

The COO Roundtable with Matt Sonnen

Episode 78 – Eric Stephenson & Shelly Kapoor

Hi, I'm Luke Sonnen. Welcome to The COO Roundtable, powered by Coldstream Wealth Management. Here's your host, Matt Sonnen.

[00:00:05] **Matt Sonnen:** Welcome to Episode 78, everyone. Today we're gonna dive into a topic that COOs regularly contend with in their day-to-day responsibilities, and that is M&A integration. We have two former COOs, one that was a previous guest on this podcast actually. Both of them have recently moved into a newly created position at their firms that focuses solely on integration work.

[00:00:42] So first, joining us from Pathstone is Managing Director of Integration and Optimization - and is now a two-time guest of the COO Roundtable - this is Eric Stephenson. Eric was a guest back in 2021 for Episode 31. Back then he was the COO at Align Impact. Align was a client of PFI Advisors - that's how I originally met Eric - and he has been a valued member of The COO Society for several years. And he's become a good friend of both me and my wife, Reese. He joined Pathstone about a year ago in this newly formed role, which we're gonna talk about in just a second.

[00:01:18] But Eric, welcome to the podcast.

[00:01:20] **Eric Stephenson:** Hey man. Thanks for having me back. And boy, thanks for continuing to create this content. I've always found it valuable and I think - I think I've listened to every podcast episode you've created, so thank you.

[00:01:31] **Matt Sonnen:** That's amazing. Thank you. Yes. And joining Eric is someone else who is near and dear to my heart, someone I work with every single day here at Coldstream. And that is Shelly Kapoor. Shelly is the new - is in this newly created position of Manager of Business Integrations. Shelly joined Coldstream in the summer of 2024 when her firm Arnerich Massena merged into Coldstream. She was the COO there for five years, and then about four months ago, she was moved into this business integrations role, and she's been fantastic at it. I've really enjoyed working with her. So Shelly, welcome to the podcast.

[00:02:07] **Shelly Kapoor:** Thanks Matt. Thanks for having me on my inaugural podcast visit. I hope I can come back again. I have not had the chance to listen to all 78 episodes, but that is my goal. I do have the pleasure of getting to listen to the editing of your podcast because I sit next to Jillian, who works on editing, and so I do get to hear it by that.

[00:02:31] **Matt Sonnen:** That's funny. You're probably tired of my voice. I know Jillian is tired of my voice.

[00:02:36] **Shelly Kapoor:** Never. I would never say that.

[00:02:37] **Matt Sonnen:** That's funny. Well, Eric, let's start with you. Tell us a little bit about Pathstone.

[00:02:43] **Eric Stephenson:** Yeah, totally. So Pathstone was built to serve the preferred life of our clients always and in all ways. Since our founding in 2010, we've grown to over 800 teammates, across 22 offices, and manage more than \$160 billion of assets.

[00:02:59] But I think what defines us isn't size. It's about how we show up for clients. We serve ultra high net worth families, institutions, and endowments with an integrated platform that combines investment strategy, planning, and concierge level services. And the growth we've experienced has been really intentional, right? Combining with like-minded firms, scaling culture, and building a business that's both operationally excellent and emotionally resonant. So I like to say we're not just managing wealth. We help clients live with clarity, confidence, and connection.

[00:03:31] **Matt Sonnen:** That's great. Very succinct. I like that recap there.

[00:03:34] Great. Shelly, give us a rundown of Coldstream.

[00:03:37] **Shelly Kapoor:** Yeah, so Coldstream was founded in 1996 in Bellevue. It has grown significantly in those years and is about \$13 billion in AUA today. It's a hundred percent employee-owned and close to 200 employees now. We serve wealth management clients; high net worth and family office clients; and institutional clients like endowments, foundations, and retirement plans.

[00:04:04] We offer tax services, strategic consulting and investment banking, and insurance planning with risk management. And we are different in that we are not a PE-backed firm - private equity-backed firm - for this size, and that is kind of an interesting feature of a firm of our size and in our growth lane.

[00:04:27] So I'm excited to talk about that more.

[00:04:30] **Matt Sonnen:** Yep. We are very proud of that fact here at Coldstream that we're up to \$13 billion of AUM - or AUA - without PE backing. So we do think that makes us unique. So, Shelly, I mentioned your merger into Coldstream in 2024, but walk us through your career path that landed you to where you are today.

