

Hello Members!

Our program year is coming to an end with only one gathering remaining before we break for the summer. I would like to encourage everyone to attend the May “Lunch and Learn” for a fun tour of the eFactory and Jordan Valley Innovation Center—this is open to everyone, so bring your coworkers! For more information on what this will include, email Rachel McGinnis (email at bottom of newsletter). Also—I would like to welcome our new CEC for next year, as well as thank them for volunteering to lead our organization. On that same note—please take our membership survey (like in middle of page) and let us know how we are doing. Something we can do different? Please let us know!



Brandie Fisher

May “Lunch and Learn” Meeting

eFactory and Jordan Valley Innovation Center Tours

May 21st — 12:00-1:00

\$10 Members/Non Members

No CPE

Local Ozarks Chapter News

Check out Rick Findley, Accountability Chairs interview with National—[HERE](#).

How are we doing? Something we can improve on? Take our [membership survey](#) and let us know!

Steve Wyett, BOK Speaker from Spring Seminar, emailed us an interesting article—find it enclosed.

Upcoming Training Opportunities

[National Webinar Opportunities—2 CPE Each](#)

- | | |
|---------|---|
| 5/17/17 | Data Act—Beyond Compliance |
| 6/1/17 | A Conversation with Women
(FREE—1 CPE) |
| 6/14/17 | Fraud/Data Analytics |
| 9/14/17 | Be a Noisebreaker, Not a Noisemaker |

Area Job Postings

[Cox Health—Senior Internal Auditor](#)



CEC Contact List

[Brandie Fisher—President/Newsletter](#), [Kristy Bork—President Elect](#), [Justin Dement—Treasurer](#), [Wayland Mueller—Past President](#), [Greg Drake—Membership](#), [Rick Findley—Accountability](#), [Cindy Stein—Education Co-Chair](#), [Rachel McGinnis—Education Co-Chair](#), [Kelly Dalton—Secretary](#), [Teresa Allen—Webmaster](#), [Tina McManus—CGFM Chair](#), [Linda Charles—Community Service](#), [Julie Ravenscraft—Early Careers](#)

THE GROWTH MINDSET

Being Brilliant in the Fundamentals

By Rick Capozzi

Editor's note: This is an excerpt from The Growth Mindset: Leadership Makes a Difference in Wealth Management, to be published in 2017 by Wiley.

A tsunami of change is headed toward the financial-industry shore, promising to swallow those unprepared for challenge and disruption. Indeed, disruption can resemble a tsunami—a series of waves with enormous destructive power. Leaders must meet these challenges with appropriate responses from positions of strength.

Whatever you do, don't let yourself or your firm become a casualty by resting on past success and becoming complacent. The appropriate response to this sea change is adapting quickly and never losing the power of curiosity and purpose. This is the foundation of a growth mindset.

Industry Challenges and Disruption

A leader's greatest motivation is a new challenge; a leader's greatest liability is insecurity. Whether he or she faces challenges head-on with a healthy sense of confidence and optimism or retreats with pessimism and doubt ultimately determines success or failure.

Now is a time in the financial industry unlike I have ever seen, primarily marked by commoditization of our services by disruptive technologies. The challenges at hand are real. An army of competitive new players is luring our existing clients with an arsenal of choice. Organizations that lack the right leadership assets—that is, those with leaders who cannot face the

“ If new competitors can deliver better service at a competitive cost, then why should clients stay with us? ”

following challenges—will not be able to compete effectively:

- The war for top talent
- New technologies that promise to make current systems obsolete
- Passive versus active money management
- Integrated holistic offerings
- Fee compression and reduced margins
- Escalating regulatory landscape
- Sophisticated, value-minded investors
- Increased competition and difficulty being distinctive

That new players are moving into our industry should surprise no one. With nearly \$17 trillion in investment assets in play and a compelling annual growth rate of 8.4 percent, wealth management is one of the most attractive sectors within financial services, especially in the high-net-worth (HNW) space, which accounts for \$57 trillion globally.

