The COO Roundtable with Matt Sonnen

Episode 56 – Featuring Rachel Rant & Scott Swanson

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

[00:00:14] Matt Sonnen: Welcome, everyone, to episode 56 of *The COO Roundtable*. I met today's guests at a DFA operations strategy group that I was lucky enough to present to back in May. I think we had 10 or so RIAs in the room, and I was incredibly impressed by all of the operations professionals that were there. We had a great day nerding out on all things operations, and discussing the common challenges that all of our firms were facing. I found Rachel and Scott to be incredibly thoughtful leaders. I invited them to join us today so everyone can learn from their experiences.

As an intro, Rachel Rant, she joins us from Aspen Capital Management in Boise, Idaho. Rachel is a partner at the firm and is also the director of operations. Her bio on the website, it reads, "Rachel serves as the point person for operational strategy and execution. She's responsible for the firm's portfolio management system, and ensures seamless delivery of both internal and external client reports. In addition, she enjoys building and integrating systems to drive increased operational efficiency, and helps the ACM team continually improve the client experience. Rachel is also highly involved in the firm's regular compliance efforts."

As I said, she impressed me with her approach to operations, and as you can see from that bio, she fits perfectly with the podcast conversations that we have here.

Thank you for being here, Rachel.

[00:01:41] Rachel Rant: Absolutely. Thanks, Matt.

[00:01:44] Matt: Joining Rachel is Scott Swanson from Quantum Financial Advisors. Scott has an interesting story as the firm broke away from another RIA in early 2022. At the time, they were able to hit the reset button and design the firm operationally from scratch. We'll be talking about that a little bit. Scott is a partner at the firm. He's the Chief Operating Officer, as well as an advisor. I always find that interesting when we have guests on the podcast that in addition to their operational duties, they manage client relationships as well.

Welcome to the podcast, Scott.

[00:02:20] Scott Swanson: Glad to be here. Thanks for having me.

[00:02:22] Matt: Well, Rachel, I'm going to go to you first. Why don't you tell us a little bit about Aspen Capital Management?

[00:02:26] Rachel: Sure. Aspen was founded back in 2002. It did start as a solo advisor firm. Mike Merz, the founder of our firm, was a solo advisor for about the first 15 years of the firm's history. Our AUM currently is about $900 million. We have nine full-time employees and one intern, which we are excited about. We work primarily with individuals and families, but we also do manage some nonprofit endowments. They're mostly local nonprofits. Our average client size is about $3.5 million. We do have a minimum fee that equates to our AUM fee for about a $500,000 household.

[00:03:09] Matt: Great. Well, we'll get into more of that. You go from being a solo advisor for 15 years to 9 employees, and almost a billion dollars. There's a lot of operational structure you need to add in there. That's an incredible story.

[00:03:24] Rachel: It's been fun to build from a solo firm to a real actual firm with a lot of employees. There's been a lot of infrastructure that we've put in place from the ground up, so it's been a good time.

[00:03:37] Matt: That's great. Well, Scott, I mentioned a bit of Quantum's background, but tell us more about the firm.

[00:03:43] Scott: We were with a firm about four times our AUM size. We're about $900 million right now. Six partners and five employees broke away, so we were a starting team of 11. We brought on two other folks when we started the business. Were a team of 13 at the start, and still are. I think our ideal client is what we would call a collaborator. It's someone who appreciates having other business professionals in their life. Executives, married, both employed couples. We do have a handful of institutional portfolios that we manage for folks, but we're really looking for people that want to get into the weeds on financial planning.

[00:04:24] Matt: Well, in LinkedIn stalking, both of you, I found it interesting that you both came to your current positions from outside the industry. Rachel, you've actually been a founder of a business before joining Aspen Capital. Why don't you tell us a little bit about your career path?

[00:04:40] Rachel: Sure. I don't have the most traditional finance career path. I do have a business degree, but after I graduated college, I entered the book publishing industry and actually became a book editor. As it turned out, I didn't like living in Microsoft Word all day, so I did, "freelance" for a while, which is when I founded Bluebird Writing

and Editing Solutions. At that time, it equated to going on a lot of trips and doing a lot of weekday skiing.

