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# The ADVISOR *as* Inspirer

BY ELLEN UZELAC

Learn these lessons  
on how to lead your  
employees, your  
clients and your life.



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HAT MAKES A GOOD LEADER? IT'S A TOUGH QUESTION WITH many answers. As Kathleen Brush, corporate turnaround executive and author of *The Power of One*, says: "The biggest challenge to being an effective leader is understanding that employees aren't the problem. If there are problems in your organization, it's not the employees; it's you."



# The **ADVISOR** as Inspirer

When Stephanie Bogan, senior vice president of client experience and training at United Capital, owned a financial services consulting firm, she would frequently experience what she now calls “control seizures.” Was she a nitpicker? Yes. A micromanager? Absolutely.

“People can change. I used to be the shining example of how not to do it. Leaders must realize that their job is to envision and not, always, to execute,” says Bogan. “You need to look at yourself as the Chief Leadership Officer as opposed to the CEO, or Chief Everything Officer. A true chief executive is a leader—someone who can envision a future that doesn’t exist and influence people to go with them there.”

Former White House advisor and economist Todd Buchholz says leadership requires a mission, a belief and clarity. “Those are characteristics where CEOs easily stumble. There are many folks who hold leadership positions but have no idea where they want to take their organizations. It’s been sad to see Michael Dell and Dell Computer stumble for years now,” adds Buchholz, author of *Lasting Lessons from the Corner Office* and other books. “What’s your mission? What are you trying to do? If you can’t communicate that—if you can’t get it out of your mouth—it’s another way you can easily fail. The good news is that these things can be taught.”

How do you lead your employees, your clients, your life? Do you want to do a better job of it? Here are tips from top experts:

## **HONE YOUR PREDICTIVE INTELLIGENCE**

Leadership can be summed up in one word: prediction. As Matthew Cross, president and chief strategist of the Stamford, Conn.-based Leadership Al-

## **LEADING BY DESIGN**

Monument Wealth Management’s leadership culture is not hierarchical—and neither is the firm’s new Alexandria, Va. headquarters, a work environment that features unconventional furniture, open seating and spaces for employees to work in quiet like Amtrak’s Quiet Car.

“We are getting away from the financial advisor sitting-in-the-office mentality. That layout is all wrong. A wealth management firm is more like a creative design agency than a typical corporate setup. It should be about collaboration, communication and transparency,” says David B. Armstrong, managing director and co-founder of the firm, which manages \$250 million in assets. “We’ve set this up with the client in mind. It’s not about a dictator and robotic staff.”

In the new 6,000-square-foot space, all 15 of Monument Wealth’s advisors and staff sit together in a centralized open area. There are no cubicles or dividers. What would have been traditional offices now accommodate “teaming” rooms. One with comfortable living room-type furniture serves as the firm’s Quiet Car. Another, resembling a bar with high stools and computer monitors, was designed to spur collaboration. There’s even a “diner” with booths where employees can enjoy lunch or beers after work and talk shop.

“We believe the new face of a wealth management firm is less about a standard sort of chain of command and more about the ability to task-organize for a client objective. As leaders, what we want to do is facilitate transparency, communication and collaboration across our entire practice. When a client or prospective client comes in, they are going to recognize right away that this is not a traditional wealth management experience. This is something completely different.” —E.U.



Monument’s workspace emphasizes the unconventional.

liance, frames it, “Leaders on the whole make predictions about future outcomes that come true more often than not. That’s why Warren Buffett is so renowned. He makes a lot of calls or predictions that come true more often than not. That’s why we talk about Warren.”

Cross says advisors can strengthen their predictive intelligence by taking a step back from their everyday business and surveying their complete ecosystem. “Most advisors, rookies and seasoned vets, don’t take that step back,” he says. “Yet our life is one big system. We need to create a series of steps or processes that lead to a clear, desired aim. You can’t manage just one piece of it and expect the whole to get better.”

Advisors, according to Cross, should ask themselves: What is my vision for my practice and my life? How do I make better choices every day? How can I make sure I’m working on the right things in the right order? How can I have a better day tomorrow? Cross says it’s also important to fully understand “core-driving” values like family, health, integrity and respect.

“You need to be contemplative, mindful and occasionally strategic. Am I hitting on all core drivers or am I just randomly going forward hoping to hit the big time? I suggest that everyone is a leader,” he says. “Anyone at any age can activate their natural talents for leadership. We simply have to step back and start asking better questions.”

## BE A SERVANT LEADER

There are different types of leadership styles but in the service-based advisory business, the successful chief executive tends to be a servant leader, according to consultant Angie Herbers, who heads Angie Herbers Inc. in Manhattan, Kan.

“Do you believe your employees and clients are there to serve you or are you here to serve them? When you become a servant leader, your whole view on what your business is changes,” she says.

One case in point: An advisor Herbers works with complained incessantly about an employee who arrived at work late and left early even though the employee was getting his job done. The employee eventually left and Herbers hired his replacement. Three days into the new hire’s tenure, the advisor called Herbers and demanded that he be fired because he didn’t know, among other things, how to use a certain software program.