Even less surprising is that technology yet again is unleashing change in our industry. Our smart, sophisticated clients always are looking to take advantage of new technology and new players.

Many people in our space see technology firms' interest in wealth management as a direct threat to the traditional investment advisory model—and rightly so. If new

competitors can deliver better service at a competitive cost, then why should clients stay with us? We'd better have an answer. Finding the right solution may mean we need to redefine our value proposition and accept that we'll have to innovate and reinvest in the client experience if we are going to remain competitive. We need to use predictive analytics to enhance client experience, financial planning, and advice tools; and offer a truly integrated wealth-management experience. The HNW market wants value, and I believe most will pay for this customized value.

The Leadership Response

Leaders in the wealth-management sector who embrace a growth mindset will continue to out-compete the competition. To do this, you may need to change your business model by automating processes or outsourcing time-consuming tasks such as investment management. Leveraging new technologies in your business creates more scale and efficiency, leaving you more time to build and deepen relationships. You may need to re-evaluate your relationship with time. Are you spending it on high-payoff activities? Your response to the speed of change needs to be a commitment to a life of learning. Our leadership skills—and specifically our people skills—are going to be paramount because we are, above all else, in the people business. We are people who work with people. We need to stay on top

of the technological innovations that are changing our industry, but more importantly, we need to continue to leverage skills such as emotional intelligence, creative thinking, and advanced judgment. For many advisors, it's about updating their skill sets, adapting to new realities, and being brilliant in the fundamentals.

Over the course of my 34 years in the business, I have worked with about 42,000 advisors and managers in all the channels—wirehouses, registered investment advisors, independent broker-dealers, and bank trusts. I have worked with firms of 86,000 employees and firms of fewer than 10 employees; teams of three people and teams of dozens; managers and advisors from North America, Europe, the Middle East, Australia, and Asia. Each of these interactions had unique aspects—different structures, platforms, products, and services—deployed across different cultures.

One thing was consistent. One thing created business results. One thing made all the difference in people's lives: leadership. Strong firms need leaders that have mastered the fundamentals. I feel strongly about the fundamentals because as we know, if you can't get the fundamentals right, what's the point of trying to be cute with a new tool, service, or technology? Based on my experience, the advisor, manager, or frankly any entrepreneur who gets the fundamentals right drastically increases the odds of success. You may be surprised to learn that a large percentage miss the opportunities because they overlook fundamental leadership. I'll just give you a few examples. Fundamental #1: Commitment—doing what you said you were going to do. Fundamental #2: Emotional intelligence—being self-aware, making people feel special, recognizing people daily, being a great listener, respecting different points of view, asking for feedback, etc. The leadership challenge for all of us is to achieve sustainable results by creating the right vision, the appropriate strategy, and the perseverance to execute. As leaders in the wealth-management space, your true measure of adding value to any organization is your ability to do three things well:

1. attract the right people who are the right fit for the organization;
2. be a great coach to develop that talent (and yes, even the best advisors will welcome coaching from a skilled and competent leader); and
3. create the right environment to retain the best people and allow them to flourish.

This is simple, but not easy. Let's not confuse the two.

The Advisor's Response

There is no shortage of ideas about growing your business, but there is a large gap between knowing and doing. For some the gap is as wide as the Grand Canyon. Most people know what they need to do to grow the practice, and those who don't have myriad ideas about any part of the process. Unfortunately, knowing doesn't always result in doing. Reaching out to other advisors and picking their brains could go a long way. Those who are motivated find a way; they always are looking for ways to improve. Therefore, my guess is if you are reading this, you are successful or a rising star. As the legendary psychiatrist and Holocaust-survivor Viktor Frankl said, "Those who have a 'why' to live, can bear

growth mindset thinks about and is passionate about. Those advisors who plateau and become complacent operate with a very different attitude.

The best advisors are relentless about putting clients first because they realize the only way to differentiate is by building genuine relationships with clients, offering valued advice, providing excellent service, and helping clients reach their goals. They have a process, a vision of who they want to be and where they want to take their businesses. They are true wealth managers who are client-centric, run their businesses like chief executive officers, and follow a holistic consultative approach to engaging and servicing clients. They are more likely to be on a team that is highly efficient, effective, and disciplined in its practice of delivering world-class service and valued advice. They understand that the business is no longer about one product over another or transactional versus fee-based models; it is about being relevant and offering valued advice to clients who are willing to pay for the services offered.

