MANAGING YOUR PRACTICE: A DIMENSIONAL PODCAST SERIES

What Three Personality Types Does Your Firm Need to Grow?

Catherine Williams: Hi, everyone, and welcome to Dimensional's Managing Your Practice podcast. I am really looking forward to our discussion today because one of the most common questions that I receive from the advisors that I get to work with around the globe is, when it comes to people, culture and growth, what firms do you see who are operating at the highest level? And you're going to get to hear from one of those firms today. Jon Jones is co-founder and CEO of Brighton Jones, a leading wealth management firm based in what is currently scorching hot Seattle area. With offices in 13 cities and counting, with AUM of over $15 billion, Brighton Jones employs about 200 people with an annual revenue of a little over $50 million. Just to give you a sort of a sense of where the firm is today. Jon, it's great to have you with us.

Jon Jones: It's good to be here, thanks for having me.

Catherine Williams: With that, when you think about the early days of Brighton Jones, cofounding it with Charles Brighton, and thinking about the true strategic focus of the business, I'd love to go back to those early days because this is such an evolutionary process for so many advisors. What comes to mind when I ask you to think back and really consider what that early strategy was for Brighton Jones?

Jon Jones: Well, it was pretty sophisticated from day one. Goal number one was how do we pay our bills? So then you create strategies and tactics based on that goal. And I would say that anybody that could fog a mirror and had a wallet was a great prospect and could pay us something. No, I think on a serious note, we just felt like there was a better way to service clients with what we call playing the role of a personal CFO. And so I would say the strategy was really the idea that clients are pretty good at making money, but not necessarily great at managing their balance sheets. And so our pitch, so to speak, at the time, which is not that different than it is today is: "Hey, client, you're good at making money. Let us let us help you manage your balance sheet and together we'll make better decisions to drive your net worth." And that was new in 2000 and not too many people, if anybody, was really saying that at the time. And so I think that being out with that message prior to others really helped us grow, grow our business to what it is today.

Catherine Williams: And so along the way, or perhaps even early on, you and Charles, I would say, made a decision about becoming a true enterprise versus staying small, and maybe that decision was made even prior to hanging your original shingle. But as you think about any milestone moments that really propelled the organization forward from truly evolving from a small business to an enterprise, what did that look like? When did that kick in for you all?

Jon Jones: It's always easier to look back and connect dots than it is in the moment, but if I was to pick a time, I would probably say it's roughly 2005. We started the business in 2000. So let's say 2005 or 2006, where I decided to stop really working on clients and working what we call in the business and start solely working on the business and thinking about how do we grow and scale the business. And really, there's four areas: first getting clients. How are we going to systematically get clients? How do we keep clients? So what are all of our processes that we have for everything that we do? How do we how do we get people? What's our recruiting strategy and what's our hiring process to make sure we get people that fit the culture we have? And then how do we keep people? So it's get clients, keep clients, get people, keep people. And really just focusing on those four things and how do we do that at that scale? So scale is about people, process and technology. And I would say probably since 2005, I've been focused around how do we add more, more people and more expertise to everything that we do? How do we define whatever the processes is? You've got to have a process because it's hard to make something better without one. So just define a process and then put technology to it and things will start to scale a little bit better.

Jon Jones: And then it's just constant kind of what we say winning, which is this idea of continuous improvement, a constant continuous improvement. So everything's in draft form. We can always make it better. And so me as CEO, I've I think I've been focused I think in three stages. Stage one would be just improvements. How do we take it from where we're at today to just incrementally better? And that's just keeping you up with your competition probably. Stage two would be innovation. Like what are you going to do to really start to separate you from your competitors? Like, what are the things that we're doing that will really add some distance? And then three would be transformations. And as a CEO and somebody that's working on the business, I really try to spend most of my time around innovations and transformations and the entire firm's working on improvements kind of non-stop. So that if I look back, I would say that was a key moment where stepping away from client service and focusing on the business to look at how do we grow and scale it, is probably a pivotal point in time.