I since have actually continued working with Bluebird on the side. I do work at Aspen full-time, but I still do occasional passion projects for book editing and ghostwriting. Back in 2018, I got a call about rejoining the workforce, and I ended up meeting with Mike, who was the founder of Aspen Capital. Over the course of about a month, we decided that me joining the firm on the operations side would be a mutually beneficial move.

I get to have a little more of the quantitative day job and a little more of the qualitative creative moonlight gig in book editing. As my career at Aspen has progressed, it's become a lot more Aspen and a lot less book editing at this point, which I think has been a good thing overall.

[00:05:55] **Matt:** I've been a longtime blogger, and I write in industry publications and things. Do they use you for that? Do you guys do some writing?

[00:06:05] **Rachel:** We actually are going to start an advisory blog. I definitely am the go-to editor in-house of all of our client newsletters and everything like that. I always am the last pair of eyes to see all of that. We do have an Ask an Advisor blog that we're going to be launching later this year, and I think the advisors are going to take point on actually writing the content. I certainly will edit it, and then maybe every once in a while I'll have a guest post, which would be kind of fun.

[00:06:32] **Matt:** Combine the two. That's great.

[00:06:33] **Rachel:** Yes.

[00:06:34] **Matt:** Scott, you were in the mobile phone industry before getting into wealth management, so tell us that story.

[00:06:40] **Scott:** I got a mechanical engineering degree from UCLA, and pretty quickly realized that I didn't want to use it coming out of school, and fell into the cell phone industry through some contacts. Technology has always been my passion, and it scratched that itch pretty well. I ended up working for a startup at a school that was a cell phone company.

They were trying to disrupt the industry with manufacturing a new type of phone – this is before the iPhone, which got bought up by another firm. I ended up working for Sprint for almost 10 years, doing nationwide planning, specification sourcing, user interface development, anything that involved phones on a nationwide scale.

I joke that I still work with numbers, now it's just dollar signs. A friend of mine was an advisor who I hired because I got tired of handling finances myself, and worked with

them for a year or so. They kept trying to convince me to career switch, and I thought they were crazy for a period of time until the iPhone came out. I just saw our industry changing and was starting to look for kind of what was next and happened to have a really great meeting with them where they did convince me to start taking CFP courses and see what that was about.

Shortly after, they had an opportunity, they had an open position and asked me if I wanted to apply, and I did, and that was it. Now it's been almost 10 years of being an advisor.

[00:08:13] Matt: Well, I'm going to hit you both with the number one struggle that I'm hearing from RIAs right now. It was definitely something we discussed during our one-day session at DFA's headquarters in Austin that day. That's, how are you finding talent? Before even finding them, how do you know when it's time to hire your next employee? Scott, I know this is a tough question, everyone's struggling with it, but tell us your thoughts on that topic.

[00:08:39] Scott: We brought on a couple of people right when we founded the firm last year, and I think what stood out to us was good hires are going to come from unlikely sources. One of our hires was a friend in a different industry, and one of our hires was actually from a custodian that we worked with. They heard that we were breaking away and starting a new firm and asked if we had any open positions.

We knew with their background that it would be stupid not to hire them. We figured out how to make that work. I think we work with vendors, especially in the operations side of things, constantly, and I think keeping your eyes open to people that do their job really well and can work with clients regardless of whether or not they have the skill set necessarily, is the biggest thing we try to focus on.

[00:09:30] Matt: I think I told both of you the story of Stacey McKinnon from Morton Wealth, who I love. I should know what episode it was, but it was one of the very early episodes of this podcast. She talked about how she actually hired a barista from her favorite coffee shop. She says, "Look, this person knows client service. They didn't have any experience in financial services, but every morning when I would walk in, she'd see me coming through in the parking lot and have my order exactly as I wanted it sitting on the counter when I got there."

She says, "I went to him and said, "Have you ever thought of a career change? I'll train you on everything you need to know." She said that employee's worked out great. Finding people, in this talent war that we're going through in the RIA industry, finding people in those obscure places is definitely needed.

[00:10:20] Scott: Yes, you mentioned that. I feel like I'm evaluating every coffee shop I walk into now.

[00:10:25] Matt: [laughs] You can find talent everywhere. Yes. Rachel, how are you approaching this ever-elusive talent pool that we're dealing with right now?