[00:04:48] **Shelly Kapoor:** Sure. So I started in finance in 1999. I started in equity research in New York, kind of in the Wall Street space, and then moved on to a large family investment firm, a family office investment firm in New York City. It was multi-strategy. I was there for over a decade and kind of - I would say that that's where I kind of cut my teeth as an investment operations professional.

[00:05:17] We were growing that firm at a time where the technology of the larger family office scale was not available in the marketplace. So, a lot of our growth was built on building our own systems in-house. We did everything from risk management, investment operations, custodian management, performance reporting, creating our own tech stack, and then I moved into roles in HR doing training, coaching, and mentoring.

[00:05:46] I worked on our management team, so I kind of have worked throughout the investment landscape, I would say: everything from, you know, building our softwares as a business user to leading our teams and working with our end users on what their ideal outcomes are.

[00:06:11] And from there I went - I moved to Portland and started working at Arnerich Massena as the COO for five years. And last year we integrated with Coldstream, and there I was charged with working on the succession plan for our founder owner to the employees that owned the firm afterwards. I was involved in the operations strategy, working with the leaders on leadership development and then also a manager for the non-client facing teams.

[00:06:43] So, I think we're going to talk a little bit more about all the hats we wore, but I was very, kind of deep into the operations of that firm and in the strategy of looking for our partnership with Coldstream, which I can talk about more later.

[00:06:58] **Matt Sonnen:** Perfect. Yeah, you've done a little bit of everything, for sure.

[00:07:01] Yeah. So, Eric, talk to us about your career journey that brought you to Pathstone.

[00:07:06] **Eric Stephenson:** You know, I'd say my career path has been less of a straight line and more of a winding trail that kept circling back to the same themes, and that's finance, impact, and people. So I started in the corporate finance group at Xerox and then moved into private markets with Hamilton Lane where I got to dig into fund investments across venture, growth, real estate, and buyouts.

[00:07:28] But I realized that what really energized me was the human side of capital, and how money can be directed intentionally towards value and impact. And that led me to a family foundation where I built and managed a hundred percent mission-aligned portfolio. From there, I joined a boutique RIA, helping scale the firm from a scrappy five-person shop with \$80 million of assets to a 25-person multifamily office, stewarding \$4 billion in assets. And along the way, like Shelly, I wore lots of hats, right? COO, CCO, Head of Advisory. But the through line was always integration, right? How to build systems, processes, and relationships that serve both the business and the people behind it.

[00:08:08] So today at Pathstone, I lead integration and optimization, which is really about helping a large and growing firm knit itself together as one cohesive organization, working alongside the true subject matter experts in every corner of the firm, and helping create the structure that lets their expertise shine through for clients.

[00:08:27] **Matt Sonnen:** We've talked about it a lot on this podcast that the typical job description for a COO is just: hey, do everything around here that's not getting done today. That's typically the first - you know, when you join a firm in the beginning - that's sort of what you're tasked to do. So, you both have touched on it a little bit with your career journeys. You literally both have done pretty much everything that is out there.

[00:08:48] But Shelly, I'll go to you first. How many different hats were you wearing in that COO role at Arnerich Massena before joining Coldstream?

[00:08:55] **Shelly Kapoor:** Yeah, I mean, it's kind of like that book, "Hats for Sale." Like I had like a stack of 50 on my head.

[00:09:02] You know, I think - I think Eric brings up a really good point about, you know, your career looping back to certain things. And I can definitely - I resonate with that. Integration, people, and processes, and technology have been the - like the core thesis of the work I've done and the work that I'm passionate about in all my years. And I think, you know, wearing hats at Arnerich always came back to those four things.

[00:09:28] When you join a new firm, I mean I suppose everybody looks at things differently, but when I join a new firm, I'm looking at like: how does it run? Who are the key people? How do they operate? What tools do they need? What are the gaps? And what are the opportunities? And that's exactly how I came into Arnerich. And aside from advising clients on, you know, their tax planning and their portfolio management, every other role was something I wanted to be part of or was managing. As COO, I think that's incredibly important because the story arc for the client - like client experience - is dependent on that first interaction to the end product that they're receiving, right? That whole story arc needs to be understood. How does the data, how does that conversation flow into a data point that ends up in a performance report that ends up at an invoice, right? I wanna understand that through line so, by the nature of who I am, I think I probably wore more hats than I needed to, but we're also - were a scrappy firm trying to compete at a very high level, and part of the reason why we're part of Coldstream is to have that deeper bench and those resources to serve our high net worth, ultra high net worth, institutional clients at the increasing level of complexity that they're asking for and that they deserve.

