

Ep #254: Lessons and Similarities of Past Market Downturns: Advice from Kenneth Klabunde

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Full Episode Transcript

With Your Host

Maddy Roche

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Ep #254: Lessons and Similarities of Past Market Downturns: Advice from Kenneth Klabunde

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Narrator: [00:00:02] Join your host, Maddy Roche, as she brings you into a community of a fee-only financial advisors who are successfully building profitable businesses that serve the next generation of clients. Learn from innovative advisors whose unique stories will inspire you to dream big and take action on your goals. Are you ready to live your best life and help your clients live theirs? Then, you're in the right place.

Maddy Roche: [00:00:26] Hello and welcome to this episode of #XYPNRadio. I'm Maddy Roche, your host. I'm excited to have XYPN member Kenneth Klabunde, founder of Precedent Asset Management, a fee only firm in Indianapolis, IN, on the show with me today. Kenneth was on #XYPNRadio nearly four years ago in Episode 58, when his firm was only three years old. During that episode, Kenneth talked about his career history, his commitment to being fee-only, and his passion for processes. Today, Kenneth is on the show to talk about his experience in today's environment. Kenneth is going to talk about how his company has been able to maintain strong revenue numbers through our recent market volatility and how he and his team have been able to take on and serve new clients during this time. Kenneth highlights the similarities he's seeing in terms of client responses to COVID as he saw during the market downturns of 2001 and 2008. Kenneth credits what he calls is his rigid communication strategy with his clients is the reason why he and his team haven't received a single panicked phone call or e-mail. Kenneth recently saved his team nearly 40 working hours with one single process change and thus helps him and his team live up to their mission to serve as many people as possible. Kenneth riffs about the future of our industry and proudly shares how he leans on folks both in and out of this industry for inspiration and new ideas. Kenneth is an industry vet. He and his team serve over 60 clients, and with 26 years under his belt, he reminds us that no one, even him, can do this alone. If you're interested in how to run a

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hyper efficient team while giving your clients an unprecedented level of comfort, you won't want to miss this episode.

Maddy Roche: [00:02:05] Avocado Toast. Selfies. A mountain of student loan debt. Gen Y is anything but traditional, and with over seventy five million people, it's a population you don't want to ignore. Learn more about how to serve this unique population in our guide called "Attract and Profitably Serve Millennial Clients in your RIA." Discover three key ways to tap into the millennial market and six things that they want from their financial advisor. Visit xyplanningnetwork.com/millennials for your free copy.

Maddy Roche: [00:02:36] You can find any other resources we mentioned during the episode at xyplanningnetwork.com/254. Also, be sure to go to xyplanningnetwork.com/VIP to join our private group just for #XYPNRadio listeners. It's the community of advisors we've all been looking for that's there to provide support when we need it the most. Best of all, it's free! I encourage you to check it out. Again, that's xyplanningnetwork.com/VIP. Without further ado, here's my interview with Kenneth.

[00:03:04] -- swish --

Maddy Roche: [00:03:06] Hello, Kenneth. Welcome to #XYPNRadio. How are you?

Kenneth Klabunde: [00:03:10] I'm well. It's so good to talk with you again, Maddy.

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Maddy Roche: [00:03:13] Yes! Always, Kenneth. We are so excited to have you on the podcast today. You have actually already been a visitor at #XYPNRadio back in July of 2016. You were the star of the show and gave us your whole career path.

Kenneth Klabunde: [00:03:27] Wow!

Maddy Roche: [00:03:27] Yeah, it's been a little bit, huh?

Kenneth Klabunde: [00:03:29] Yeah, it's been a while. Yeah. Fun - haha!

Maddy Roche: [00:03:32] Things must have changed since then. You are on our today's show because you have built a really impressive firm and I want to give you an opportunity to introduce the listeners to that firm. Get us up to speed with where where you are currently in terms of the number of clients, who you serve, and-and what you've built so far. Go ahead.