[00:10:33] Rachel: We actually are in a little bit of a unique spot right now. For the last several years, it's kind of felt like we've been playing catch-up on hiring. We were always a little bit late in hiring someone after we already needed them, not necessarily being quite as proactive. As of this year, it feels like we actually have fully built out our bench. We don't foresee needing to hire until later in 2024, probably at the earliest. Our leadership team revisits capacity planning and growth forecasting periodically.

We have a five-year growth forecast that we'll evaluate at least annually, if not two or three times a year, to think through what our hiring needs are going to be, barring, of course, turnover. Right now we don't have any immediate needs, but we did start an intern program a couple of years ago. Our most recent hire was actually our first intern after he graduated from college this last May. He was an absolute rock star. We hired him after he graduated college. We hired him into an analyst role.

Assuming the internship program continues to go well, it's gone, I think, really well so far, we'd like to use it as a pipeline. We prefer, when we hire, to develop people internally. If we have these interns that we get to know over the space of a summer and then we want them to work part-time throughout their senior year of college, then we have this pipeline of talent always coming through if we do have a hiring need. If we don't have a hiring need at the time they graduate, then we're happy to connect them with another firm we know if they do want to stay in the industry. But, at least very recently, at the beginning of this internship program, it's worked really well for us so far.

[00:12:15] Matt: One thing I'll throw out there for people listening, again, everybody's struggling, so there's a million people writing this down, "Oh, the internship program, that's where we'll get our hires." As in everything in life, you get out of it what you put into it. Intern programs are fantastic, but, and Rachel, I don't know if you're willing to talk about a little bit of how you've designed it, but in our industry, in my opinion, in my experience, I see too many, "Let's bring some interns in from the local college." We have no idea what they're going to do all summer. Maybe we'll have them clean our CRM data. That poor intern is going to be miserable and is going to have no interest in working for you. Yes, intern programs are fantastic, but you have to have a plan, as with everything, you have to have a plan, and you have to know what you want these kids, I'll call them kids, to do while they're interning.

Rachel, I don't know if you have anything you want to add about how you've designed the internship program.

[00:13:12] Rachel: Yes, absolutely. I completely agree with you, Matt, that it takes a lot of intentionality, and that's something that we've learned on our end. It is a lot of work.

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We did build a relationship with the local university here, and we were already connected with them in several different capacities. One of the main lenses that we viewed the internship program through was return on investment. We wanted it to be a really good return on investment, both for the intern and for us.

The way that we structure that, I mentioned a little bit earlier in the conversation, we're ideally looking for a junior rising senior. We want the intern to work in the summer between their junior and senior year of college, and full-time during the summer, like three months. Then ideally we'd like to keep them on, assuming the internship has gone well over the course of the summer, keep them on throughout the school year for them working part-time.

We found that during the summer, it's a lot of just coming up the curve and learning what's going on. We have the internship more on the advisory side than the operations side. They're learning our systems, sitting in on some meetings, taking notes, understanding how we work. Then by the time the summer is over, they really are able to add value to us and take some of that workload and provide value throughout the school year on a part-time basis.

We really see the value throughout the school year portion, and then hopefully they're getting value both during the summer and during the school year. It's worked really well so far, like I said. I think that we're in some conversations about maybe narrowing the scope of the internship a little bit because we've thrown so many things at them that it's been great for them to learn but it's just a lot of work for us to manage. We're like, "Oh, maybe we want to narrow the scope a little bit to make it easier on us to be managing this internship program at the same time."

[00:15:02] Matt: That's a great point, that the poor intern isn't going to be super valuable. Just right at the end of the internship, the three months for the summer, that's when they're finally--

[00:15:12] Rachel: Yes, exactly.

[00:15:13] Matt: Yes, they can add some value. It's a great point. Then you can have them stay on during the school year. I love it.

[00:15:20] Scott: The tail end of your question was also about when to find the next employee, and I just wanted to throw in one of the things that I really loved about the DFA strategy group where we met was the piece that they touched on in the benchmarking study. Schwab does the benchmarking, and DFA does benchmarking. I think to pull out metrics to compare yourselves against other firms of similar size, specifically one of the things we're trying to do is implement our own internal metrics that give us a north star of when the right time to hire is, which isn't necessarily revenue per advisor, but maybe revenue per employee.

Then looking at your own structure to make sure you understand when you hit those milestones, it might be the right time to go look for another hire to try to find the balance between either feeling like you're hiring people with nothing to give them, or hiring people when you're completely slammed and you're just trying to offload busy work. That's one of the projects we're trying to implement.