Catherine Williams: So I think critical to that and perhaps most important are ultimately your people and how you bring a very specific group of people together. You've mentioned culture. I'd love to explore that a little bit because it can feel a little Kumbaya sometimes when we bring up that word with firms. But it's, correct me if you disagree, but I feel like it informs so much of how the organization does innovate. How the organization moves forward, creates accountability, even when, for example, you're not in the room, so to speak. Talk a little bit about what that has meant for Brighton Jones and what that evolution has looked like.

Jon Jones: Our number one strategy for how do we become a great company is culture. So I think who was it? I can't remember whose quote this was, but they said "culture eats strategy for breakfast." Peter Drucker said that. And I would say it slightly different, which is culture really is our strategy. You're a professional services company where your primary assets are your people and they walk out the door every day and they come back. And so if you're not creating a place where they love to work, I just think you have a lot of risk and you also aren't going to have a great experience or the best experience for your customers either. So I think it really starts with creating a what I'll just say is a remarkable experience for our people, something that they're going to remark about to their friends and family about why they love working at the place that they work at. So that's been the focus. So that's one of your what we call OKRs, which is objectives and key results. So if that's the objective, what's the key result and how are you going to measure that? And so we're doing things every quarter just to reinforce how do we create a place where people love where they work? That's our intention is to have a great place to work. And then if you don't put people and provide attention to that intention, then you're probably not going to get the results that you want. Right. So the simple equation that I use for just about everything is intention. Get it out on a piece of paper and let's make sure that we're all highly aligned with what we want to do and then let's provide attention to it.

Jon Jones: Let's get somebody that owns that and make sure that I'll say make sure their mortgage is tied to it. They'll make sure it happens. So let's get somebody focused on that from a compensation standpoint and the responsibility. So they're going to provide attention to that intention to get the results. And so I would say that's with culture, that's with client service, that's with technology and marketing and the entire business. But that's a simple formula that I always use. Intention plus attention gets results.

So culture is evolved at Brighton Jones over time. But if you have a well-defined culture when you bring people in, what happens is it just morphs and gets further and further refined over time. And so we have fun committees that drive fun in the workplace and we have what we call mindfulness based emotional and social intelligence, which is probably a whole different podcast if we really wanted to talk about it in detail.

People that are most successful in life typically have a high emotional and social intelligence. They have pretty good self-awareness and self-management, and they're good at building relationships with other people. And so our MESI program, which is the mindfulness based emotional and social intelligence, is just like how do we drive better relationships with ourselves and others through different kind of focused activities? And that's been a program that's really helped us give and receive feedback with each other, which helps us be better advisors. It helps us be better teammates. It helps us be better at home. So we have a whole program around that that drives a big part of the culture and who we are.

Catherine Williams: Can you share a little bit around what for you as the leader of the organization, a leader of the organization, and what that process is like for you in terms of challenging you trials and errors, you know, successes of the organization? I mean, I'll be so bold as to offer, I imagine it's been a little bit of an evolutionary process at times, depending on what what's going on. I'd love to just hear from your perspective, particularly for your fellow firm owners and firm leaders that are listening to us today.

Jon Jones: Sure, yeah, I think a healthy dose of self-awareness is really important and trying to get 360 feedback from your team around what are your strengths and what are your opportunities and how can you get better, like constantly getting feedback around that has been really important to me. It's my largest asset on my balance sheet is the company. And so the last thing I want to do is hold it back in any way. So I think that is critically important to really try to figure out what are you good at and what aren't you good at and making sure that you're supplementing that. So I would say for a long time, let's just say, I don't know, from 2005 to 2011. I really was trying to figure out what does the CEO do? Like what is the CEO? I mean, it's a title, but what are the accountabilities and what are the responsibilities that a CEO has? I joined different kind of Vistage forums and other things to find out what are other CEOs do and what do they focus on. And there's such a mixture out there are people that are more ops type CEOs that are and visionaries and different things. But I know every CEO at every company has a probably a slightly different role that they take.

