

The COO Roundtable with Matt Sonnen

Episode 64 – Kailee Ostroski & Adrian Chastain

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

[00:00:14] **Matt Sonnen:** Welcome, everyone, to Episode 64. I thought my monologue in Episode 63 was an important one. I hope both COO candidates and RIAs looking to hire a new COO will both benefit from the rant that I had. I'm very excited to get back to our normal interview format. We have two amazing guests today. Joining us from Gratus Capital in Atlanta, Georgia is Chief Operating Officer Adrian Chastain. I got to know Gratus during my time at Focus Financial, but Adrian and I didn't cross paths back then. Adrian joined the firm about three years ago and was named COO about a year and a half ago.

Adrian's bio on their website says that she is responsible for advancing Gratus' commitment to providing an exceptional client experience through strong leadership, technology oversight, process optimization, workflow simplification, transformational change management, and the cultivation of industry relationships. She's also a Certified Fraud Examiner and a Certified Strategic Change Management Professional. We'll be talking about change management quite a bit today. With all of that, welcome to *The COO Roundtable*, Adrian.

[00:01:27] **Adrian Chastain:** Thanks for having me, Matt.

[00:01:29] **Matt Sonnen:** Great. Joining Adrian is Kailee Ostroski, partner and COO at Connecticut Wealth Management, headquartered in Hartford, Connecticut. Kailee joined the firm about eight years ago as a Financial Advisor, and she was recognized as a five-star Wealth Manager by Crescendo Business Services in 2023. She moved into operations about four and a half years ago and was named COO in January of 2022.

Her bio states Kailee works with the leadership team on the development and implementation of the organization's vision and yearly goals, ensuring that these are clearly communicated to the entire organization. She implements systems and processes to improve the firm's productivity and efficiency. Kailee has been instrumental in the firm's accelerated growth and has developed leadership programs and performance evaluation systems to help every team member grow professionally.

I will say, before joining Connecticut Wealth Management, Kailee was a high school social studies teacher for five years, and she's also a competitive ballroom dancer and has competed at the local, national, and international levels. Everybody knows I do some LinkedIn stalking. Welcome to the podcast, Kailee.

[00:02:45] Kailee Ostroski: What a great intro. Thanks, Matt.

[00:02:47] Matt Sonnen: Perfect. Before we get into your amazing career path, Kailee, just tell us a little bit about Connecticut Wealth Management.

[00:02:54] Kailee Ostroski: Sure. Connecticut Wealth Management was founded back in 2010 by our two founders who were looking to create, at that time, a wealth management firm that was primarily focused on financial planning and in a conflict of interest-free environment, which at that time seemed to be more of an exception, not so much the rule in the industry back then, although so great to see that that's evolved quite a bit. Today, we have about \$3.3 billion in AUM and about 65 or so teammates, depending on the day, in our intern program. I've been with the firm since 2016. I think I was employee number 12 or so. We've grown tremendously in the last eight years that I've been here.

We work with all types of high net worth clients, but our ideal clients where we really have a strong connect are our small business owners, executives and pre-retirees, this group of folks that have some complexity to their financial situation and are really spending their time focused on other areas of their lives or really deep into their work, and they're looking for advisors to be their partners in making some really big life and financial decisions. Our focus with those folks is a comprehensive and holistic financial planning process. Through that process, we get to know our clients really well, their goals, their hopes, their dreams. We form some really great, deep relationships with our clients.

We've been really blessed to experience some significant organic growth through the years. A lot of referrals from our current clients by way of those deep relationships. We've also done a number of mergers and acquisitions over the past five years. It's hard to ignore that opportunity in the industry. We feel like we really have a meaningful and positive impact on our clients. When we see an opportunity to help not just an advisor see themselves through this really important phase of their life and their retirement and an opportunity to make them feel really good about that by giving their clients a warm home to go to, it's hard to ignore that great opportunity in this space where there's just this wonderful need.

[00:05:09] Matt Sonnen: I know as COO, you're integral in that onboarding and integration process. That's a great recap. Yes. Adrian, tell us a little bit about Gratus Capital.

[00:05:21] Adrian Chastain: Sure. Thanks, Matt. As you said earlier, I've been with

Gratus almost three years. The firm was founded in 2005 by our founder and CEO, Hank McLarty. He, 20 years ago, was at a very large firm and decided, you know what? I want to bring things to a smaller group, really focus on the clients. That's what we do at Gratus. We offer financial planning, financial advisory services, active investment management. We're around three billion AUM, 51 employees or team members, I should say. We don't like the word employees.