[00:16:22] Matt: Yes. It's just so hard, because every firm's different, your end client's different, your service model's different, but I've heard metrics of, as a back-of-the-envelope number, every $250,000 to $300,000 of revenue is when you need another full-time employee. As the firm's growing and you add an additional $250,000 of revenue, that's when you need another full-time employee. Again, are you talking $100,000 households or are you talking $100 million households? It's going to be very different, the level of service that each client needs, but yes, those benchmarking and knowing when to bring that person on is you're threading a needle there.

[00:17:03] Scott: Yes.

[00:17:04] Matt: Well, along the lines of hiring, let's talk about how you've gone about structuring your firm. Scott, as I said, you were lucky enough to start from scratch a few years ago. How have you structured the firm and the employees?

[00:17:17] Scott: We have a pretty standard structure. We've got a C-suite for compliance and for responsibility division. Aside from that, we try to keep it relatively flat on the advisory and the client service side. We certainly have titles that show experience to reward people and to make sure that we're taking advantage of people with longer-term experience than others. I think where we differ is that all of our C-level also are advisors.

I think one of the main things that we wanted to instill in our culture is that even at the management level, you're going to get a lot more information and understand how the decisions you're making affect your business when you're seeing it firsthand with clients day to day. Aside from that, we really try to focus on day-to-day responsibilities versus passion projects.

Rachel, you mentioned, working on the book stuff as a passion side project. Where we can, we try to give our employees the space to do what they want to do. If there's something that they think is interesting and it may not be part of their responsibility, we're all ears. We want to make sure that we try to find roles for people to fit into that they want to be in.

[00:18:33] Matt: Rachel, your firm is similarly sized to Scott's, about the same AUM. You're 9 employees, he's 13, but roughly the same. How have you built the organization to best support your clients?

[00:18:45] Rachel: This is an ongoing conversation at our firm. I would say, especially right now, we've been talking about it more just because going back to what Scott was saying about benchmarking and metrics and all that, since we now do have a fully built-out bench for the first time ever, we're a little behind the curve on clients per employee and things like that. We've been talking about, on our operations side, we're very much a team structure where we have a client service associate, we have a trader and a cash management person. They all service every advisor. They just have some pretty narrowly defined roles.

Whereas on the advisor side, it's a little more vertical. Each lead advisor works with an associate advisor. Then we've been talking about, with our current headcount or our next couple of hires, how can we really leverage the talent that we already have to service a lot more clients than we're currently servicing without needing to hire more. Maybe that looks like a more horizontal role at the analyst level that's doing analyst-type work for every advisor. We call them pods, the lead advisor, associate advisor combinations. We're looking at introducing some maybe horizontal leverage in order to keep our firm lean and really efficient while servicing an increasing number of clients.

I don't have a great answer for how we're going to do that, but it is an ongoing conversation, and we're working to solve for increasing advisory efficiency, and maybe preventing some service creep, looking more deeply into service segmentation and client segmentation on how we structure it, but we haven't really reached any answers or conclusions yet.

[00:20:29] Matt: You raised a good point there with respect to client service and the different service models for different segments of the client base. Talk to us a little bit more about the segmentation.

[00:20:40] Rachel: Yes. I once again, don't have a super good answer for you at this point. It is a problem we're looking to solve. One of the things that led us to start talking about this more is the business development part of our firm right now. We have our lead advisors that are great at business development, and they can bring in a lot. The firm brings in various clients and referrals just through centers of influence or existing client referrals and things like that.

Our younger advisors, they don't have the networks or the experience and everything to be able to do business development for the same types of clients that are our average client size in terms of profitability and all of that. We want to maintain the profitability of the firm. We want to develop these young advisors, and support them, and bring them up the curve on business development. We're not sure where the line is and how we want to be thinking about that in terms of maybe segmenting different things. We do have a minimum fee. If we're bringing on clients with fewer assets than our average client size, we want them to be accumulators rather than the

decumulators. We are definitely thinking about how to go about structuring all of this. I think service creep has been a big conversation right now too, because a lot of advisors on our teams are CFPs, the newer advisors on our team are all CFPs, and they want to go down every little rabbit trail of super intricate, complex planning needs for every client.