Jon Jones: But I think a healthy dose of what are you good at is important. And I think that there's three skill sets that every company and every division within a company really needs. And I think you have to dial these three things up because we all have all three of these in us. But you have to dial them up or down depending on what stage of growth your company is at. And so I call him the entrepreneur. So you have to have this entrepreneurial mindset. And so the entrepreneurs are the one that's always trying to grow. Always trying new things. Maybe half of them don't work. It may be more trying to break things and isn't afraid to change. So that's kind of the entrepreneur, always thinking about growth and driving forward. There's a technician that does the work, somebody that really understands how the work gets done. They think about what they do as an art form and they're special and only they can do it. And so when I'm a CPA by trade and probably when I was an advisor, that's probably how I felt is like, oh, I'm the best at this and don't put me in a box. I do things a special way. And then there's the manager and then the manager takes and makes processes out of everything. You'll walk into a manager's garage and the rake might not be hung up on the wall, but it's outlined of where it's supposed to be. All the screwdrivers are put places and the hammer, they're very organized. They're telling the technician to do it this way. There's a consistent process for everything. And you need to do that way for consistency and repeatability and measurement and data. And it's trying to figure out which one of the entrepreneur's ideas are good ideas and which ones aren't. So he's always trying to hold the entrepreneur back a little bit. All of us have all three of these personalities in them but probably we're more dominant one more one of those more than the other. And I would say that in 2005, what I had to put away was the technician hat of servicing clients and I had to put away the entrepreneurial hat of, hey, let's go conquer the world and try all these new things. And I had to really, which is not the easiest thing for me, but put on a manager hat and start creating checklists for everything and start creating processes for everything and build out our CRM so there's consistency and repeatability around this stuff. And I had to hire a bunch of managers to help me execute on all of the things that we needed to do as managers. And so, you know, businesses typically they're started by an entrepreneur. And a lot of times it's a technician that has this entrepreneur, I think Michael Gerber called it the best, it's the entrepreneurial seizure. It's like, oh, I should work for why am I working for this person? I should do this on my own. And then they do they do this on their own and then they and they're really good at it. So they get a bunch of clients. And then the next thing you know, they put the entrepreneur away. The manager never surfaces and they just have a lifestyle practice or a business and they can never grow beyond that. And to really grow beyond it, you have to you have to say, OK, other people can do this work. I'm going to build processes, put technology to it and keep hiring more people and investing back into the business. And that manager has to come out strong to really start to take your practice to what we call practice to enterprise.

And so when I look at our business, I'm always scoring it. Where are we with 200 people and 2,000 households and 4,000 clients roughly, $15 billion in AUM and 13 offices. Where are we on the spectrum of a practice to enterprise as it relates to getting clients? We have a score for that. Keeping clients, we have a score for that. Getting people, keeping people and then all of operations. So marketing and technology and compliance and finance and accounting, they all have scores of practice to enterprise. And if you know where you're at, let's just say you're more towards a practice like really early on. Well, then you need some entrepreneurs in there to think about what's possible and what's next. And then as you start to get to a little bit of a scale, you need that entrepreneur to kind of tone it down and get the manager in there to build in some processes and technology and consistency behind it. And so my job as a CEO is to look at all of those parts of the business and then look at the teams that we have and say, OK, who of the people we have are we mostly technicians here? Are we mostly managers, mostly entrepreneurs? And what's kind of our next hire that's really going to help accelerate the business forward? And t that methodology for me is really been helpful because you get too many technicians in there and you're just not going to grow. It's going to be kind of consistent, probably really good quality service that you're not going to grow beyond the founder and a couple of people. You get too many managers in there. It's going to be boring as heck. It's like it's probably like walking into the DMV. Everybody does a job, but they don't really know why they do it. And it's the fill out this form and lines everywhere. It's not a great experience. But then if you have just entrepreneurs, everybody is running around with their hair on fire. And so it's really important to balance. The ratio that I use is like for every let's just say, a hundred technicians, you probably need maybe five managers and one entrepreneur or something like that, you know, because you because it's that's about the balance that you need to help grow and scale a business. And if you watch if you see any business, especially, I would say professional services business is that if they didn't reinvest in entrepreneurs or managers, they just there's kind of a glorified practice where people are sharing office space, do things differently. And that could be a great lifestyle business. It's just very different than a real enterprise that can survive without you. And so that's what I've always thought about.

