from the police department- so it's more like the psychology of crime, right? You need to try and build the means, ability, and opportunity.

If one of those triangles are taken out- or one of those corners- then you're least likely to commit a crime, right? Not that I'm saying that not following our process is a crime, Matt, it's just- we're just trying to apply that psychology to it. So in our case, we present it, right? So the why and the what; you address the issue, you present the solution, you set the expectation.

What is it that we're trying to resolve? What is the solution to resolve that issue, which is this process or technology and what is my expectation of everyone? Or what is the firm's expectation for everyone using the tool. And then the next one is we're kind of approaching from a kinesthetic learning standpoint is the how: you're training, you're seeing, you're doing, and then you have the resources to help yourself later.

And then the last is you create a need. Can your people go back to the old ways of doing it, the comfortable habit that they have done. But if you remove that other way that they can do- so, for example, if you're using an Excel sheet, delete the Excel sheet. Now, you've got to use whatever software that you do to plug in the process.

And then, of course, correction- you know, kind of like what Jina was saying- feedback is immediate. And, you know, when you address it at that moment in time, it's not necessarily, you know, you're criticizing them for not using it. It's more just like a, hey, you know, just go back to how it was, and then explain to them why the issue didn't work.

The last thing, though, I think that helps kind of stick it is when you start using people to train others on how to use it, and it gives them a sense of ownership, right? Now they're learning the process from your eyes of why it works. Of course, not everybody applies to that part, but especially key members like in your operational staff or whatever it is that you're building for a subject matter expert. I feel like this is crucial that seals the deal for all of it. Even just like saying on a team meeting, like, maybe picking somebody to say, hey, tell us this part of the process and why it's significant, or why not, and what should we do to make it better, and then now they're invested because they're giving their own value and in order for you to give your own opinion, you have to learn it to begin with. So

[00:41:24] **Matt Sonnen:** I love that guy getting them and getting them involved there. You don't truly understand something unless you can teach it.

[00:41:30] **Victoria Latham:** Yeah.

[00:41:31] **Matt Sonnen:** That's great. Well, we mentioned that both of you are heavily involved in compliance. So from a tech perspective, I'm curious, Victoria, how are you leveraging technology from a compliance perspective?

[00:41:44] **Victoria Latham:** Yeah, so we use a program that's cloud-based to kind of help consolidate the forms- forms requests, archiving, like vendor reviews, event management. So if there's a breach or anything, employee accounts and tasks- all of that stuff- you can actually download the tasks from the system and actually put it inside of your Microsoft, you know, Microsoft calendar, so it's kind of in there as well. And, you know, through that program, it creates one system for me and the consulting firm to look at everything. And then also that simplifies process from use; if, for example, you're telling your advisors, hey, do it this way, but for this approval, you have to do it in Microsoft Teams, but then I want you to save the file in your cloud-based software. That's less likely for a person to want to do it. So having one system to do all that helps a lot better to stay compliant. And it's one less tech that they have to kind of divert from or anything like that.

So, yeah.

[00:42:49] **Matt Sonnen:** I like it. Jina, how are you using technology, if at all, to tackle your day-to-day compliance responsibilities?

[00:42:57] **Jina Yi:** So, the compliance functions where we're leveraging technology, those are one of those things that I spoke earlier about where it's such a huge time saver and I'm able to kind of offload a lot of compliance responsibilities, leveraging tech and then spend my time doing higher value things.

I honestly don't know how compliance professionals did everything and collected everything before technology, but our compliance partner uses a tool called Basis Code for compliance needs. And I found it to be just a huge time saver. So, rather than me going to each team member and getting like monthly or quarterly statements for covered accounts, now, there's a direct feed from those custodians to the tech solution and, we're no longer asking for statements, and that's just like one example and, you know, as the team gets bigger, you're asking for more and you're collecting more statements and you have to follow up with people who didn't meet the deadline so, you know, we do a lot of stuff through the tech solution, which is, you know, quarterly attestations, compliance reviews, trade approvals. I find that it saved a ton of time for me. But, you know, it was a mind shift for our team, right? It was- rather than downloading statements and just, you know, leaving it on my desk, they really had to engage with the tool to learn how to use it, and to learn how to submit a trade approval request. And that is really the thing I think is the secret sauce for new technology. It's really more about a mind shift because we have a relatively young team and everybody's tech savvy.

It's really more about change management and getting people to understand, like- the transition might be a little messy and tough, but once we get to the other side, it's going to be so much better.

[00:44:48] **Matt Sonnen:** Right? I like that. So our last question is timely. We're recording this in mid-September. We're about to go into quarterly billing mode in a few weeks with the 9/30 quarter ending. Many COOs- they feel that they're reinventing the wheel every single

quarter when they begin this process of calculating fees and debiting accounts, sending invoices on those few manual accounts that they have. So Jina, how do you approach billing? Do you conduct regular audits of your billing data throughout the year to make the billing process easier each quarter?

[00:45:21] **Jina Yi:** Yeah, definitely. I think client billing is the one thing that we can all agree that we always want to get right. We honestly try to keep manual billing to a minimum and it's really granted on a case-by-case basis. I'd say probably almost 100 percent of our client billing is direct debits from brokerage accounts.