It is these advisors who will continue to evolve and dominate the lion's share of the HNW market.

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with almost any 'how.' Purpose is primary, that's why it's the first step in my proprietary advisor growth model. With all these changes and a technological revolution, the advice business is still a growth business.

Growth does not happen by chance. It cannot be assumed and no business should ever be put on autopilot. Growth is a conscious decision to continually look for ways to improve and develop. That's what a

Define Your Business Model

"If you are lucky enough to find a way of life you love, you have to find the courage to live it."
—John Irving, novelist

Successful advisors know who they are and who their target market is. They do not attempt to be all things to all people. Instead, they are all things to some people. They do not attempt to market themselves to a mass audience. That is an overcrowded

arena in which everyone becomes your competitor. Focusing your expertise with laser-like precision reduces your competition and helps you to effectively target your defined market.

Know Yourself

The first step in this process is to define your business model and be very clear about your core competencies, your investment philosophy, your service model, and your marketing strategy. Be very clear about the purpose. Your purpose: Why are you focused on growing the business? What are you hoping to achieve? In the past, I'm sure you tried to grow the business, so what's different this time? Do you have the right energy, the right coach, and the right team? If you're not clear on the purpose, now is a good time to stop and do some thinking. I'm sure your purpose was clear and strong when you first came into the business. It was about surviving and meeting your basic needs. Maybe you worked hard to get comfortable, but now that you are successful you have gone on autopilot. Once the authentic you is correctly branded, you're in a much better position to know your value, articulate it, and price it accordingly.

Prospects tend to ask prospective wealth managers the same key questions. Your response to these questions defines you and differentiates you from the competition. Interested prospects will want to know the following:

- Who are you?
- What business are you in?
- What makes you different?
- What processes or strategies would you use with my total financial picture?
- How are you going to accomplish my goals?

Most importantly, prospects want you to demonstrate—not just talk about—how you will address their unique needs. The relationship between an investor and his or her money is complex, private, and in many countries around the world, completely secret. The best advisors break down barriers in their clients' minds and persuade them to express their dreams and fears,

while also encouraging a deeper level of trust in sharing what money really means to them. If the answers to the questions above don't roll off your tongue, you could use some introspection.

In other words, before you try to direct the success of your clients, make sure you have clearly determined your own direction. Most successful businesses are based on sound business plans that include a vision and a mission, and for good reason. Whether you are a seasoned professional or just building your practice, outlining your values, strengths, and weaknesses will help you stay true to your core, regardless of the twists and turns of the markets.

Know Your Model

Survey after survey shows that HNW clients prefer a holistic wealth-management model to the single-disciplinary approach employed by investment generalists and product specialists. Today you must deliver advice well beyond investments, and planning needs to be part of the culture. In my mind, financial planning is not a tool or product. It's a philosophy, from leading in the discovery meeting to the ongoing relationship.

I see five key attributes of elite advisors, all rooted in leadership:

They know who they are. They know their strengths and weaknesses, what they stand for, their values and their principles. They put the client first relentlessly, and they work harder than most on high-payoff activities.

They have an ownership mindset. They take responsibility for everything, and they're not relying on someone else to gather assets for them, build a marketing program, or build a great team. They understand what needs to be done, and they have the discipline to do it.

They are brilliant at the fundamentals. In sports, athletes don't forget about the fundamentals; great teams master those first. Elite advisors understand that details matter. They are passionate about creating an

exceptional client experience, and that can only happen if you deliver valued advice. It's the daily behavior and execution that separates the elites from the rest of the pack.

They surround themselves with competent people. They have a team of smart, loyal people and they are great collaborators. They understand that the client values a team that is effective and efficient. These teams believe that they can make a difference in peoples' lives and that they are the best choice for the client. That makes them confident, not arrogant.