Kenneth Klabunde: [00:03:49] Yeah, so - I guess you're kind to call it "impressive" - so the firm is-is Precedent Financial Strategies - and that's actually a new name; we're in the middle of doing a rebrand, so that's kind of the major project happening right now. So I launched the firm in 2013, really just a few months before XYPN launched and, as we've gone through the years, we've, you know, followed the-the... the trend towards developing a niche. You know, consistent with my career over the last twenty three years, we've focused and continued to focus on serving physicians, and that's migrated into also doing divorce work, so as we

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really narrow in on who our target is, you know, the core of our service offering is to physicians going through divorce and that expertise, you know, branches out sort of larger areas of that target audience. So I guess since 2016, you know, we were talking before the call that - you reminded me - that I had two, you know, two employ- two full time employees and two part time employees back in 2016. And, you know, so to answer your question of where were we and where are we now? Not much has changed, Maddy.

Maddy Roche: [00:05:01] Hahaha!

Kenneth Klabunde: [00:05:01] You know, in terms of how- whatever metric you want to use, probably about twice the size that we were in 2016. But, the office space hasn't changed, the employee accounts haven't changed. It's still me, Patrick and Stacy, you know, running the show over here. Patrick and I are full time, Stacy as our part time Practice Manager. The fourth part time person is my wife, Rebecca, who handles my scheduling for me.

Maddy Roche: [00:05:28] Awesome.

Kenneth Klabunde: [00:05:28] I don't even - she- I don't even think she's on the ADV. She's not maybe official, so -

Maddy Roche: [00:05:33] Mhmm.

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Kenneth Klabunde: [00:05:33] So maybe we've had a headcount decline, I'm not sure. As we've continued to grow, you know, that's-that's exciting for me as a business owner because it means that we've continually been able to-to build efficiency into what we do, refine our processes, get better and better at how we serve people so that we can fulfill our ultimate mission, which is to simply serve as many people as possible. And when somebody asks for help, we want to be able to say, "yes, we... This is our area of expertise and we would love to serve you." So that's exciting for me, I guess seven or eight years into this venture, to be in that place where-where we have that capacity and can serve people that ask for help.

Maddy Roche: [00:06:14] Yeah. And what a great mission to have and-and to make that clear both here on this podcast, but with and through all of your client relationships. I'm wondering, how many clients do you currently have, that your team of three and a half-ish are serving?

Kenneth Klabunde: [00:06:29] Yeah. Hahaha - so we're... I think we're serving about 64 clients -

Maddy Roche: [00:06:33] Wow!

Kenneth Klabunde: [00:06:33] - right now.

Maddy Roche: [00:06:34] Okay.

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Kenneth Klabunde: [00:06:35] And-and we've really in the last year, I started working more heavily in the divorce space. And so the client count got a little bit fuzzy to me as a result of that because divorce cases are an hourly engagement; we do the work on the... on the premise that we don't do continued financial planning services for either-either party in the case - we work as a financial neutral in divorce mediation and settlements - and so those clients come and go. And so -

Maddy Roche: [00:07:15] Yeah.

Kenneth Klabunde: [00:07:15] - that's why I say the client count got a little fuzzy because some of our clients now are no longer these traditional planning clients; but I think that 64 number excludes the divorce clients and that that's just our, that's our core financial planning and wealth management client base.

Maddy Roche: [00:07:22] Sure. I'm-I'm interested only because this divorce aspect is somewhat new over the past few year. You had really built a niche around physicians. I'm wondering where-where did that pivot change to go even deeper into the niche?

Kenneth Klabunde: [00:07:34] Yeah, great question! You know, it was the conc- I had never even dreamed of heading that direction. I would have told you two years ago that that idea sounded horrible. Ha!

Maddy Roche: [00:07:45] Haha!