Catherine Williams: As I think about that that cycle you described of get clients, keep clients, get people, keep people, it it's sort of a cycle that sits within that meaning you then you have to get the right people based on the continued growth, evolution, complexity of the organization with, you know, within the business. So I that's what I think about when you describe that and think about where Brighton Jones is today. I think I think most people on the surface would maybe even be a little surprised to hear of this question of is it a practice versus an enterprise and asking that question, because I think on the surface, most firms, most advisors would say you're a you know, you're a $15 billion firm. You're an enterprise. Like there's no there's no question mark about that. But I love the fact that you ask that within the business, across the different teams, across the different initiatives that you ask to try and get to the processes and the people that that you need in order to be successful. It's a great question.

Jon Jones: That's right, I would say no doubt our “keeping client” business is an enterprise, if we do it, we have a consistent way. We have processes, we have technology for it. We've got lots of expertise, technicians, managers and entrepreneurs full on delivering that to clients. But in marketing, we're not big enough yet. We have a budget for marketing, but we're not spending tens of millions of dollars a year yet. And we will be. And so in in technology where there's so you kind of need to take each department you have and look at it as practice to enterprise and really and think about, OK, what are you going to be in 10 years? What does that 10 year vision look like as best as that you can see then look at where you're at today, what revenues you'd need to support it based on the allocation of revenues and then start figuring, OK, well, how do I get there? And then we always have a plan for every department over three years of who they're going to hire next. So every group that I have at our company always knows who's their next hires over the three year plan. Then it changes, but it's the best thinking at any point in time so that we can always opportunistically hire somebody and make an investment if we run across somebody that would be fantastic for a particular role.

Catherine Williams: So would there be a KPI or success metric that people might be surprised to hear that you look at in your business?

Jon Jones: Well, we have a love score...

Catherine Williams: Say more...

Jon Jones: The love score is simple, we have three consistent questions and a new question that we ask our people every quarter on a survey that we have. And so we get what's called a love score back from our team around how much they're loving working at Brighton Jones. And then we have a free form just so we can get candid feedback as well. And they're all attributed so that we know who is giving us the feedback. And then when it's really good, constructive feedback, you know the one that you don't really want to hear, those are the ones that you celebrate the most. You really go out of your way to thank the people that gave you that feedback. Otherwise, you're just not going to get really good candid feedback. And then if you get feedback and you don't know who it's attributed to it's really hard to do anything with it because you don't really know what department it's in or what's going on with that person. And then you might be making decisions that are really not great decisions based on that feedback. So I think having what we call psychological safety, if you can create an environment, a culture where people truly have psychological safety to say whatever that is their lived experience to you, then you'll get great feedback for your team to always make it better for them. And if you don't have that, people are not going to, they're just not going to share. And so there's a think of an X Y axis and one of the axes you put psychological safety, which is critically important for culture. But if you just have psychological safety or what we call candor, curiosity and vulnerability, like if you have candor, curiosity and vulnerability, you've got great psychological safety amongst your team. But it might be like Woodstock where you're not going to really get anything done, but you can have a hell of a great time.

Catherine Williams: Right.

Jon Jones: And so the other axis put on that axis, performance, accountability, it's like, OK, we are going to get stuff done. Right. Absolutely. Get stuff done. And it's intense environment. And you walk into those environments and people are a little nervous and they may be high functioning, but it's not a heck of a lot of fun, super intense and it drives burnout. So you have to have a balance between performance, accountability and psychological safety so that you're getting stuff done for your colleagues, your clients and you're having fun and enjoying your team while you're doing it. And so that's the balance, I think, that we're always striving for around our culture.

Catherine Williams: So one of your team members who shall remain nameless suggested I ask about Ranger Jones and I may or may not be in possession of a photograph.

Jon Jones: Oh,

Catherine Williams: This is an audio only podcast...

Jon Jones: Interesting.

Catherine Williams: ...but and specifically around kind of talking to that performance, accountability with psychological safety. Is that how Ranger Jones showed up in sort of a fun way to share those concepts with the organization?