Our ideal client is high net worth, ultra-high net worth. How we've grown historically is through client referrals from core business and net new assets. When I joined, the firm had started to really ramp up our business with business development efforts focused on custodian customer referral channels. Our business developers are always busy. We're really focused on those channels.

[00:06:27] Matt Sonnen: I know, Adrian, before you joined Gratus, you had an extensive career in operations. I also saw you were an equity trader for a while. Tell us a little bit about your career path.

[00:06:37] Adrian Chastain: Sure. I've been in the industry for 25 years and worked my way through various roles such as performance analyst, client service and equity trader, operations specialist, dabbled in compliance, in particular, GDPR. Also, really immersed myself in human resources. One thing that I learned from my father, actually, before I started working in the industry is, understand where you stand and be your own advocate. I think that's why today I'm such an advocate, too, in my role.

Ultimately, my experience landed me in the COO role past handful of years, not just at Gratus. My experience lends to being able to wear several hats to successfully be in the seat. As you know, there's no one focus you do. You have to be good at a lot of different things and juggle.

[00:07:34] Matt Sonnen: I love that. Be your own advocate. We've talked a little bit about that. Many people in operations, you've zigged and zagged your career to where you are. One common theme everybody talks about is, well, I just kept raising my hand. I just kept volunteering for certain projects, certain roles, whatever. I love that. Be your own advocate. That's great. Kailee, I mentioned a bit of your background. Give us your career story.

[00:07:59] Kailee Ostroski: Sure. I just have to share before we jump in there, Adrian. So funny. We actually have a swear jar in our firm for the word employee. We're also not a fan of it.

[00:08:12] Adrian Chastain: I love that.

[00:08:12] Kailee Ostroski: It's not in our culture. Yes. Matt, thank you for that great intro earlier. Yes. My path is probably one of the less conventional ones. When I reflect on it, it still amazes me that I've ended up where I am. I started my career as a high

school social studies teacher. Not like I was teaching math or finance or anything like that, I taught ancient and modern world history to freshmen and sophomores. Yes, draw the connection between that and finance, right?

[00:08:43] Matt Sonnen: Yes.

[00:08:44] Adrian Chastain: Kailee, I would have been one of your worst students I'm just going to say.

[laughter]

[00:08:50] Kailee Ostroski: As long as you have a good sense of humor, you can make it through anything, right?

[00:08:54] Adrian Chastain: [laughs] That's right.

[00:08:56] Kailee Ostroski: Yes. I taught for about five years before you just, I think, have that moment at that age where you say to yourself, is this really where I want to be 30 years from now? Just clicked for me that wasn't the career. There was so much that I loved about it but so much that just wasn't clicking in for me. Really, by way of just talking to a few folks in my network, in my community about what I was struggling with inside of teaching, I ended up getting serendipitously connected to one of the founders of Connecticut Wealth at the time. At that time, the firm was looking to hire an entry-level advisor.

Coming into this firm was just one of the strangest and most exciting things that's happened to me. I remember sitting, talking to one of the advisors at a Starbucks and saying, I don't know why you would want to hire me. I don't even really understand how my own pension works. How am I supposed to advise other people on their retirement and their investments?

This firm was and has always been so committed to hiring people and skill sets and personalities that they just said that's okay. We can teach you this content knowledge. You don't need the past experience to be a great advisor. You need to be hardworking. You need to have great attention to detail. You need to be able to talk to people and take some really complex concepts and make them understandable and relatable. That's something that teachers are very used to doing. The founders were and still are so invested in growing and training really great people.

I ended up joining the firm as a junior financial advisor. They kept their word and taught me and trained me, took a chance on me. I worked with clients for the first few years of my career here. I also gravitated really early on towards operations and processes and setting strategic goals and initiatives. As the firm grew, that naturally became more of a need for us. My role in that space grew and grew and grew until you take off the advisor hat and you start to solely work inside of the operations space.

That's how I ended up where I am today.

[00:11:13] Matt Sonnen: That's great. Perfect recap. Throughout my career, I've heard the phrase culture of compliance many times. I agree with the message. I think compliance is everyone's responsibility at the firm. From the top of the organization to the bottom, people should be thinking in a way that protects both the client and protects the firm. It's an important concept that I think everyone needs to buy into. I think most people in our industry do, the culture of compliance.