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Kenneth Klabunde: [00:07:45] You know, what a, what a, what a terrible place in life to-to first meet people and-and-and interface with those extreme levels of emotion and turmoil and financial difficulty. And I had lunch with a colleague - she's a CPA and she was doing some divorce finance work and encouraged me to do it. And-and she stayed on me about it and urged me to get some specialty training in the area. I did and it became a... I guess it became kind of my next challenge in terms of my personal and professional growth. So, you know, I am a very matter of fact Type A, Enneagram 1 person. Not real emotionally -

Maddy Roche: [00:08:42] (laughter)

Kenneth Klabunde: [00:08:42] - laden, if you will. And when I went through the training to handle divorce cases, I walked away thinking, "no way"-

Maddy Roche: [00:08:50] Mmm!

Kenneth Klabunde: [00:08:50] - "can I do that!"

Maddy Roche: [00:08:51] Mhmm.

Kenneth Klabunde: [00:08:51] I-I simply do not have the emotional capacity to containerize those types of intense conversations. And because I told myself I couldn't do it, I decided that was my next challenge.

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Maddy Roche: [00:09:16] Ahaha!

Kenneth Klabunde: [00:09:16] And so... So I spent about two years just doing a deep dive into the kind of the mental health aspects of finance and divorce, and how to navigate difficult conversations. And, I got mediation training and it's been just an incredible path to serve families. And then, it became a very natural pairing with our core niche of physicians. You know, the problem with having a niche like physicians, is that who doesn't? Right. I mean, so if, if you're-if you're at the YYPN conference and you do a poll of "who here serves physicians?", I would suspect that 80% of the hands would go up. So-so, that's not much of a niche, is it? Whereas how many advisors in any given room specifically serve physicians going through divorce? So far as I've checked, mine would be the only hands that would go up, so that pairing created a very specific subset of physicians for us to speak to, from a communications and, you know, marketing standpoint - to convey who we are and who we serve.

Maddy Roche: [00:10:22] Yeah. How cool that that came out of an interest in continuing your own education, that there's levels deeper that you can always go with your clients and to-to find that there is a theme and there's actually kind of a Pandora's box to open with divorce planning -

Kenneth Klabunde: [00:10:35] Right!

Maddy Roche: [00:10:35] - in and of itself, lets you realize, "wow, there's-there's years more of development, both that you can do and your teammates can do just to get deeper.

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Kenneth Klabunde: [00:10:44] Absolutely - and-and, you know, there's other areas you could do it too. I mean, you could do it with life planning. You could - you know, there's -

Maddy Roche: [00:10:50] Mhmm.

Kenneth Klabunde: [00:10:50] You could do it with a, with a technical aspect of financial planning or investment management. And this was just the one that captured my attention and-and my passion as a means to-to serve people, so we dove them headfirst and here we are.

Maddy Roche: [00:11:17] Awesome. Well, thanks so much for getting us up to speed, Kenneth, with what you've built kind of since 2016, I'm really interested in hearing about getting deep into some of your processes and how you run your business. I know when we talked just last week, you mentioned that you work on your business much more than you work in your business. And I think that's something a lot of our advisors strive to get to at some point. And you've also really experienced some growth over the past couple months, and that is unique in that we find ourselves really amid this, amid this global crisis called coronavirus and I'm interested to see - and hear about - how your processes have allowed you to be able to continually serve your current client base of 60 some clients, but also take on new clients. Go ahead and tell us a little bit about what the past couple of months have been like as-as you too have experienced being quarantined to your home.

Kenneth Klabunde: [00:11:59] Yes. So-so, first of all, I love being quarantined in my home!

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Maddy Roche: [00:12:04] (laughter) Me too!

Kenneth Klabunde: [00:12:08] This is a, this is an introvert's dream come true - let's be honest. You know, those that are, you know - I guess another change since 2016 is that we opened up an office in Cincinnati as well, even though our-our-our core business has always been in Indianapolis, so prior to- so in January, I was doing a significant amount of driving. I live in between Indianapolis and Cincinnati, and so I drive to Indianapolis when I have staff and client meetings there. And I drive to Cincinnati when I have client and attorney meetings in Cincinnati. And it, it's a lot of time on the road. And so, I am-I am thrilled that: a) I haven't had to drive, and b) that are our culture, at least temporarily (and maybe some of it will be permanent) is -

Maddy Roche: [00:12:59] Yeah.