Jon Jones: Well, so clearly, you've done your homework here. I think

Catherine Williams: I'm going to be in so much trouble.

Jon Jones: So Ranger Jones showed up last year for what we had was a “climb on” campaign. So every year we have a “Get Keep Summit” around clients. So getting clients, keeping clients summit and we get our lead advisors together to set their business plans for the year and what we're trying to accomplish in terms of growth and retention of clients. And then out of that, they create their one-year and five-year what we call, you can call it a business plan, but we call it a people plan because really the only reason that you have to grow is to provide more pay to your existing team and more advancement to your existing team. And so we create these five-year people plans. And then you kind of do a bottom up plan for the business and then you have a number that we're going to grow by. And so last year's campaign was called the “climb on campaign.” And we had a physical mountain of paper maché Mountain on there. And at the very top it was called Stitch Peak because Stitch is our chief compassion officer. He's a French bulldog. And so Stitch Peak was at the top and there was check points, four check points along the way for people to hit their goals. So when they got to the first goal, there was a celebration and the videos that we did and they got the second checkpoint, third checkpoint, and they reached the peak. Then a couple of teams blew their goals out of the water and a helicopter came along and took them off to a different location. And all this is this was done through videos and celebrations. And so I was Ranger Jones that that would take the totems. Sounds silly, but you take the totems from base camp to the checkpoint one and we create videos around that and I had a ranger outfit. And I don't know, it's just a way to kind of drive more fun into this idea of growth and accountability for growth. And if one of the things that we probably around 2010, we started really defining what is our sales process, because we had a great consistent service process. But when you start to get bigger, the law of large numbers makes it harder to grow at 20 percent, let's just say. So 20 percent at 10 million, we’d have to grow at two million a year. And if all of your business comes in through one or two people, that's kind of hard to do. And so we started to do define all of our processes and figure out what our different channels are and put some accountabilities to those things so that people are focused on them. And so anyway, Ranger Jones was just a way to celebrate the 2020s campaign. This year we have the Game of Richer Life. So we have a Richer Life board and people are making their way around the game board. And we have celebrations around the spin the wheel for the richer life and they win different awards. So but it's important. I think that's what that does, is it just provides transparency around kind of goals and accountability towards goals and celebration and fun. . So, yeah, that's the Ranger Jones story. Next time you're up at Brighton Jones office, I'll get out the hat and show it to you.

Catherine Williams: I love it and in all seriousness, one of the reasons why I really wanted you to talk a little bit about that is this effort to strike a balance between having fun, helping it feel transparent and accessible, but also being very serious in the sense that we are a business, we are setting goals. We want to measure. We do come to this business each day with a purpose. And I think striking that balance and recognizing that as you've described, you can have some fun in the process. I think that's a really that's a great, great example of that. So thank you for sharing that with us.

Jon Jones: You've got to try to figure out how do you get just as good at sales as your service. I mean, if you're really going to turn it, turn into an enterprise and a lot of these professional services firms don't even like to use the word sales. But really, I mean, if you love what you do and you're really helping people, then why would you not want to help more people? And so I just think it's important for all of the businesses that are in our industry to start to have that as a mindset like how do we get just as good a sales as we are at service? Because I think most firms feel like they were really good at service. But as you grow, you have to grow beyond the founders or whoever the initial rainmakers were, because that part of the business won't scale. We have 50 million roughly in revenues. Last year we closed the year at 47. So when we set the goal this year, we set our goal at 8.5 million in revenues from new clients. And so so it's like, OK, how are we going to go get $8 million in revenues for new clients? If you have a hope strategy, you'll never get there. So you better define exactly what you're going to do, how you're going to do it, and then celebrate it through a fun, gimmicky ideas, maybe.