Separately from that, though, one thing we've talked about a lot on this podcast is the fact that in our industry, sales and client service seem to get most of the attention and few view the operations department in the same light that they view those that interact with the clients on a regular basis. There doesn't seem to be much of a "culture of operations" in our industry. Adrian, I'll go to you first on this one. Throughout your career, how have you tried to be an advocate for operations to ensure that we're getting our due respect?

[00:12:08] Adrian Chastain: Yes, sure. I always tell my ops team, when you do it well, you make it look easy. Other leaders and team members have no idea. They don't know what they don't know. It's my job to be their advocate and make sure that they are highlighted because in ops, it's fast. There's timelines. Things break. They have their head down. They get it done and it looks like magic until something goes wrong and then there's your recognition. We have a culture of recognition and respect for every position. It's up to leaders to model the right behavior and how ops in any department or team is treated.

My mentality is I want the best for the team. I want them to have the things that I didn't in my career. I don't have a mentality of, well, that's how it was for me, so deal with it. I want it to be better for them. I want them to speak up. It's up to us that have been in the business and experienced a lack of culture for operations to turn that around for them and make it better. I don't like saying back-office. They're not back office to me. They're talking to our technology vendors, our custodians, internal stakeholders, sometimes clients, the end client. It's how they're treated and how our leaders and everyone respects one another to break that back-office mentality.

[00:13:43] Matt Sonnen: I love that phrase. When you do it well, you make it look easy. I've joked with countless COOs that you stumble into your year-end review. You're bloodied, you're bruised, you're covered in sweat. You've been working so hard all year and you stumble into the room and your boss says, "I'm not sure what we're paying you for. Nothing wrong ever happens around here." You say, "Do you know how hard I'm working?" [laughs]

[00:14:06] Adrian Chastain: Yes. Sure. It's funny too. That's always the leanest team, right?

[00:14:10] **Matt Sonnen:** Yes.

[00:14:11] **Adrian Chastain:** You have technology to support with workflow and efficiencies, but operations teams always run lean, and it's a lot of work.

[00:14:20] **Matt Sonnen:** Kailee, how have you tried to create that "culture of operations" at Connecticut Wealth Management?

[00:14:26] **Kailee Ostroski:** I think our overall culture in our firm really sets the stage for this collaboration across the board. I really see and feel that in operations. I think our firm, we're really blessed to be recognized and supported in the operations space. Our founders created a culture where we're all invested in the growth and development of each other and of the service to our clients and our clients themselves. Operations is such a huge part of how we deliver those services. We're always trying to grow and better ourselves, and our teammates really recognize the role that operations plays in that, in the larger picture of the firm.

I think we see a culture of operations showing up in small but meaningful ways. Our teammates really utilize an open-door culture and policy when communicating with leadership and providing suggestions. When they have challenges or new ideas, they're really open about communicating that to a trusted leader or their manager. We feel like we have a good sense of how our team is doing and the challenges that they're facing, and we can collaboratively work through those things.

In this model too, our teammates naturally have some buy-in in the operations space, and they often participate in suggesting or vetting a new process or technology tool that's going to elevate the organization. To me, operations feels a lot less like an island when I hear other folks express that. We feel pretty connected to the core business relative to some of our peers.

I really believe that the more an operations team gets siloed, the tougher it becomes to do our jobs and the more the firm starts to feel like a bureaucracy. Any folks that are part of a rapidly growing organization might weave in and out of that feeling from time to time. I never ever want to stand up in front of my team and have them thinking, my gosh, she has no idea what our day-to-day is really like. She has no idea what it's like to work with clients. We really have great communication and collaboration. It's a two-way street. My teammates are great at communicating with me and the rest of my ops team. The ops team tries really hard to stay connected to our teammates and what they're experiencing.

[00:16:44] **Adrian Chastain:** You highlighted something so important, communication. Having that open forum and having that transparency, open dialogue, not just the ops team, but any team to make sure that they do have a voice. That's how you really invest in people. I hear that pattern with both you and me. It sounds like we love our people and we do want the best for them. Organizations don't change. People do. If your

people are sad or they don't want to wake up and come to work and they don't like it, then the organization isn't going to flourish. It's not going to thrive. It's only going to thrive if the people love it and we feel respected.