Kenneth Klabunde: [00:13:00] - beginning to realize that, yes, you can, in fact, conduct in-depth and difficult business virtually. That works! And so I'm, I'm not thrilled about a global pandemic.

Maddy Roche: [00:13:14] Mhmm.

Kenneth Klabunde: [00:13:14] I am thrilled about the fact that even, what I'll say, our tech resistant clients and-and other professionals are now no longer tech resistant in many ways. Anyway... So that's my position on the go on the quarantine.

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Maddy Roche: [00:13:30] Yeah!

Kenneth Klabunde: [00:13:30] But, yeah, so, you know, coronavirus, you know, introduces a really unique challenge for-for, I think, all advisors. In my experience - and I've been doing this since 1997. So, you know, I was practicing during the tech crash in 2000. I was practicing during the global financial crisis in 2008 and 2009. And now I get to say I'm doing it again.

Maddy Roche: [00:13:55] (laughter)

Kenneth Klabunde: [00:13:55] This is my, this is my third "once in a lifetime" event!

Maddy Roche: [00:13:59] That's it! I love that saying - it's so true! It's so true.

Kenneth Klabunde: [00:14:02] Well, and my very first career change -.

Maddy Roche: [00:14:06] Mmm!

Kenneth Klabunde: [00:14:06] - I had already pulled all the levers to quit my job at one firm and start at another firm one week after September 11th.

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Maddy Roche: [00:14:18] Oof!

Kenneth Klabunde: [00:14:18] And everything was already in motion when September 11th happened. And so, so these, so these types of disruptions and these types of events, I guess I've done them before.

Maddy Roche: [00:14:28] Mhmm!

Kenneth Klabunde: [00:14:28] And my experience with them in the past, and what I'm observing with this pandemic now, is that these are absolutely the greatest periods and opportunities of growth for advisor firms. You know, we exist and we work every day to serve people and to meet them at their points of need where, you know, where money intersects with everyday life. And those needs are never greater than they are during major economic and social disruptions and- or-or market disruptions. So the need that people have for our services is greater than ever. And so, you know, just in the last four weeks, since all of this has kind of started, you know, there's been a definite uptick in the number of incoming calls we're getting.

Maddy Roche: [00:15:22] Wow!

Kenneth Klabunde: [00:15:22] You know, a few new clients have been onboarded, some of which were already kind of thinking about it.

Maddy Roche: [00:15:30] Mhmm, mhmm.

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Kenneth Klabunde: [00:15:30] But who knows? It might have take them a year to, to decide to move forward because there wasn't a point of pain in their life that they needed to deal with. And so a lot of those, those, those new clients, you know, kind of got accelerated as a result of coronavirus. And you know, this is not going to go away anytime soon.

Maddy Roche: [00:15:50] Mmm!

Kenneth Klabunde: [00:15:50] We're gonna be dealing with this for some time. And so I think we're just at the very beginning stage of firms seeing a significant inflow of new clients - certainly inquiries, if not also new clients. I'm not excited about the pandemic -

Maddy Roche: [00:16:09] Mhmm.

Kenneth Klabunde: [00:16:09] - but I am excited about the opportunity to serve people, and people need that now more than ever. So. So, we're positioned and prepared for that growth. You know, we've been working since 2013 to build a practice that already had a virtual nature to it. We-we started the firm in 2013 with-with a virtual assistant. I've used subcontractors over the years for various services that never lived anywhere near where our, the primary practices located. I work from home as, as often as possible. Stacy, you know, works from home as often as possible. So the transition to working at home was a complete non-event for us; all of that infrastructure was already in place, and at the same time, all of the- the other thing that we've been working really diligently on doing since 2013, and the last time we spoke in 2016, is to build the processes

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and systems, so that we can efficiently serve people and serve them in a way that-that's streamlined, in terms of how we communicate and how we onboard and how we deliver ongoing financial planning and investment management needs. And that's why our employee count hasn't changed in -

Maddy Roche: [00:17:21] Wow!