They take a truly holistic approach. They value the long-term view. Planning is not a product—it's a philosophy, and it's part of the culture. It means they're not interested in the transaction or the instant gratification. They position themselves differently because they are consultative—it's not just hollow words. Most advisors say they have a planning process, but I would argue that only a small percentage use the tools and lead their clients through the process correctly.

The Right Teams Have a Leader

Most organizations encourage teams. It's clear that an effective team is better for the bottom line and the client experience. Millions of dollars are spent each year on creating teams, training teams, and other resources to increase team effectiveness. The biggest difference I see between an elite team and everyone else is leadership. Regardless of team structure—vertical, horizontal, situational—the right leader makes all the difference. Someone needs to take charge of the team's success, performance, and opportunities. Just because you have three people in front of a prospect doesn't mean you're adding more value than one competent trusted advisor. Elite teams have the following characteristics:

- They trust, respect, and like each other—otherwise it becomes an environment that's confusing, stressful, and unproductive.
- They have clear roles that complement each other.
- Open communication without fear of conflict is a must. No one should feel like

they're walking on eggshells. Too many teams have a fear of conflict and, in the end, that team doesn't improve.

- Everyone on the team needs to check their ego at the door, have fun, and enjoy winning.
- Everyone can articulate a clear belief and execution of their value proposition.
- Everyone is committed to delivering excellent client service and investment results based on the clients' objectives.
- Everyone is dedicated to new-client acquisition and asset growth.
- Everyone proactively builds client loyalty.
- Everyone is committed to full transparency and has high emotional intelligence.
- Everyone is committed to a life of learning and improving; members challenge each other and ask for feedback.

Empowerment

Finally, and most importantly, great leaders empower their teams. They learn quickly that real power comes from others. It is by unleashing each individual's strengths that you can achieve extraordinary results. By empowering others, you show that you are willing to give power away. It shows that you trust them. As a result, you can move with speed. Freedom and creativity come from a team that's empowered. Frameworks and guardrails are important, but outstanding performance from a team is impossible without empowerment. Who should be on the team? Well, I can tell you this, people on my team are diverse. Some are older than me, some are much younger, some are women, and some are introverts. But they all have a strong work ethic, are competent, and are nice people.

The growth-mindset manager and advisor start by winning the game between their ears first. Leaders with a strong growth mindset:

- Have a sense of purpose and cultivate self-awareness. They know themselves and they know their strengths as well as their weaknesses.
- Take care of themselves physically, emotionally, and mentally.
- Demonstrate credibility and work hard to stay credible.

- Tend to be grateful and humble. Practicing gratitude and humility keeps them curious, focused on learning, and, as a result, adaptable.
- Make their own luck. They know luck is what happens when preparation encounters opportunity.
- Inspire by example.
- Exhibit optimism and a sense of possibility. They live in a world of possibility and take their people into this world.
- Excel at communication. They are great listeners as well as compelling storytellers.
- Wield influence not power.
- Collaborate effectively.
- Constantly create and work toward fulfilling shared visions.
- Demonstrate courage. They show their mettle in tough situations, and they excel at making difficult decisions.
- Commit themselves to creating cultures in which a growth mindset thrives.
- Recognize the need to recruit, nurture, and deploy the talent of others.
- Empower their people, which is the first step in creating outstanding teams.
- Exhibit a strong sense of personal responsibility. They take responsibility for their past, present, and future. They are fully aware of what they are creating, promoting, and allowing.
- Invest in the growth of others.
- Pay attention to the world and make an effort to view the world through a variety of points of view.