Catherine Williams: I'd love your perspective on the development of that, I was in a conversation recently with Michael Kitces, and he shared his perspective around G1, the first generation of so many firms is all about the entrepreneur. They literally had to pull the pull up by the bootstraps, as you said, take anything with a pulse, make sure the utility bill got paid to talk about all the hats they had to wear. And now you have G2, which, you know, Michael's perspective is that we've sort of designed these businesses, these roles, particularly for that second generation of advisors where it is much been it's been much more focused, both in terms of design of the of the role itself, compensation, and certainly where they spend their time to be much more sort of service oriented. So can you create an entrepreneur out of someone that maybe doesn't automatically show up that way, or do you have to go find those people?

Jon Jones: You have to go find those people,

Catherine Williams: Yeah.

Jon Jones: Because in that example that you just laid out for me, you're basically saying there is a there was a probably a technician that had an entrepreneurial seizure that started a new business, but possibly an entrepreneur, too, that got to a certain size. But didn't hire more entrepreneurs and managers to create a business. And then and then the second generation were all technicians. And so now their hope is that they can turn a business over to technicians and that and then hope it will survive. And that is a slow probably death downward because technicians can keep the clients no problem for a while. But they're not going to get enough clients to provide opportunities for the next generation of people below them. And so the people below them will only stick around for so long before they get increased pay or an increased responsibility and promotions. And so it's either a slow death or a rapid death, depending on how long they can keep the junior advisors from leaving to go to a firm where they see more opportunity. And so we didn't in 2000 say, oh, we're going to be 200 people by 2020 and want to be 50, 60 million in revenues. It's you get to 2005 and there's a couple of guys hustling like crazy that are entrepreneurs and technicians just getting clients and servicing them, getting and keeping them and getting and keeping them. It's OK. We better create some processes around this if we want to take if we want to keep the next generation, we're hiring great people and they want more pay and they want more they want promotions. So once you make that commitment to kind of hire your first employee, if you're hiring somebody really good, they're going to want upward mobility. And if you're not providing it to them, somebody else will. And then you're constantly losing your second advisors. And so I think that's what will happen in a lot of these practices that aren't providing upside opportunity for really phenomenal number twos. And those they run the risk of losing those people to firms like us and others that are growing organically.

Catherine Williams: When you think about our workforce and industry talent, just in general, even outside of Brighton Jones, would you consider that to be one of the top challenges or does something else come to mind?

Jon Jones: Yeah, no, I think that's a top, top challenge, and so what we say we do is we used to say we play the role of a personal CFO and manage people's balance sheets. And we used to use the word wealth manager and we still do. But it's those are terms that everybody says there are a wealth manager. I think I ran into a life insurance salesman that told me he was a wealth manager. So tell me more. And he sold life insurance. So it's hard for a consumer to differentiate. So our new phrase is we are a financial well-being company. And when I think about financial well-being, I think about how do you align some of these resources? Let's just say that's their balance sheet and their time. So they have time and they have some amount of money. So how do you align those resources with things that they care about most in life? And then what we call that is their their passions in life, like what do they love to do, kind of as they're living the journey of life and what is their purpose for life? And the more you can help people figure out what are their passions and purpose and align their time and money with that, then we think that they'll be what we say living a richer life and we call that financial well-being.

Jon Jones: So I think it's hard to find advisors that are just really good with the balance sheet management. I think if you think about where we came from in 2000, everybody was an investment manager and very few people did planning at all. And so then planning came around and then and then now you kind of look at websites and it would appear to be everybody's doing balance sheet management. They have tax in house, they have estate planning, they have charitable in-house. They have all these great private investment folks, good public investment folks in house. But when you really look at the marketplace, I would say probably 45 percent of it still just does investments. You know, they're focused on investments. That's kind of all they do. And they really don't do a lot of planning for people. I'd say there's probably another 50 percent. Maybe it's a little higher than that that does investments and some planning. It's like, yeah, we can help you with your planning and we can do a retirement analysis for you if you need one and we can help you with just let me know. We're happy to help with all kinds of things. And we have some CFPs on staff. And I would say that's a big chunk of the marketplace today. Again, you look at the website, they all look the same: the stage one investment advisors, the stage two investment advisors with some planning. I would put us in stage three because that's really where we started with when a client hires us, we own their balance sheet. So we're going to help them with their company benefits and we're going to do their taxes and we're going to do their estate plan. We're going to do everything for them. And so I think that that's where this market is headed, is total balance sheet management and the consumers now come in asking for that for us. And it's like, yep, we provide that, no problem. But still about 95 percent of the marketplace, maybe five percent of it provides that today. Ninety five percent of it doesn't, although the websites again, still appear as everybody does. But I just think with the Internet it's hard to hide these days if you're not really providing quality service to clients. And so I think that what it's going to happen is over time, more and more people will get to that stage three and everybody will be balance sheet managers because the consumer will demand it and technology will be there to help support it. And so I think that that is table stakes today. If you're not doing that, you should be doing that because you'll certainly end up losing the next generation of consumer that's asking for that.