Kenneth Klabunde: [00:17:21] - four years. And-and we still have capacity because there's always opportunities to improve and to shave time off of our processes and our systems and how we're, how we're serving people, so... So that's-that's what coronavirus means to us, I guess.

Maddy Roche: [00:17:39] Yeah. Thank, thank you for that. I've got so many follow up questions. I think the first one I have is: talk to the listeners just briefly about your experience in 2001 and 2008 in terms of your-your recommendation that this isn't going to be immediate for clients; that it'll take a little bit of time - and we heard that from Kevin Mahoney and Dana Menard a couple episodes ago about how people are still kind of in the "shock" phase, but that they will inevitably begin thinking about their finances and then look for advisors like you. What was that-that runway there for, for the results of 2008 and 2001, for them to finally start looking for advice?

Kenneth Klabunde: [00:18:13] Yeah. So keep in mind that most recessions are a relatively slow evolving process. You know, you don't, you don't generally fall into a recession overnight - and a 35% market decline overnight. Now, that happened this time, you know, we know what did it

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do? Drop 35% in two weeks. Normally, that's a much longer drug out process and it takes time for people to go, "oh, this is real. This is actually impacting my life. There is some pain points I need to deal with." And I think where we're at right now, with this pandemic, is that we've had this sudden, sharp drop. but you know what? We've had (now, this was a really bad one), but we've had some sudden sharp drops several times in the last decade.

Maddy Roche: [00:19:02] Mhmm!

Kenneth Klabunde: [00:19:02] I mean, so most recently, December of 2018, we had a 20% drop, you know, in the couple of weeks leading up to Christmas. And, it immediately rebounded right back to all time highs and everybody went on with life. And by the time February of this year rolled around, I don't think anybody even remembered December of 2018, even though they were kind of panicking at the time. So we've been conditioned that, "oh, it fell 35%. It'll go right back up."

Maddy Roche: [00:19:32] Interesting.

Kenneth Klabunde: [00:19:34] And it has, hasn't it?

Maddy Roche: [00:19:36] Mhmm..

Kenneth Klabunde: [00:19:36] Not to all time highs, but it's rebounded significantly. That doesn't mean it'll stay there. If this continues to drag out -

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either from, from, in terms of the pandemic and, more likely in terms of the economic implications of the fallout of the pandemic - then this is going to drag on longer and people will begin to realize that this isn't December 2018, this isn't just this quick drop, sudden recovery "buy the dip and move on with life and go back to Costco." And so, as those, as those pain points began to be realized - I think you've, you've hit the nail on the head - that, this, this is going to be a slow rolling wave of people realizing that "I need help and, and, and retirement's coming up, or whatever the issue is, and I need to reach out to somebody that can guide me through this."

Maddy Roche: [00:20:28] Yeah. Have your current clients been reaching out a lot over the past four or five weeks with questions? Concerns? What, how are they doing?

Kenneth Klabunde: [00:20:37] They're doing great. So, so we haven't had.

Maddy Roche: [00:20:40] (laughter)

Kenneth Klabunde: [00:20:40] So we haven't had any clients reach out to us.

Maddy Roche: [00:20:44] Wha- really??

Kenneth Klabunde: [00:20:44] Yeah, so- and the reason: there's a couple reasons for that, but the primary one is that we reached out to them long before they even knew they were supposed -

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Maddy Roche: [00:20:52] Wow!

Kenneth Klabunde: [00:20:52] - to reach out to us. We have a, a really rigid communications protocol that we, that we use to communicate with clients. So my, my Friday, every-every Friday of every week, I-I start writing at noon and I deliver a private client letter by five o'clock on every Friday. And so clients understand our approach and our philosophy, and they've been conditioned to know how to react to their emotional responses, to both the markets and personal financial issues. And so when something like this happens, they know full well that we've got it and there's no need to call. Now, when, when, when the pandemic really started gaining steam and when the, and when governors started sequentially shutting down states, I just simply ramped those letters up. And -

Maddy Roche: [00:21:54] Wow.