[00:11:01] And so, yeah, I mean, to answer the question on the hats, it was, you know, everything from HR, compliance, you know, the executive leadership team, performance reporting, client service, managing the client service associates, looking at our budget and our finance picture, making sure billing was done on time, and then basically every data request that needed to get sent to its appropriate destination ran through this one person.

[00:11:33] **Matt Sonnen:** Yep. That's typically how it goes. Eric, at Align Impact, what were all the different responsibilities that fell into your lap?

[00:11:40] **Eric Stephenson:** So at my prior firm, I had the chance and you know, sometimes the necessity, to wear just about every hat you can imagine, right?

[00:11:47] I started off on the advisory side, working directly with clients and helping families think about how to align their capital with their values. Then I moved into operations, building the systems and processes to make that work scalable and eventually took on compliance to make sure our growing firm had the right guardrails in place and at the same time, right, I was serving as COO, managing finance, HR, and IT.

[00:12:09] So what that meant in practice is that I got to sit in the shoes of every department. I learned to speak the language of the advisory team, ops, compliance, finance, and technology and that experience has just been invaluable to my current role at Pathstone, because integration is ultimately about connecting people across functions. And you can't build a unified firm if you don't understand how each part of it thinks, works, and communicates.

[00:12:34] **Matt Sonnen:** Perfect. Well, so I wanted to tie your histories as COOs into what you're doing today. So, both of your titles I've found interesting. I can tell they were very intentional. Eric's title is Managing Director of Integration and Optimization, and Shelly is the Manager of Business Integrations, and I think both of your roles are primarily focused on M&A integration, but it's very interesting that neither of you have the phrase M&A in your

titles. So, I'm assuming there is a component of both of your roles that encompasses more than just M&A.

[00:13:07] So Eric, I'll go to you first. Talk to us about that optimization component of your role.

[00:13:13] **Eric Stephenson:** Yeah, Matt, you're right. The title is totally intentional. Integration is the part everyone sees. It's the post-M&A work of helping new teams, systems, and clients become part of one Pathstone. But optimization is just as important because it's about what happens after the dust settles. Right. So for me, optimization means making sure the firm doesn't just grow bigger, but also gets better along the way.

[00:13:36] And that could mean harmonizing workflows so advisors can spend more time with clients, improving how we use technology, or just rethinking processes that may have worked for a smaller firm, but just don't serve us at scale. So it's really about creating consistency and clarity across the organization so people can do their best work without friction.

[00:13:57] So the optimization component also gives me permission to just look beyond M&A, right? In the absence of a deal, we're constantly asking how can we make this stronger, faster, and more human friendly? So really it comes down to a continuous improvement mindset. And when you get that right, clients and teammates really feel the difference.

[00:14:16] **Matt Sonnen:** Yeah, you said, you mentioned, you know, not getting just bigger, but better. I'm going to quote my hero, who I know you know well: Mark Tibergien, you know, he always reminds our industry that the definition of scale is your revenues are growing faster than your expenses. And a lot of firms in our industry - especially around M&A - they're just getting bigger and they're not necessarily - they throw out the word scale.

[00:14:39] But if you were to actually look at their numbers, their revenues aren't necessarily going as fast as expenses. So I think that's a big part of your role with that optimization is making sure that we are getting more efficient as we get bigger, not just getting bigger for bigger's sake. So I love that you mentioned that, Eric.

[00:14:56] And Shelly, I know for a fact because I was part of the team that kind of came up with your title. I know your title was very purposeful: Manager of Business Integrations rather than Manager of M&A Integrations. So talk to us about the projects that you work on outside of M&A.

[00:15:12] **Shelly Kapoor:** Yeah, I mean, so I think I come from this - well, I don't know exactly Eric's background - but I was on the due diligence team for Arnerich Massena when we were choosing Coldstream as our partner, and I learned a lot about what the different firms out there are offering, what their value proposition is for their clients and for their staff. And so, it was very informative in terms of, like, understanding the breadth of this industry and how it's changing.