It's like, "Okay, well, where's the line between what's best for the client versus the amount of time you're spending per client, and do we want to serve our clients' kids differently? Do we want to serve all of our clients' kids if we have a $3 million client with seven children and they're each getting, I'm not great at mental math, but whatever that is, $400,000 and they're all going to buy a boat with that. Do we want to maintain an advisory relationship with each of those kids, or do we want to have maybe a different segmentation approach to support the original client and supporting their children so that they feel like they're getting an experience, but we're not providing the same level of depth of portfolio management and financial planning?"

Again, don't really have an answer for you, but we are talking a lot about that. I would love to hear if you have any insights or if Scott has any insights, and how you guys are thinking about that.

[00:23:13] Matt: People listen to this podcast. Obviously, they're hoping to hear some ideas, but more valuable to all of our listeners is, and actually we talked about this a little bit during that session in Austin as well. Somebody actually said, "I'm just so glad to hear everyone else is struggling with this too." I don't expect you guys to have answers. I appreciate your honesty. Don't feel bad that you're saying, "Well, you're asking me these questions and I don't have the answers for them." Our listeners enjoy and appreciate hearing that, "Oh, thank God. I'm not the only one struggling for this."

The other thing I'll throw out there with respect to client segmentation, and I think I've said it on the podcast before, I actually said it on a call earlier today, on paper, it sounds like the right answer: "Hey, we have a fiduciary duty to treat every client the same. If we can provide value, we should. If we can do something for a client regardless of their size, we should."

That sounds great on paper, but in execution, you have 24 hours in a day. You have, whatever it is, we have 200 clients today, and it's going to 300, or whatever. You're adding more clients all the time. You're going to be forced into prioritizing somehow. You only have, again, the 24 hours in a day. Whether you intentionally do it or you unintentionally do it, some clients are getting more service than others. To me, again, I'm the ops guy, but it just seems like it's a good idea to be doing this intentionally rather than unintentionally. [laughs]

Scott, tell us how you're going about servicing your clients. I know you and I have talked about it. You're examining your client base and looking for some commonalities across the client base.

[00:24:46] Scott: Yes, you bring up a good point about not servicing everyone the same. I think what we're trying to do right now is we're having a big push about trying to find common threads among clients. Part of that is early stage versus ongoing. The clients you have upfront are going to be more time-consuming than the ones that you've been working with for a few years once you get into a rhythm. The other thing is what we joke about internally is what I call bad data problems. We just have a real lack of documentation when it comes to certain metrics or certain details of our clients.

All the advisors know them, but you may not have written down all of the things that another advisor's clients that you can compare against. We're actually in the middle of having all of our advisors go through their entire client list and documenting what a client does, what industry they work in, where they came from, what they value, what their interests are, all the kind of sometimes intangible stuff. That's letting us define what we call personas.

I think it's pretty common, but we're trying to segment clients into personality types and client types, and then from there, trying to figure out what logical groups make sense for those that we can define a service plan around.

Rachel, you bring up a great point about the children of clients, and we're in part of us creating our standardized groups. We're also trying to build out a Next Gen Service model that does let us stay in front of the children and does let us maintain that relationship, while being conscious that they may not need a full-blown proactive planning relationship right off the bat.

[00:26:29] Matt: You raised another good point there, that AUM and or revenue that each client is paying is not the end all be all when it comes to segmenting. Your largest client, from a revenue perspective, may be a 40-year-old CEO of a public company that doesn't have time to meet with their advisor four times a year. A lot of people just jam that in saying, "Well, it's our largest client, we have to meet them in person four times a year."

They may not want that. There has to be a qualitative factor on top of just the metrics of highest AUM and or highest revenue should get the most service. You have to have a qualitative filter on there. These clients don't need that level of service. These clients, while the revenue may not warrant it, but as long as you can still do it profitably, you can give this segment of your clients more service, et cetera. You have to have that qualitative factor on top of it.

[00:27:23] Scott: Sure. I think from a business standpoint, you also really have to pay attention to referrals. Small clients could potentially refer more than big clients. They

may not be profitable themselves, but they could definitely be profitable at a business level.

[00:27:37] **Matt:** That's right. Not just the revenue number in isolation. You have to think about the revenue of anyone they've referred as well. That should be thought of in the profitability of the client. 100%, yes.

Let's switch over to tech decisions. Rachel, let me ask you, how have you approached the build-out of your tech stack?