Okay. Again, technology plays a huge part in this as well. We leverage our portfolio accounting and reporting system by using a lot of different audits. So our operations specialist, she did an awesome job creating a lot of audits within the system and they're closely reviewed every quarter to capture things like changes in the previous quarter, like capital flows, new accounts, closed accounts, new clients, terminated clients- like all of it.

And it's a really easy way for us to pick up the anomalies that we need to dig into a little bit deeper. She's also created, like, great tools where we're able to compare current quarter versus previous quarters. For example, if you assume that nothing material has changed in a client's portfolio, she creates a report that compares current quarters' billing figures against the last few quarters. That way, we're able to identify if there's any kind of big delta that requires further research. We also really try to get it right when a new client is onboarded, so that it's a smooth onboarding process for both the client and the firm, but we still heavily review their first quarterly invoice as well.

I actually still review every invoice each quarter. I focus more heavily on new clients and clients who have had material changes over the last quarter, but it's one of those things that- technology is great, but you still need the human eye sometimes to make sure that things are- you know- that Ts are crossed and the Is are dotted.

[00:47:11] **Matt Sonnen:** Yeah, I think that's a bunch of COOs listening to this. We all get so hung up on technology, but I agree with you that it sometimes needs that human eye. That's very important. Victoria, what is your method for processing billing each quarter? Do you have any tips or tricks that you can offer that make the process more streamlined?

[00:47:32] **Victoria Latham:** Yeah, I'm actually with Fiduciary Alliance just because of the nature of how we onboard advisors. I would say we're very nuanced. You know, not everybody does like a fee on account. There's some that are portfolio billing. So we have to be very, very- we have to adjust the process to the nature of that business.

So, preparation is definitely key for us. So kind of like what Jina was saying, doing audits, making sure that the system is clean, you know, the accounts that are closed are supposed to be closed, and note taking or anything like that from an accounting side and leverage, you know, your data aggregator to kind of run the multiple workflows, you know, going at once.

We do involve the advisors since we don't know that, you know- the system only knows what it knows, like kind of like what you're saying, Matt, it's just technology. Whatever is inputted, that's how it spits out. If the data is dirty, then you don't have anything, you know, the export is wrong. So from our side, we do mock fee runs.

So with the mock reruns, like, we run all the scenarios based on the billing to make sure that, hey, you know, these advisors have, you know, - untranslated - or not, and then the advisors themselves know their clients, what their book, the book of business is, who's being billed, who's not being billed.

And kind of like with Jina, well, like, a good portion of our accounts are, you know, debit from the actual account. We stay away from the other sources of revenue, unless it's financial planning or anything like that. Like AUM should stay just from a debit side, it's clean from an audit standpoint.

If somebody were to come to investigate, that's the process for everything. We also have, you know, the actual fee run, of course- you know, we're hoping that the mock run caught everything and any changes were done before then, so that the fee run should be clean. Exports and invoices for final reporting- so we send it out to the advisors themselves and they're seeing it on their side and, you know, they have approval if there's any last-minute changes before then, they can tell us then, but we set the standard that all of your changes need to happen at the mock fee run level. And, you know, it's definitely note taking and understanding what it is immediately meeting after the fee run, what went wrong? What do we need to adjust? But everyone knows exactly how it's supposed to run. And, again, kind of like what I was saying earlier, you have these standards, but if there's anything adjusted outside of that, then we can do that. We can adjust our resources to fix, you know, whatever the nuanced thing for the client, but at least we know how exactly things are being built.

We're also transparent with our advisors, you know, like, this is the cash flow work, quarterly billing in advance. This is the account closing procedure. Now, these are how it's going to be rebated. This is the calculation for the system. So those are things that, you know, it's not just- there's always questions, but we give them just enough information on how we run everything, you know, we're not just kind of calculating it on a calculator and plopping a number in there. And there's a specific reason. There's a method to the madness of billing. And then, yeah, I mean, of course, from a compliance standpoint, we do like the suitability and quarterly fee testing. So, you know, we make sure that the sample of accounts that we do is there and everything is documented.

And, you know, if there's any changes, it's referenced. So, yeah.

[00:50:59] **Matt Sonnen:** You both mentioned onboarding in your answer to to billing and I'm having flashbacks to my consulting days over and over again, an RIA would say to me, our quarterly billing process is broken, it takes us way longer than it should, we have errors, etc, etc.

And as we would dig in, I would always, one after another say, you know what? Your quarterly billing process is fine. Your onboarding process is broken. You're not setting this up correctly when you onboard the client. You're not putting in the fee rates into the system correctly. And therefore, as we're talking about, you know, technology, and then needing that human intervention, if you've inputted it wrong right off the bat, every quarter is going to be wrong. And that is going to require you every quarter to go do manual adjustments and clean this up and clean that up. If you get the onboarding of the client, correct. Uh, right off the bat, your quarterly billing process is a heck of a lot easier.

Well, Jina and Victoria, as I mentioned, I had really high hopes in inviting both of you on the podcast and I will say you both have exceeded my high expectations. So I want to thank you both for being here today.

[00:52:06] **Jina Yi:** Thanks so much for having us.

[00:52:08] **Victoria Latham:** Yeah. Thanks so much, Matt. We appreciate it.

[00:52:11] **Matt Sonnen:** Well, that is a wrap on Episode 69.

We will talk to all of you soon.