[00:17:29] Kailee Ostroski: Yes. Yes. The more I think you lose connection to the people in whatever seat that they're in, whether it is something more internal like operations or HR, or it's an advisor, a junior advisor, our most senior advisors, our founders and partners, taking the time to stop and communicate and collaborate and empathize. Empathy is one of our core values here. It's really important to all of us to be successful in serving one another and serving our clients. We have to empathize, and you've got to maintain that connection.

I think that can be so hard as a firm gets bigger and all of our roles get a little bit more complicated and we wear less hats and yet there's more things to do. It's really got to be a calling and a commitment to maintain that connection and to take time to communicate with one another, to stay in touch and feel like we're all continuing to work towards the same end of just helping our clients meet their goals and have their dreams come true.

[00:18:39] Matt Sonnen: You mentioned you never want your team members saying, "Oh, these operations folks don't know what it's like to talk to clients." I know the career path a lot of times, a CSA, they have that role for a few years and then they need to decide, are you going to go the advisor track or are you going to go the operations track? A lot of client service associates get pulled into operations. I've never actually thought of it in this sense. When you said that, I think that's how you prevent that from happening. Having some former CSAs that were on the front line, so to speak, communicating with clients, having them come into your operations department, I think solves that problem in a big way.

[00:19:20] Kailee Ostroski: Absolutely. Even if they don't formally join the operations department, having that representation in however you run your business and you communicate, encouraging that representation inside some of the micro and certainly the macro decisions that you're making can have a huge impact.

[00:19:40] Matt Sonnen: Yes. Absolutely. Much of the COO's job revolves around the big themes of people, process, technology. Let's tackle those individually. I've said many times that while most people think the COO role is mostly technology-oriented, it's really the people part of the job that's the most difficult. Choosing the various tech vendors that make up the tech stack isn't that hard, but getting your teammates to interact with the technology, that's where we get paid the big bucks. Kailee, how do you go about promoting adoption of new technology at your firm?

[00:20:17] Kailee Ostroski: Magic.

[00:20:19] Matt Sonnen: Right.

[laughter]

[00:20:23] Kailee Ostroski: Gosh. Got to go be one of the toughest parts of our jobs. I think the larger and more diverse an organization gets, the more complicated this is. I think back to the early days, I helped transition us from one CRM to another and didn't feel like that was as hard encouraging adoption as some of the things we're doing today.

I think with technology, you end up with just such a wide range of people. Some people love it. They love trying new things. They see the opportunity and they're excited. Then you have folks who struggle with change, aren't huge fans of technology. Some people find it additive. Some see it as detracting from the human element of our work. It's tough. It's really tough. There's a wide range of diversity that I've seen in this way.

I think for us, I've had teammates come to me so excited about a new piece of technology that they've heard about or they saw at a conference, they so badly want to implement it. When you have someone like that, you end up with a really wonderful cheerleader for a piece of technology. Again, that moment of me or someone else standing up and saying, hey guys, let's adopt this thing. That's just not as impactful when the person who organically raised this excitement about a new tool is standing up and encouraging folks to give it a try.

We really try to utilize that. We're asking for the feedback. We're asking for recommendations. We're communicating with our team. Letting those people be the voice of, "This is really exciting, guys. We should try it out," I think is more impactful.

[00:22:06] Matt Sonnen: I like that.

[00:22:08] Kailee Ostroski: Then on the flip side, the excitement for those pieces of technology is wonderful. The more diverse your team gets, the more suggestions that you're getting and the more technology that's being recommended or thrown to the operations team to check it out and do your due diligence and pilot it. Then, of course, everything comes with a price tag. It's really tricky. Sometimes we have to be the bad guys too and put the brakes on someone's excitement around a new tool because too much change and newness causes stress and lessens adoption overall of all of our technology.

The thing that we just started, and I'll say just started. Our first meeting is this coming Monday. Very new for us is a technology advisory board model where we've asked a group of volunteers in our firm to come together a couple of times a year to review our technology roadmap and look at what types of things we're exploring or planning on rolling out and talk about them, talk about what the plan is for that rollout with them. Our hope here is that by bringing this group together, we can explain the context. Why are we doing this? How are we doing this? Get a better read from folks on the value

they think there is to be gained from a new piece of technology.