[00:15:47] And, I also understood as a merger coming in that first year, I understood what the experience was for our team. What were opportunities for us to improve the experience for incoming teams and where, you know, I think what Eric is saying is exactly right. It's like, it's not even one then the other. It's simultaneous that you're integrating and optimizing,

right? And so as Arnerich Massena coming into Coldstream, we had goals that we wanted to accomplish as a team with the help of Coldstream and we also understood that we needed to adapt Coldstream's, technology and processes.

[00:16:30] So with that lens, I'm now bringing that to the broader - with this new role and with that lens, I'm bringing this to the broader Coldstream teams. You know, the firm has had two multi-billion dollar acquisitions within a year, or just about a year apart. And prior to that, had maybe five or six other transactions that built the firm to what it is today.

[00:16:56] So integration - like the projects that I'm working on - are still taking those separate teams and bringing them into like what is the Coldstream way today? What is the Coldstream way - what it was from a combination of multiple offices to this enterprise level that we're at - is going to be two different things. We're evolving into a new footprint and a new style and a new operating structure. And I think what my job is, is to understand what is that, what are we aspiring to? So that when we bring in the next team, we know exactly what are those key core competencies that we're looking for to bring in to really increase the value of the firm in total, the value to our clients, the value to our staff.

[00:17:48] And the projects I'm working on are from really weedy projects like understanding the billing structure of one team versus another to like really high-level questions of, like, what are all the projects going on at the firm? How are they prioritized? We're also doing a big conversion from Salesforce to FSC, Financial Salesforce Cloud, understanding that conversion.

[00:18:12] So there's just - it's kind of like a million things are going on and I'm trying to poke my head into all the windows to see where can I - what can I understand from it? What can I learn? All this stuff, I know is going to be of value in the future.

[00:18:29] **Matt Sonnen:** You lost the COO title, but you did not lose the - hey, just do everything around here that's not getting done.

[00:18:35] **Shelly Kapoor:** Sure. Part of what I was saying in team language, when you have a team, you storm, norm, form, and then perform. Yeah. I'm a team of one right now, and I've been in this role since April and I'm kind of in the storming, norming phase right now. So, I'd love to do this in a year because I think I'll have a very different ability to speak to what the projects are then.

[00:19:00] **Matt Sonnen:** That's great. Well, Eric, talk to us about Pathstone's approach to M&A. So what types of firms are you looking to combine with? What is the typical size? How many transactions do you target a year, et cetera?

[00:19:12] **Eric Stephenson:** Yeah. Yeah, Pathstone's M&A is absolutely a strategic growth lever, but it's never just about adding assets or expanding headcount.

[00:19:20] It's about deepening our ability to serve the preferred life of our clients, and we're incredibly intentional about who we combine with. So we're looking for firms that share our values, our fiduciary mindset, and our obsession with client experience. And that means that we're drawn to firms with strong advisory talent, right? Differentiated services, whether that's investment strategy, planning, concierge travel, life design, or other specialized capabilities.

[00:19:46] And size varies, right? We've combined with firms ranging from boutique RIAs to larger platforms, but the common thread has been fit. Right? We're not chasing volume. We're looking for depth, integrity, and a shared vision for what wealth management can be. We typically complete a handful of combinations per year, and we balance that with steady organic growth, which has been around eight to ten percent annually.

[00:20:10] And so what's important is that every combination is treated as a relationship, right, not a transaction. So we don't just onboard firms, we integrate the people, the culture, and the purpose, and we're proud of the fact that many of the leaders among firms we've combined with have gone on to lead major initiatives across Pathstone nationally. And I think that that's a testament about how we view M&A not as an endpoint, but as a beginning.

[00:20:36] **Matt Sonnen:** That's great. I think you're going to hear somewhat similar things from Shelly, but Shelly, I'll let you describe how Coldstream approaches M&A.

[00:20:44] **Shelly Kapoor:** Yeah. So I'm, you know, new to this role and I'm. What I'm seeing is that we're doing about one to two strategic acquisitions a year, anywhere ranging from \$200 million - so like more of that boutique size - to a \$2 billion firm like Arnerich Massena was.

[00:21:01] We're concentrated right now in the Pacific Northwest, but I think you know the idea is to have more depth and breadth on the West Coast. And I can't, you know, echo enough what Eric was saying about culture and relationships. I mean, this is a people business. The asset is the people, the talent: that translates directly to the client experience.