Catherine Williams: And you can do a version of that at all different levels of wealth or complexity. I would offer.

Jon Jones: Absolutely, yep, I would totally agree.

Catherine Williams: Right. So that's I mean, it's not that's not exclusive to someone who's got x net worth or something, it really can be attained across all levels of clients.

Jon Jones: We have what we call open plan, which works with clients somewhere around two million or less. Then we have our personal CFO business, which is the around two million to 30 million, then we have our family office businesses, 30 million and above. And but all of it's still playing the role of owning somebody's balance sheet and helping to make better decisions. So but where I was going is like those are three stages of a wealth management firm today in today's market. And if I was to start a business today and I and I wanted to try to compete with everybody out there in the marketplace, I'd have to do something different. Wouldn't be it couldn't be balance sheet management because everybody's saying they do that and how am I going to differentiate myself? And so for the last three years, four years maybe we've been working on what what are we doing for clients beyond the balance sheet? And we sit in the crossroads of their life and wealth. And how can we do things differently to really help start with their investments, to start with their life plans, start with their taxes and estate planning, and make sure that we have the balance sheet kind of nailed and they understand where all their assets and liabilities are and they understand how to leverage their balance sheet for their best benefit. So once you get that done, well, then there's an opportunity to do more for clients and deepen relationships with clients around things that they care about. So if you connect two clients around, let's just say philanthropic passion of the environment or at risk youth or social and racial justice, like if clients have a same passion of wanting to impact the world together, or maybe it's golf, maybe it's wine, maybe it's we have a deal group. So we have some clients that get together that want to connect with each other around deals. And they're trying to figure out how do we leverage each other's expertise and access to deals and balance sheets for their own best benefit. So I think the future of our business is really connecting clients around their passions and in creating communities around that, which will then help, you know, help what we say that help them align their time and their money with what they care about most in life. And so then also the other part of that is helping clients figure out what are their values and what is their purpose for life and how can they live more in alignment with their values and purpose.

Jon Jones: And not every client is going to want to do that and nor do we lead with that. A client comes in and has 20 million and asked me if they can invest their money. And I say, oh, well, what's your purpose for life? We may not ever even talk about that with a client, but I want to have that skill set in house so that if the client wants to talk about that, then we have that service available to him because we're having more and more clients, I would say, that have a ton of money, but they're just kind of not super content. Like they retire, their identity was work and now they're discontent with life and trying to figure out how do they how can they be happy and have a lot of money and really use their money because they've worked so hard for it. And I don't know. I just think it's a cool opportunity for our industry to really have a positive impact on the world by having a really helping people live in alignment with their values and help people figure out what are their values and how can they do that.

Catherine Williams: I'll ask this question and then we can kind of make the turn, if you will, into closing. So if there's anything, Jon, that I've not asked about it, you'd really love to speak to. Absolutely want to be sure we do that. But I'd love to ask you a little bit about what I think has really been illuminated for a number of firms over the last 15, 17 months in this this idea of geographical location where you have people working. Does everyone need to be in a single location or you just see the spirit of growth or inorganically wanting to expand geographically, grow the firm that way? As you think about Brighton Jones and you've had a purposeful growth strategy to expand into additional cities. As we mentioned, you're in your 13 offices in addition to Seattle. I know thinking about additional areas of the country that you want to have a presence in. How does that impact your cultural people growth strategy? Do you have to adjust at all for that geographical expansion or is it nope, we are we are good to sort of wash, rinse, repeat, wherever we might be.