Probably even more impactful, help us anticipate the challenges that we should anticipate when we think about a rollout. I don't know about you guys, but I don't think I've ever rolled out a piece of technology that went 100% smoothly with no issues or bumps. We have a lot of technology cheerleaders in our firm. As we've gotten bigger, we're looking to those folks to help us encourage adoption and help us do a better job at rolling out that technology too.

[00:24:04] Matt Sonnen: That's great. Adrian, what tricks do you have up your sleeve to get buy-in for Gratus' tech tools?

[00:24:10] Adrian Chastain: Much like Kailee, I can tag onto her comments. The tricks that I have to get buy-in from team members is it goes back to communication. Team members have to understand the why behind the what. What is this piece of technology? Why are we using it? To get their commitment to use it, which as Kailee said, it's hard, they need to understand how. How will it be used in their role? What does that mean for them? Then once they understand it, it's not so scary. The other key element is removing the fear that technology will replace them. Tech solutions are to support and improve workflows and optimize processes so to relieve people capacity constraints.

Going back to process, we're a very process-driven firm, and it's important that we have the right tools in place. It's also imperative that processes are followed by all. That means, yes, advisors, they have tasks within a process. They get yelled at if they don't complete it, but it's up to all team members to really enforce it. We also do a survey. I send that out maybe every quarter during the year to just ask the firm what's working and what's not. Remember, I don't know what I don't know if you don't tell me. Doing that survey really helps with an assessment. I can take that assessment and work with our IT partner. They're very much involved with our infrastructure, and we meet quarterly to do a tech review.

Again, same thing, what's working, what's not? What's the budget? Build out a matrix. I like using the Kurt Lewin model. What do we have today? What's the current state? What do we need? What does that mean for a change? What's that going to cost for this change? When do we need to do it?

[00:26:03] Matt Sonnen: Another tricky human capital component of the job is knowing when the right time is to hire additional team members. I think that most RIAs hire way too late. It's typically not until the staff is literally pulling their hair out, trying to keep up with all of the work that the owner finally says, hmm, well, maybe now's the time we should think about drafting a job description and posting an open position somewhere. Then that's going to take several months before the firm interviews qualified candidates and actually hires someone. Then it's going to be even more

months after they've hired the person that they actually have to train the new employee.

Then on the other side of that, of course, you don't want to spend your valuable cashflow on a position that you don't quite need yet. It's a bit of a Goldilocks scenario of trying to hire at just the right time. Kailee, how do you approach this hiring puzzle?

[00:26:54] Kailee Ostroski: This is such a great topic, Matt, and has been a really important part of my career here and one I think we've all struggled with. As I've conversed with other COOs and other firms on this, I think the trend that I see is it ultimately comes down to what your firm's ethos is about growth and hiring. Some firms are really committed to growth and getting ahead of growth and hiring ahead of it. They're more willing to take on the risk associated with hiring ahead and to ensure that there's support for the growth that they intend and hope for. Others are more uncertain or cautious about that growth and understandably so. That it's a challenge to commit to the upfront investment that is hiring ahead.

My firm has always been really focused on trying our best to stay ahead of those needs. That's a part of our ethos. There's definitely a learning curve that comes with getting that hiring timing right. It's, of course, a bit of a moving target. Growth is never linear and employee turnover happens when you least expect it. As soon as you think you've got it under control, the target shifts a little bit on you, but it's so worth the time and attention to try and calibrate that and get it right.

The other thing that's really helped our firm a lot is we've invested in developing things that support hiring and growth, like internship programs, onboarding processes, training programs, growth paths. Hiring and training a new teammate doesn't feel as overwhelming to our team as it felt many years ago when we were smaller and that process was more piecemeal. In the early days, we were just hiring when we needed it and it didn't feel like things were on fire and that you had to go through those things so quickly. We didn't centralize a lot of those functions and we didn't iron out those processes.

Once we developed the processes and the resources, hiring became a lot less overwhelming and we became a lot more comfortable with the process overall. Adrian, I don't know if you find too at the size that you guys are at, it felt like when we hit 40 or 50 teammates, we started to feel like we needed more expertise in areas that we were all wearing multiple hats in, like HR and marketing and operations. Right about as we were approaching 50 employees, we made this leap and hired a number of experts and leaders inside of those spaces and departments. That was just such a huge success and leap forward in the development of our firm.