[00:21:26] So when we look at M&A, we're looking at fit first. Everything else can be ironed out over time if you are aligned in your values and in your intent to be, you know, a high performing firm that is client-first and with the fiduciary duty, of course. And what I see from the teams that are at Coldstream, that is undeniable, the culture, the values and the - sort of the attitude and ethos: that is a common thread and I think it works to our advantage when there are difficult decisions to be made, which is true of any firm that is going through the growth that we're going through right now.

[00:22:16] **Matt Sonnen:** Yep. So another thing that listeners of this podcast hear me say all the time - there's the COO job description - but the other thing I say all the time is I think about 75% of a COO's job is HR and dealing with people. And when it comes to M&A integration or just change management in general, really, that is definitely a people-first endeavor. So, Shelly, talk to us about the people side of your role.

[00:22:41] **Shelly Kapoor:** Yeah, I mean, I talk to you about this, Matt, all the time. Sometimes I'm like, a whole week has gone by and I don't think I've put a number in a spreadsheet. You know, I've been doing this since April, and what I'm finding is it's relationships, relationships, relationships. Even more, I would say, even more so as technology improves and advances. We have - the relationships are the piece that we come back to, to kind of thread and knit the whole firm together.

[00:23:13] So what I'm finding is, like, spending the time understanding our leaders, our wealth managers, our client service teams, our operations teams at every level, understanding who they are, what are their needs. That builds the trust, and the trust builds the tolerance for change. Change is messy and there's, you're not, you cannot, I'm going to say this again - well, give me a second because I'm trying to form this as I'm speaking. The

process of change is disruptive, period, end of story. So, if you don't have the relationships and the trust, that change can be - it can break the firm in some ways, and that's what we want to avoid. So I'm spending as much time as possible just building trust among our teams so that when there's something that needs to change, there's an understanding of why and a grace that we're all given for the trials and tribulations and sort of like the going backwards in our day-to-day work to move multi steps forwards in the future.

[00:24:25] The other thing, I think, is developing an active, real-time feedback loop. That's something, you know, I'm one person right now, but I'm really trying to figure out a way where we have a constant iterative process where people can really get their voice heard.

[00:24:43] You know, I think about, you know, there's that classic case study of the O-Ring with the Challenger tragedy. It's a classic thing where team members more on the working side of it were seeing issues and didn't have, maybe, didn't have the right ability to like say something or be heard or channeled to get that information to the right place. And I think, when you're in a firm that's growing like ours, that is in a rapid technology evolution too - FinTech is changing all the time - we just need to keep communication channels open so that we can get those little tidbits of information and whether they're risk or they're reward, we can act on them.

[00:25:30] **Matt Sonnen:** Well said. Yep. So, Eric, how do you approach the human element of your integration work?

[00:25:36] **Eric Stephenson:** You know, integrations, it's absolutely a people-first endeavor. At Pathstone, we always say, we're not integrating systems, we're integrating the people who use those systems. And that distinction matters, right? You have to get to know your teammates first, understand what they care about, what they're proud of, and what they're worried about. And that's where trust begins to Shelly's point. And trust just isn't earned; it has to be maintained. And how we communicate plays a huge role in that.

[00:26:02] So, I mean, communication can sound elusive, but it's really about clarity and consistency. And I think that step one is getting buy-in to the vision. And you know, for example, we did that at an all company gathering this past May. We flew all 800 teammates to Florida. Matt Fleissig, our CEO, and Kelly Maregni, our President, did just an incredible job leading that charge and actually counted - they communicated 17 times to the entire team leading up to and following the retreat, reinforcing the vision and reminding us why it matters. But that's just the beginning. The next step is incremental communication, right? Sharing the steps we're taking toward that vision, reinforcing progress, and making space for a feedback mechanism.

[00:26:44] And that's where trust is built and sustained. And that's where integration and ops team come in, right? It's really up to us to complement that shared vision laid out by leadership with real-time visibility. That's showing how the work we're doing connects to that bigger picture. We can, and we'll always strive to do better in how we communicate because when people feel seen, heard, and part of something bigger, that's when the real integration happens.

[00:27:12] **Matt Sonnen:** That's great. I love that you mentioned the 17 times because I say all the time at Coldstream, I say until we've said it seven - I always use seven - until we've said it seven times, people are not gonna hear it or it's not gonna sink in. So you've got to find different ways to say it. But if you can say the same message in slightly different ways seven different times - I love that you guys did it 17 - definitely drives it home, so that's great.