“We’re not firing him,” Herbers told him. “He moved here for you and he has the one quality you love: He’s trying really hard. He’s coming in early, staying late, working

## LEADING BY INSPIRING

When Darin Pastor started Capstone Affluent Strategies last fall, he knew he had to be smart enough to recognize his weaknesses and build on his strengths. Within six months, the Irvine, Calif.-based firm had 65 financial advisors and staff in 11 cities in five states. Twenty of those people are advisors and producing managers who followed him from previous firms.

“The bottom line is trying to inspire people to create highly productive teams and to make sure people are fully engaged—not just based on my own enthusiasm but by creating an enthusiasm that’s contagious,” says Pastor, who served in senior management at Prudential Insurance Company of America and JPMorgan Chase, where 300 financial advisors and 12 managers reported to him. “I knew it was important to put the right people in the right position. I’m known, I guess, as a good plumber. I understand the plumbing of this business.”

To build enthusiasm and engagement, every employee at Capstone has an equity stake, and every manager participates in an “up or down” vote on new hires. There’s also a three-year mentorship program for financial advisor associates. Those advisor trainees receive a full salary plus commissions. The firm is on track to hire 30 associates soon. Capstone also pays for MBA and other designations.

“I cannot be an effective leader and expert in every single area. That’s why we have a chief compliance officer, chief financial officer, a COO and four other managers,” says Pastor, whose firm manages \$450 million in assets. “But I can and do provide leadership. That’s the most important piece and it’s not easily duplicated.” —E.U.

weekends. Isn’t that what you always wanted?” In that moment, Herbers says, the advisor got it. “I see what I’m here to do now,” the advisor said. “I’m here to serve this guy and train him.” Six months later, the advisor’s new hire is what he considers to be a model employee.

## COMMUNICATE

Bosses often create conflict through poor communication, according to Brush. “Companies are complex social systems and leading is a people business. When an employee is all frowny-faced, the response shouldn’t be ‘What’s your

# The **ADVISOR** as Inspirer

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problem?'; it should be 'What's my problem?' This is a problem that's so easily solved. Simply go over to that employee and ask if he's doing okay," she says. "The response usually is: Oh my gosh, the boss cares."

Effective leaders, she adds, routinely ask themselves: What do I need to communicate to my employees today?

"You need to recognize that it all starts and ends with you. You cannot outsource leadership," says Brush. "Most bosses, I don't know why, seem to think employees are mind readers or mushrooms who grow well in the dark. The importance of communication cannot be overstated."

## **INSPIRE, DON'T REQUIRE**

In her work with advisors, Bogan has identified two types of leaders—those who inspire performance and achievement and those who require it.

"The really successful firms inspire," she says. "The reality is when you envision a future that doesn't yet exist, you are on the inspire side of the equation. When the leader is very task-focused, you're on the require side."

An advisor Bogan once worked with was so attached to his clients that he took every phone call that came his way. In the process, he was disenfranchising the people who worked for him by not allowing them to do their jobs. Bogan's fix: The advisor's phone was temporarily removed from his desk.

"Leadership is always about possibility or paranoia. People who inspire tend to believe in possibility. People who require tend to be paranoid about everything. That's a very limiting belief system. In this case, the advisor felt if he wasn't accessible to his clients, something horrible would happen. What he learned is that he wasn't necessary to make the day to day happen. Running the shop doesn't require leadership, it requires management. Managing is running the shop. Leadership is defining the future."

## **FOCUS ON BEING, NOT DOING.**

Leadership is a 24-hour-a-day job and that makes it not so much about "doing" but "being," according to Joni Young-

## **LEADING BY TEAMWORK**

Two years ago, Darrell Tierney, who heads Windward Private Wealth Management, decided to "unleash the team" and get all seven people in his firm on the same page. The same single page.

With the help of consultant Angie Herbers, Tierney figured out what he wanted his Overland Park, Kan., firm to look like, developed an organizational chart that empowers career paths, and created a one-page business plan with annual, six-month and 90-day goals.

"It was unbelievably hard to give up control. I had all this firm development stuff on my list but I didn't involve employees so it just didn't happen," said Tierney, whose firm manages \$90 million in assets for 120 households. "But let me tell you, it's a lot easier having seven people work on this than just one. It's the first time I really feel like we share a vision of what we are trying to do."

Last year alone, Windward changed its compliance provider, launched a radio show, brought in a summer intern and created an operations manual documenting the firm's processes.

"Not getting staff involved to this extent was a big mistake," says Tierney. "There's no sitting around talking anymore about who should do what. Everyone knows. I'm way happier, too. I feel like everything is really starting to come together." —E.U.

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*"Leadership is always about possibility or paranoia. People who inspire tend to believe in possibility."*

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wirth, managing principal of practice management at Commonwealth Financial Network.

While it is critically important for advisory firm owners to establish a business plan, vision, goals and strategic identity, Youngwirth says that acting as a role model is a key component that's often overlooked.

"Who are they being day to day as they drive that language into action and what are they role modeling for everyone who comes in touch with them? This is about being a leader of my life," she notes. "Leadership is really about other people. It reminds me of a leadership course I once took where, I wondered, can we really take leadership or are you given leadership by others? I think you can't take it. People see in you how you are, how you behave, and you are given leadership by them." **B**