You've pointed out, Matt, on a number of occasions, these are tough hires. They're non-sales, they're non-revenue generating staff. If you're committed to illustrating

return on investment that's easily measured in dollars, these are tough hires to advocate for. We've just had incredible success in our firm with getting experts in those spaces and giving our advisors the space to just be advisors and focus on that work. I highly encourage other folks that are pondering taking that leap to be brave because we've had wonderful success with that.

[00:30:19] Matt Sonnen: It's a cliché, but clichés are there for a reason. I always say, you've got to take one step back to take two steps forward. I hear so many times, "We don't have time to create onboarding plans for our employees." Everybody spends so much time onboarding clients and having that workflow built out, but your employees are so, so valuable. There's so many RIAs that just don't take the time to do it. I'm guessing that's where a lot of your successes come from, is you have taken the time to build out all those processes.

[00:30:48] Kailee Ostroski: For sure.

[00:30:50] Matt Sonnen: Yes. Adrian, how have you tackled the timing of new hires?

[00:30:53] Adrian Chastain: Sure. I can't agree with Kailee more. Very well said. This one can be tricky too, because you have people that say, "I'm at capacity," and they're waving their flag and you have to, as a Chief Operating Officer, sit back and say, okay, why are they at capacity? What's happening? Then it's so important as a best practice to have metrics in place and review those metrics, review the workflows. Where can we optimize a process? Is the process getting in the way? Sometimes we can get in our own way.

Going back to proactive hiring, unfortunately, our good friend, the budget, dictates that. We like to say at Gratus, sometimes we have one foot on the brake, one foot on the gas. We want to hire all these people, but we also have an excellent career pathing program in place, much like Kailee was talking about her firm, and really believe in promoting from within first and developing individuals so that they're the subject matter expert.

Kailee, I did experience what you were talking about earlier. When I joined Gratus, there was a lot of hybrid roles because the firm was small and everybody was doing everything, but once you grow, there has to be structure because we all can't be great at everything. We never want to be in a vulnerable position of getting things done for the sake of getting it done. We want to do it well. You have to identify individuals and what are their talents? What are their skillsets? I've had CSAs that have said, "You know what? This has been great. I really like the ops path," and they have been so successful. Of course, there has to always be the business need, but they're really thriving in their positions.

Again, going back to metrics, and I know that numbers are numbers. You still have to have transparent conversation, feedback to tie back into those numbers. For our client

service team, we built out a capacity matrix with certain factors built in, depending on if they have referral channel business or not because it's very high volume. When someone's waving their hand, like it's getting to be too much, we run the numbers and look, and it's pretty close. It's a great gauge. It is not perfect by any means. You still have to have the feedback. It's subjective too, based on experience levels, based on types of books of business.

Throughout my career, I have seen the client service department be the ones who are asking for the most. The ops teams, in my experience, just are so strong. Again, they run so lean, but they do so much. It is important to make sure that you have resources on the team because people need to be out. People get sick. You can't have one person know everything, and then what?

[00:34:02] Matt Sonnen: Those are some of the tricky people questions. Let's jump to technology now. Adrian, how do you go about building and updating your tech roadmap for the firm?

[00:34:14] Adrian Chastain: Sure. I mentioned the Kurt Lewin model earlier, and it's a very simple change management model where you freeze the old, you make change, and then you unfreeze into the new. What I did when I joined Gratus is I looked at, okay, what's the current state? What technology do we have? What are we using it for? What does it cost? Who's using it? Are we utilizing it to the fullest? Then looked at what do we need? What's missing? Actually, met with team members and got their feedback as part of the assessment. That helped me identify, okay, what do we need to change? What are things that we can consolidate and centralize?

Using a model assessment works for me, but you have to look at that all the time. I'm a believer too in, I know it sounds silly, but I love taking calls to demo products or demo solutions. You just don't know unless you try it, and it may not be something that you need to date, but it's always good to know what's out there for the future.

[00:35:21] Matt Sonnen: Be careful saying that on a public podcast. You're going to get a lot of salespeople **[inaudible 00:35:25]**.

[laughter]

[00:35:27] Adrian Chastain: I'll just add them to my OneNote notebook. It's fine.

[00:35:29] Matt Sonnen: There you go. Kailee, talk to us about how you plan the changes to your tech infrastructure over time.

[00:35:38] Kailee Ostroski: The gut reaction I have to that question is just, geesh, what a moving target? We really have to tell ourselves repeatedly, to hold anything related to technology lightly because so much can change in that landscape so quickly. It's tough. It's really tough. When it comes to tech infrastructure, the first thing that we're

really attentive to is the basics, cybersecurity, laptops that work, basic operating systems. Any of that going down is a huge threat to our ability to do our work. We check in regularly and go, okay, is the bones of the house are okay. Everything is working there.