[00:27:58] **Rachel:** I would say we are super willing to adopt new technology as long as we think it's worth the disruption. We don't want to get distracted by shiny white objects or things that are just buzzing around at conferences and stuff like that unless we really think that the complexity that would introduce, or the disruption it would introduce is worth it fairly quickly.

An example that I've used in the past is, as far as portfolio management systems, we were on PortfolioCenter for far longer than I think most people would stay on PortfolioCenter just because we knew how disruptive it would be to switch systems, and we didn't feel like the timing was right. A couple of years ago, we switched to Orion, and that was totally worth it. It's been great, but it also did take a huge uplift for us to switch it. That was a type of software tech decision that we delayed for a while. Whereas something like DocuSign or Calendly, it's like, "Okay, there's immediate return on investment. There's almost no disruption or switching cost, and it adds a huge value right away."

We typically think through the lens again, of disruption and how much complexity we want to introduce to the firm. One of our firm values is that simple is elegant. If we can accomplish something simply, we want to keep it simple, we don't want to add complexity. We think through that when we're evaluating our tech stack, but there's always little nuances and things to dig into further to make systems talk to each other better or maybe integrate. At this point, it feels like we have the big pieces in place, and we're always staying on top of new things as they come out and monitoring them. We might not be a first adopter, but we're probably a close second adopter for a lot of technology.

[00:29:47] **Matt:** I've kicked around the idea for years now, COO Society. If I ever create a conference for COOs, I'm going to have a tattoo artist there to do 'simple is elegant' on everyone's shoulder, back, forehead, whatever. Every COO should live by that, simple is elegant.

[laugh] You mentioned conferences too. I tell this story all the time. RIA owners love going to conferences, and they all brag to one another about how efficient their firms are run. Then they come back to their office and they say, "Hey, I just came from this conference, and Bob, his RIA uses X," whatever that technology is, and says, "It works

great." Bob didn't tell you that his ops team or her ops team is bleeding from the eyeballs, getting that technology to work in 'efficient manner', or Bob's RIA has completely different clients than your RIA, and their technology, while they say it's fantastic, it might work for their client base, but it's not going to work for yours.

The conferences are great, and it's great for everyone to go, but I think the ops teams are a lot of times, their head is in their hands when the RIA owner comes back and has all these great ideas and suggestions on different tech that they want to implement.

Well, Scott, I talked about you had that clean slate two years ago. Did you approach your tech stack from a best-of-breed approach or from more of an all-in-one solution?

[00:31:15] Scott: I think it was a mix. By the way, I'm probably one of the worst people at conferences to come away with names of things to look at. Luckily, I only beat myself up after hours, and I'll just go review everything. I think you have to have a mix. I think the all-in-one solutions that are in our industry are trying to answer a lot of needs, but from my standpoint, I think that not all of them have the polish that it's needed for a true all-in-one. There's been a lot of movement in the tech space of our industry. I think there's been a lot mergers and purchases and absorptions of different companies. From my standpoint, I think there hasn't been a complete solid implementation done yet on a lot of them. We're still looking at best of breeds and all-in ones.

We're also on Orion and use a fair bit of the services that they have, but not necessarily all of it. I think most of our staff has a long background in our industry, and we all knew our pain points. When we broke away, we had an opportunity to pow-wow and decide where our pain points were, and go look for a different solution right away. I think the technology you use is only as good as what you use it to do. From our philosophy internally, we, from day one, have tried to document best practices and how to do things at a firm level as much as possible. We've democratized that. We have an internal knowledge base like a wiki that anybody can edit.

It's not one source of record. If a client service team member finds a better way to do something in a system that's predominantly something I manage, they will document it. That sends out a company-wide blast that documentation's been edited so everybody can see it. We're trying to stay ahead of training to make sure that everybody knows how to use the tools we have, because oftentimes people try to substitute, I've found, a new tool for something that they didn't know that an existing tool would do and just never tried it. They never opened that section of e-Money, or they never tried that button in Salesforce. We just try to really make sure that we're using everything as much as we can.