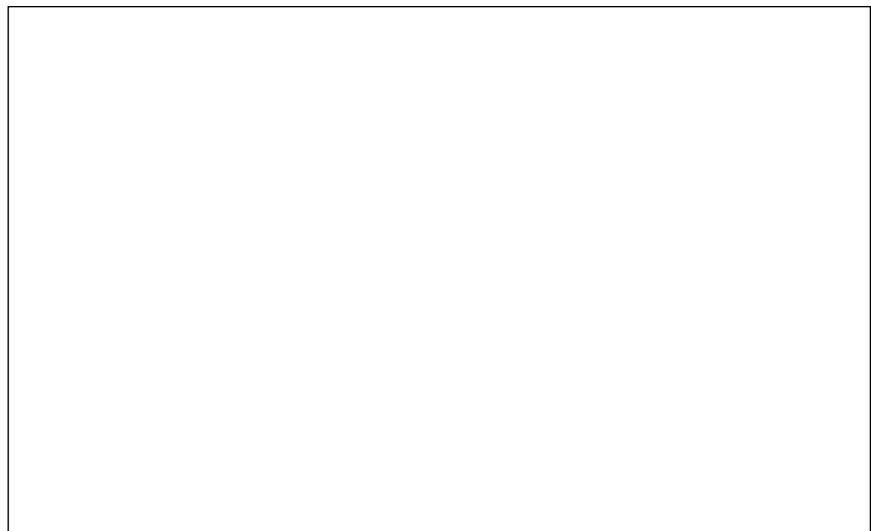
Everything will change, except for the qualities that make up a great leader and the importance of leadership to the success of any organization. Disruption is here.

Whether you're an advisor, manager, or part of the team, ask yourself two questions: (1) "Am I relevant?" and (2) "Am I adding value?" Curiosity and a thirst for a life of learning are the only way to achieve sustainable results.

The future of the wealth-management industry will reward you if you can add significant value to each relationship. It will reward those who have the discipline to do the things that others just talk about. The future advisor will not only have business, wealth management, and capital markets acumen, but will be a competent coach in order to help his/her clients reach their goals. Therefore the soft skills will play a bigger role to make those meaningful emotional connections.

To those who show up every day and have the courage to serve and lead, my hat is off to you. Keep making a difference in people's lives, because they need you. ●

Rick Capozzi is president of Capozzi Advisory Group, LLC, a global boutique consulting and training firm. He earned a BS in economics from Southern Connecticut State University. Contact him at rick@capozziadvisorygroup.com.





AGA Ozarks Chapter
1359 E Saint Louis St
Springfield, MO 65802
417-523-0054

Date **CEC Meeting Minutes**

April 20, 2017

12:00pm – 1st floor conference room – Busch Municipal Building, 840 Boonville

Attendance:

Brandie Fisher, Kristy Bork, Rachel McGinnis, Justin Dement, Greg Drake, Linda Charles and Kelly Dalton

Secretary – Kelly Dalton

- The minutes of the March 30, 2017 CEC meeting were approved with no changes.
(Motion: Kristy Bork; Second: Justin Dement)

Treasurer – Justin Dement

- The Treasurer’s report through April 20th was presented.
- The net revenue from the Spring seminar was approximately \$3,800.

Accountability – Rick Findley

No report

Education – Rachel McGinnis

- The April meeting is scheduled for April 27th. Jennifer Schatzer (KPM) will be discussing grant compliance.
- The May meeting will consist of a tour of the E-factory and the Innovation Center. No CPE will be given at this meeting. Box lunches will be available for a cost of \$10.

CGFM – Brandie Fisher

- Rachel McGinnis earned her CGFM.

Communication – Brandie Fisher

- The newsletter deadline is May 5th.

Community Service – Brandie Fisher

- Linda has purchased several items and gift cards for the Ronald McDonald House with the money raised during the Spring seminar. These items will be delivered at the breakfast to be held at the Mercy Ronald McDonald house on April 22nd.

Early Career – Brandie Fisher

- The \$100 gift cards have been mailed out to the students that completed the scholarship form at the Spring seminar.

Membership – Greg Drake

- The annual survey was sent out to the CEC for review. Greg will incorporate any changes necessary and get it sent out to the membership soon.

Old Business – Brandie Fisher

No report

New Business – Brandie Fisher

- The slate of officers for the CEC will be voted on at the April meeting and are due to National April 30th.

Next CEC meeting: Nothing scheduled yet

Meeting adjourned at 12:17pm.

(Motion: Brandie Fisher; Second: Kristy Bork)