Then we look further. We look for the opportunities. Adrian, I love you mentioned your working and not working survey. We're a little bit similar. We do what I think is a really great job of conducting SWOT analyses pretty regularly. We just recently did a SWOT analysis on technology. We said to the whole team, hey, guys, what are our strengths, weaknesses, opportunities, and threats when it comes to technology? Again, creating that communication and that collaboration when it comes to building and anticipating where we're going to go with technology.

Again, ops teams. In our firm, there's only two of us. We don't always see what's out there, but our teammates are out at conferences, and they're getting calls from vendors, and they're seeing a lot of things. Again, having that open-door communication between operations and our teammates really allows us to identify and prioritize where we should put our resources, both our attention and the money that's associated with these rollouts.

We also do a client survey every couple of years. We tend to get some really interesting insights. We don't ask our clients directly about the technology itself, but inevitably, when they articulate what they value most about working with us or what they are looking for out of a relationship with our firm, we can draw some really meaningful connections between those preferences and the technology that we're using. That also helps us inform our tech roadmap. Again, as wonderful as it is to have great technology behind the scenes, we want to make sure our clients are feeling the impact of that technology too.

Then at the end of the day, we sit and look at the roadmap, and we say to ourselves, okay, where is that line between just the right amount and too much and that change fatigue that comes particularly with new rollouts of technology and always trying to find that right balance between moving us forward but not exhausting our teammates with change?

[00:38:30] Adrian Chastain: Just to add on to that, Kailee, you want to adopt tools that make things easier, not make the workflow harder, or again, to your point, the client experience. You also want to have a great team experience as well that supports a great client experience.

[00:38:49] Kailee Ostroski: Right. There's so much diversity inside of how people perceive that team experience. I've got people that are like, "I love my Post-its. I don't need a CRM. I'm good." I'm like, "Okay. Yes, I see that." Some folks love the CRM, and they put everything in there. Just such a diverse group of people that we're working

with in trying to cater to everyone's needs and preferences.

[00:39:15] Matt Sonnen: A few episodes ago, we talked about when thinking through your tech infrastructure, the phrase simple is elegant, the simplicity. I love what you just said, Adrian. I think if you're going to add a tech piece to the tech back office, the infrastructure, you need to be taking one away as well. You wake up one day and you've added so much, and then you've got duplicative systems, and nobody knows which, and we've got three client portals here. When the advisor tells me, post this to the portal, which portal are you talking about? Because we kept adding, and we never took anything away. I think that's a valuable point you made.

[00:39:51] Adrian Chastain: Thank you for that. It's like Legos. You just keep adding on.

[00:39:54] Matt Sonnen: Yes.

[00:39:54] Adrian Chastain: You're never going to build that transformer on the front of the box because you just keep adding on [laughs].

[00:40:00] Matt Sonnen: That's right. That's right. Yes. Earlier I said we were going to focus on people, process, technology. It's been interesting because throughout your answers pertaining to people and technology that we've covered so far, I keep hearing you mention process. Kailee, why is process so important?

[00:40:19] Kailee Ostroski: Matt, I am such a process person. This question has me so excited. The three things that I think about when I think about processes are efficiency, accuracy, and repeatability. My love of processes started with just checklists. That really is, to a certain extent, what a process is. It's a simple or a complex checklist. When I first started in the firm and I did my first client onboardings, which, by the way, I had no idea what a client onboarding even was, given my background, I always felt like I was forgetting to do something. We've got to link accounts here. We've got to confirm this with the client there. We've got to get one of our many online portals set up for these new clients.

I started making checklists for those things. As my role got more expansive, I really just believed firmly, how can anyone possibly remember to do all of these things without missing something or making a mistake? I really found those checklists were so integral to my success and helped me make sure I knew what I had to do. I didn't miss anything.

I wasn't relying on my memory every time I wanted to do it, which there is a fatigue when you're trying to remember so many bits and pieces of things throughout your day. Through that, my early processes were born, and I was able to maintain an efficiency and an accuracy in my work. My confidence grew and I felt good about the work I was doing. I felt confident that I was delivering a great experience to my

teammates and my clients by being on top of things.