[00:27:35] **Eric Stephenson:** Totally.

[00:27:35] **Shelly Kapoor:** One of the things that at my previous firm, we always said is like, nuance doesn't travel well. And as the firm grows, like something that is kind of understood at a leadership level in sort of the words in between the sentences: that doesn't travel. It has to be super direct and clear by the time it travels 200 people out or 400 people out.

[00:28:02] **Eric Stephenson:** I totally agree. I love that: nuance doesn't travel well. And it's tough, right? Because you've got to balance the importance of context and nuance. And I think it just speaks to - you've got to get the message right and you've got to distribute it in the right way.

[00:28:16] **Matt Sonnen:** Yeah. So that was the human element. And now I'll say with the title of integrations and optimizations, there clearly is a tech component to your role as well, Eric. So talk to us about tech.

[00:28:29] **Eric Stephenson:** Yeah, no, tech is absolutely part of my role. And it's not just about managing systems, right? The real goal is making sure technology accelerates the business and not just supports it.

[00:28:39] And Matt, you've written before that swapping in new tech doesn't fix broken processes. And that's exactly right. You know, if you don't align tech with strategy and people, you just end up with shinier inefficiency. And that's why our focus is on making sure the tools we choose are working hand in hand with how we want the firm to grow.

[00:28:58] So it's - I mean, it's quite simple. The way I would describe our target state of technology is, you know: one clean reporting system, one streamlined CRM, a central data lake with analytics muscle, and AI agents that automate workflows and deliver real-time intelligence for decision making. And I mean, honestly, one of the best parts of my job is working and getting to collaborate with some of the most brilliant tech people I've ever known that are building this infrastructure.

[00:29:25] And it's so fun to try and hold my own while watching their brilliance just collide and spark new solutions because they're doing some really impressive stuff. And at the end of the day though, it's always coming back to people. We're not optimizing technology for tech's sake. We optimize it so people can do their best work, and that's where, kind of, integration meets strategy, and that's where the real value lives.

[00:29:49] **Matt Sonnen:** Amazing that you brought up that article because, yeah, I wrote that article several years ago. I think its title was "Growing RIAs Must Focus On Process, Not Technology," and it's amazing you brought that up because we had an all-company meeting earlier this week and I shared that article, re-shared it with the entire firm just this week. So it's funny that you brought that up.

[00:30:09] **Eric Stephenson:** You wrote a lot of articles that really resonate and that we've adopted into the work that we do. So again, thanks for COO Society, that whole blog, as well as this podcast.

[00:30:18] **Matt Sonnen:** Yeah, thank you. So, Shelly, what are your thoughts around tech and how to integrate it better across the firm?

[00:30:25] **Shelly Kapoor:** Well, I'm appreciating being part of this podcast because what Eric said is like a copy and paste of what I would say, and you know, it reminds me that having these forums to really share on the operational side is so helpful because we're all trying to do the same things really well, and it's hard, you know. I think technology is hard. I'll say that because I think it's evolving faster than the humans can get their heads around it. And sometimes I feel like, I think to the point of, like, the processes need to be good so technology can enhance them. Sometimes the processes are good and technology muddles them up. So, it's constantly looking at like, how is this overlay helping versus harming?

[00:31:19] And I think, when I look at technology and like the tech stack in general, it's like understanding: okay, here's our CRM, what are we using this for? What are its strengths? What are its limitations? And that kind of language around the CRM, the portfolio management system, the billing software, whatever. Understanding strengths, limitations, and the intention for the system is important because I think sometimes our tendency is to want to find these, like, one-size-fits-all panacea solutions, and they're just not designed for that. So understanding: where does this technology end and begin, and where do people start? And in technology, relationship is really important.

[00:32:09] And then I would say, training, training, training, training, and training. Never have enough. Just like communication. You can really never have enough practice and training, especially as we implement new systems.

[00:32:23] And then the other thing, the third thing, this is the thing about, you know, talking about AI is like, what's your innovation pipeline? Like, what is coming out that we need to know about? When does it make sense to actually adopt it? Who's working on that, you know, kind of like, here's where we are today, but here's where this sector is moving for our industry. It's like having those people who have their eye on that is critical.

[00:32:52] **Matt Sonnen:** Yeah. Well, as our industry continues to evolve from a collection of practices to businesses, that's another quote I say a lot on this podcast. As we move from practices to businesses, I think the industry as a whole is going to see more and more roles like yours alongside the COO, which are solely dedicated to integration at the firm.