[00:33:41] Matt: That's another great point. It goes right with simple as elegant. In my consulting days, I got that question all the time. "Hey, can we hire you to implement X,

Y, Z software?" I said, "Why are you implementing X, Y, Z software?" "Because we don't have, whatever, the bells and whistles that we need." I said, "Well, wait a minute. Didn't you tell me your tech stack is whatever? Did you do know that your tools do have this embedded in them and you're already paying for them? You sure you want to, one, add the complexity of your organization to what Rachel was saying earlier, and two, spend the money when you already are getting it for, not for free, but in something you're already paying for?" That's a great point as well, as many times the bells and whistles that the RIAs want to get from an individual technology are already available to them in what they already have.

[00:34:27] Scott: 100%. I'm also a nerd, and so we may not want to switch providers or vendors, but I love knowing what's out there. I read the annual T3 report, or Kitces puts out the FinTech Map, and I constantly refer back to those just to see what's new and what's available, and what's something that we're using has as a competitor, just to make sure that we know what the landscape looks like.

[00:34:53] Matt: That's great. Both of you had some great advice there, so thank you. My last question. At the time of this recording, we had a really funny headline that hit the press last week. Zoom, the company, has asked its employees to head back into the office twice a week to ensure that they're getting collaboration among their teams. It feels that they're over-zoomed at Zoom, the company. Going back to our earlier conversation around attracting employees, I'm curious, how have you both approached the work-from-home versus return-to-office strategy?

Scott, I'll go to you first on this one. How are you guys balancing that?

[00:35:35] Scott: We are hybrid. I think for the most part, our team members like being in an office because we are relatively small, and so we enjoy being around each other, which is a big part of the culture. We do have a really flexible hybrid. We don't ask anybody to be in a certain number of days at all. We found that people like coming in when they can if there isn't any expectations. We let people do what they want.

We do have a couple of full-time remote employees, but that was a carryover of people that we had worked with for a long time prior to starting the new firm. We probably will not hire full-time remote moving forward at all, and are primarily looking in the geography of any of our offices to make sure that we have people that have the opportunity to come in. We've talked in the past about the culture of being in person is super important, not necessarily from a getting things done perspective, but from a building the relationship with your company and with your teammates' perspective.

[00:36:36] Matt: Yes, 100%. Rachel, what is Aspen Capital stance on remote versus in-office work for employees?

[00:36:44] Rachel: I would echo Scott on the relationship-building benefits of being in office. Aspen is pretty much completely in-office. We do have a remote work policy, so

if an employee wants to go on vacation and it makes more sense for them to work remotely for a few days before their vacation starts. In Europe, for example, we had an employee go over there where she worked remotely for a week in Europe and then took a week of vacation in Europe. We have some flexibility on that front. As far as hiring, we don't hire with any kind of remote work expectations.

We do have something called Productivity Wednesday, where every other Wednesday, employees can work from wherever they're most productive. For me, actually, today is a Productivity Wednesday, and I'm in the office. I typically go into the office on Productivity Wednesdays because I like my setup, I like the double monitors and all of that, but every once in a while, switching up where you're working from or doing different types of work, it can be super helpful. As far as the hybrid model, we don't really have much of a hybrid model. It's like a poor man's hybrid model, but for the most part, we're completely in office.

[00:37:52] Matt: I love that Productivity Wednesdays. I think the definition of productivity - it's a different productivity if you're working from home. You can bang through your to-do list, and you can 'get a lot done', and you may not feel as productive in the office. You may be driving home from the office one day and say, "God, I feel like I didn't get anything done." You just have to change your mind set a little bit to the days you're in the office, productivity or productive is defined as spending time with your coworkers and collaborating as opposed to knocking through your to-do list.

I think there's definitely pros and cons to both, but I think people get hung up a little bit and say, "I should have the same level of productivity working from home as I do from the office." They're literally, they're different environments, and you just have to look at them differently as far as what the goal of that day is when you're in the office versus working from home.

[00:38:48] Scott: Definitely. Call me crazy. I don't know. I get more done in an office than I do at home. I don't know about you guys, but when the laundry and the fridge are not anywhere near me, I'm way more productive.

[00:38:58] Matt: Well, I cannot thank you both enough for being here today. This was a fantastic discussion that hit on a ton of topics that I know many RIA operations folks are tackling right now at their respective firms. Rachel and Scott, thank you so much for being here today.

[00:39:14] Scott: Thanks, Matt.

[00:39:15] Rachel: Thank you for having for having us, Matt.

[00:39:17] Matt: That is a wrap on episode 56. We will talk to everyone soon.

[music]

[00:39:37] [END OF AUDIO]