Then the firm started to grow and we started hiring more people to do the same work that I was doing. I said, hey, guys, here. Here's this checklist. I built this when I first started. If it's helpful for you, I hope this makes things a little bit easier in your in your learning and your growth path. We found that they were able to master some of that work faster than I was because the checklist gave them this really simple head start.

Then naturally, you just start looking at the checklist and saying, oh, what if we added this, or what if we tweaked this, or what if we did this thing first and then this thing? It became so much more than a checklist and it became a roadmap for how we deliver the best experience to our clients and how we do our best work. I just see processes really naturally as a way to do good work without making mistakes and to help teach other folks how to do the same thing and to build their confidence really early on in their careers.

For a firm that's growing quickly, bringing on new people, building confidence and proficiency really makes them a valuable, contributing member of the team super early in their career. That's great for all of us. It's great for the clients, it's great for those teammates, and it's great for the firm on the whole.

I think the other thing we've seen when it comes to processes is the more you have collaboration and cross-pollination between teammates, the more important it is that people do things similarly. Adrian, you mentioned earlier, people are going to go out, and we want them to go and be on vacation and not have to worry about the work that they're leaving behind. To have a team that can sub in and out for different advisors or client service folks, because we're all following the same processes, that gets seamless and it just leads to a better experience for everyone involved.

I'm really passionate about, processes. I think sometimes we over-index and we're like, well, let's get every single step of this process to be done exactly the same way. I don't think it's healthy to over-index so far that you take someone's personality out of the work or the relationship. There's no doubt for me personally that having those strong processes and having folks committed to what it means to follow a process and the success that comes with it is really, really helpful in a growing firm and just people feeling good in their day-to-day work.

[00:44:37] Matt Sonnen: Very well said. I think that's great. Adrian, how do you use process to ensure that you're hitting the firm's growth targets?

[00:44:44] Adrian Chastain: Sure. Process isn't meant to be scary. It's not meant to be rigid and it doesn't take away creativity. We do process work at my firm. We actually created a process guide. We identified all of our core processes. It's taken us a year. We're actually finishing up this quarter, our last two. Pretty much what are the critical processes that make the firm run? We must have these. We use an 80/20 rule. It's very

high level. That everyone in the firm, especially the new hires, is super helpful. They get to see here's the core processes, who's involved, and here's the major steps and here's the sub-steps. Here's where I fit in.

When people know and understand what role they play, who are the players, and who am I playing with, to me, it just makes it easier. When you have people or team members doing things their own way, that can create a very bad client experience. It can also create a very bad team experience. Like Kailee said, the followed by all method, do things the same way. Yes, you can add your own player. Yes, there's going to be some different situations where you've got to go rogue and do something differently, but if you do things the same way, it serves as a great audit if something does happen. It also helps with coverage if someone's out.

You know that onboarding a client are these steps, these documents, the time to complete. If I'm looking at metrics and I see, wow, it took this team member this long to onboard a client, took this team member this long, I can see that they deviate from the process. A lot of times, that's what happens. You can also have too many steps. That's why we have Friday huddles with our CX team and our operations team. They talk about any kind of hot topics, but the number one topic that's a standard is process. Here's what happened. Ops team, can you build this into our workflow?

Actually, we don't need this these five steps anymore because of this at this custodian. You constantly are on top of the processes that you have in place and improving them. It's also important that everyone actually understand the process. Yes, it's a checklist, but really understand why that task is a part of the process.

Like Kailee, I'm a process nerd. I love process mapping. I, too. Yes, I keep my little yellow notepad in my purse, in my car. I jot down notes and then I put them in my OneNote notebook. I think that has been a wonderful tool at our firm to show people. It reminds me of high school. You got a section for each class. It helps to keep you super organized. Again, going back to process, it's supposed to be helpful, not rigid.

[00:47:59] Matt Sonnen: I love it. This has been a fantastic conversation. I can't thank you both enough for being here today and sharing your wisdom with all of our listeners. I know I learned a lot from both of you today, so I know they have as well. Kailee and Adrian, thank you so much for being here today.

[00:48:17] Adrian Chastain: Thank you for having me.

[00:48:18] Kailee Ostroski: Yes, it was great chatting with both of you.

[00:48:21] Adrian Chastain: Yes.

[00:48:22] Matt Sonnen: That is a wrap on Episode 64. We will talk to everyone soon.

[music]

[00:48:43] [END OF AUDIO]