[00:33:12] So, Shelly, I'll start with you. What advice do you have for someone who may be thrown into a similar role at their firm? What makes a manager of business integration successful in your mind?

[00:33:24] **Shelly Kapoor:** Well, my true answer is I'll let you know when I find out. No, all - you know, all joking aside, I think curiosity is number one: coming into everything with a vision to understand before just solve.

[00:33:40] That's how I kind of bring myself to every conversation. I think being service-minded. Like we said, this is very much a people integration role, and I think of my role as like paving the way to help people do their jobs better. Because that's what everybody - everybody wants to be really good at what they do, and they want to be seen as being really good at what they do. So it's like, I'm just trying to make space for that.

[00:34:10] And then I think - some things I think about every day is like: this is a marathon, it's not a sprint. So, you know, having that kind of fitness attitude toward this, and there's a lot of uncertainty, and having, you know, comfort in the discomfort is really important. And all

of that with an ounce of humility and humor because we are in a business to enhance our clients' lives.

[00:34:38] And that's, you know, our mission here at Coldstream and our staff's lives, by the way. And I think just recognizing that this is a process and not - there's no destination here, it's just constant improvement - is important. And so having the humor that we're never really going to get there, right? Where is there? There is constantly changing and having that understanding makes day-to-day fun.

[00:35:06] **Matt Sonnen:** Yeah. I've tried to - you and I have talked about this a lot - but, you definitely get complaints once in a while from people that, you know, there's too much change. Why are we always changing? And I've tried to say, well, don't think of it as change. Think of it as improvement or evolution. Like we're constantly going to be improving, and we'll learn from our mistakes and, oh, we're gonna change this. And , we're trying not to change for change's sake, but if we are constantly evolving and figuring out how to better serve clients, yes, there's - it's like you said - it's always gonna be a process. We're never gonna actually get there. So just get used to it.

[00:35:42] **Shelly Kapoor:** And have fun!

[00:35:44] **Matt Sonnen:** And have fun while doing it. Try to have fun while doing it. Exactly.

[00:35:48] So, Eric, I'll give you the final word on this one. What advice would you give to someone who is thrown into a role like yours at a rapidly growing firm like Pathstone?

[00:35:57] **Eric Stephenson:** As the wealth management industry evolves, roles like Shelly's and mine are going to be more and more essential. So integration is moving from a side hustle to a core capability. And my advice to anyone stepping into a role like this is, you know, start with people. You're not just integrating systems, you're integrating the people who use them.

[00:36:18] Build trust, protect it, and communicate as clearly as possible. Share the vision, but also the steps toward it and celebrate that progress along the way. And like Shelly said, stay curious. You'll be surrounded by brilliant people in technology, operations, you know, client advisory. Contribute your perspective, but also keep learning from them.

[00:36:41] Watching their ideas collide and spark new solutions is where that magic happens. You know, integration is messy, but it's meaningful. So approach it with empathy and a bias for action. And you'll not only help the firm grow stronger, you'll grow right alongside it. And that's both how I'm feeling and the advice I'd give to integrations professionals.

[00:37:02] **Matt Sonnen:** Fantastic.

[00:37:04] Well, Eric and Shelly, you both have dug into this area of the industry that I think more and more COOs are dealing with and as we discussed, more and more roles are going to be created in the coming years dedicated solely to this integration work. So I can't thank you both enough for being here today and for sharing your thoughts and expertise with us.

COLDSTREAM

[00:37:21] I know our listeners have learned a lot from both of you today. So thanks both of you for being here.

[00:37:27] **Eric Stephenson:** Thanks for having us.

[00:37:28] **Shelly Kapoor:** Thank you.

[00:37:30] **Matt Sonnen:** Well, that is a wrap on Episode 78. We will talk to everyone soon. Thanks.

© Coldstream. All rights reserved. May not be reproduced, republished, or distributed without prior written consent. Information drawn from third-party sources believed to be reliable but not guaranteed as to accuracy, timeliness, or completeness. None of the information provided constitutes an opinion or a recommendation or a solicitation of an offer to buy or sell any particular security. Coldstream analyses are not intended to provide, and should not be construed to constitute, complete accounting, insurance, legal, or tax advice. The investment strategies and securities shown may not be suitable to you. Past performance is no guarantee of future results.