Jon Jones: Yeah, I think we're ready to wash, rinse, repeat. The last 10 years, we've had five offices, one in D.C. and one in San Francisco, Portland, Scottsdale and Seattle. And so that I wanted to understand what are the hurdles that you have with running different locations and how do you create remarkable experiences for your clients and for your people? And so I think we've got that that we can always make it better. But I feel like we have a good playbook for how to do that. And so our strategy has been to open up 30 new offices over the next five years and really get a kernel of who we are and how do we do what we do and get those into the different marketplaces. And if the M&A market, it's so there's so much money in that marketplace today. And valuations are just kind of off the charts and there one PE firm outbidding another PE firm and it's not going to benefit employees, it's not going to benefit clients. All these transactions, in my opinion, and somebody's going to be left overpaying for some assets, that then it's going to kind of have to kind of reset. So we're staying out of that for the most part. We're really just focused on one employee or maybe a small, small tuck in of a firm that's kind of like one employee, one client at a time and opening the 30 new offices. And we'll lift our heads up in five years and see where we’re at. We'll close this year, I would guess, at close to 60 million in revenues. So we'll take that and say double it over five years and then we'll open up 30 new offices and get those between kind of call it to call an average of three million apiece. That'll be another 90. And that'll get us to two or three hundred billion. And I think that's good enough. Like that should be good growth and enough growth to stay and compete with all of the M&A activity that's going on. And if at any point it's not, then we'll have to figure out what we're going to do. We'll have to come up with a different strategy. But what I think about the future of our industry is that mostly what's happening today. Remember, I talked about those three stages of improvements, innovations and transformations? And improvements just don't get anywhere. Like they'll help you get better than competition. But everybody is going to kind of see what you're doing. And it's just kind of like that's all that's kind of happening, that you're not going to really win this once you're at scale, you're not going to win unless you're innovating and transforming.

Catherine Williams: We'll even see very much what you're describing within internal succession situations, so forget, you know, two firms that decide to get hitched. We’ll also see that where they're making improvements, but innovation really stalls out while that transition is happening, even internally, if you will, within a business so it can show up in a few different ways. I think it's great perspective.

Jon Jones: Yeah, they lose the entrepreneur.

Catherine Williams: They do, that's exactly right. That's right.

Jon Jones: Yeah.

Catherine Williams: Something really, really critical to pay attention to.

Jon Jones: Yeah, and you can do that like you can do a succession plan if the entrepreneur is the one that started it, was driving all the growth and ideas and innovation and you're going to do a succession plan and transition ownership to next generation. Well make sure that you also hire and transition some of the ownership to a new entrepreneur.. And that is just really the tricky part with that, is that entrepreneur being the founder, CEO and entrepreneur is easy because you're kind of the boss.

Catherine Williams: That's right.

Jon Jones: And most of my ideas are bad ideas, but the one that's really good, people take it and go with it and it really helps us grow and scale the business. And if you're an outsider coming in with all these bad ideas, you know, you get technicians and managers just rolling your eyes at you and they just kind of write off. So those are those succession plans are or are not easy.

Catherine Williams: Well, John, it has been a pleasure to speak with you, I feel like we could continue talking for at least a couple more hours around so many different topics. But just really want to thank you for the generosity of your time and your perspective today. I think that, you know, as I said at the top of our time, when we look at organizations that are really focused in on creating a fantastic place for people to work, to really make it a big part of their lives, deliver and translate that service out to clients and then continue to grow. Certainly, Brighton Jones comes to mind. So I was really excited to get your perspective on a number of these areas today. And I really appreciate your time.

Jon Jones: Oh, you're welcome. Well, thank you for having me on here.

Catherine Williams: For those of you listening today, I invite you to check out Brighton Jones on LinkedIn. They have a great website. They also have a terrific podcast called "True Wealth Podcast." So absolutely check them out there. And for those of you that would like more information about Dimensional and how we work with advisors and investment professionals, you can find us at dimensional.com. And with that, we will catch you next time.

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