Kenneth Klabunde: [00:21:54] - so I went from, I went from doing those on Friday to doing those every Monday, Wednesday and Friday. And so we were just continually communicating with clients, "hey, here's what's going on today. Here's what we're seeing. Here's what the markets did. Here's what the Federal Reserve did to respond. Here's what Congress is contemplating passing in the coming weeks. Here's how we think that will carry through into investment portfolios and taxes. And here's what we think is happening in terms of the virus itself. Here's what we're reading and hearing from, you know, from experts in that field and how we think this is probably going to play out over the coming weeks and months." I also toyed with video a little bit, so we did, we did a, my first ever like video letter -.

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Maddy Roche: [00:22:44] Wow!

Kenneth Klabunde: [00:22:44] - to clients. So we've been doing that for about two years now, this constant Friday letter. And incidentally, Patrick writes one as well. His is, his is published to a blog. Mine goes by email directly to clients. And so, as a result, we just, we just haven't had the influx of, of client concerns. Most of our conversations with clients, you know, since mid-March - and of course, the current low point in the market was March 23 - so, as we reached that point, most of the conversations that we had were along the lines of, "is it time to buy yet?"

Maddy Roche: [00:23:22] (laughter)

Kenneth Klabunde: [00:23:22] And those are, those are fun conversations to have.

Maddy Roche: [00:23:25] Mhmm.

Kenneth Klabunde: [00:23:25] And then, as this gets longer, we'll be having more and more conversations that will be more negative in terms of, "Okay, I just got furloughed." "Ok, I have a cash reserve, but how are we going to time this out? What happens if the cash reserve runs out? What's our contingency plan?" "How long can we go on our current budget or do we need to make budget changes?" So I think the conversations are going to get harder -

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Maddy Roche: [00:23:50] Yes..

Kenneth Klabunde: [00:23:50] - and we've already had a few of those, but, but there's probably more coming.

Maddy Roche: [00:23:56] Mhmm. And how are you feeling in terms of revenue for your firm? Have you felt like you've taken a hit because of this? And what have you been able to do to recover and rebound from it?

Kenneth Klabunde: [00:24:05] So we've not taken a revenue hit as a result. I think our revenue is up about six and a half percent year -

Maddy Roche: [00:24:11] Wow.

Kenneth Klabunde: [00:24:11] - over year. And that, that includes our March 31st billing, so that includes the fees that were charged at the, at the low point of the market. So that's been a non, a non issue.

Maddy Roche: [00:24:22] Great.

Kenneth Klabunde: [00:24:22] Revenues is not, not a concern as a result of this, and that's a function of two things: 1) we're a very conservative firm in terms of how we, how we manage money -

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Maddy Roche: [00:24:31] Mmm.

Kenneth Klabunde: [00:24:31] - and so client portfolio losses have been very, very limited, and then, 2) we also are a diversified firm in terms of our revenue types, so we have, a good percentage of our revenue is flat retainer. All of the divorce-related revenue is hourly, -

Maddy Roche: [00:24:49] Wow!

Kenneth Klabunde: [00:24:49] - and then, of course, the majority - not of course, but for us.

Maddy Roche: [00:24:54] Yup.

Kenneth Klabunde: [00:24:54] The majority of the revenue is still AUM.

Maddy Roche: [00:24:57] Mhmm.

Kenneth Klabunde: [00:24:57] But, between the three, we've got a diversified source of revenue, and so -

Maddy Roche: [00:25:02] Yeah

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Kenneth Klabunde: [00:25:02] - so we've been in a position that that just hasn't been a concern.

Maddy Roche: [00:25:06] Was that a deliberate structuring of, of- to diversify your, your revenue? And did you learn that because of some of the other things you've seen through your tenure in this industry?

Kenneth Klabunde: [00:25:15] So that, so I can't remember when it was, but Michael Kitces had a conversation on his podcast - It was podcast 94, for Kitces.

Maddy Roche: [00:25:28] Cool. Okay.

Kenneth Klabunde: [00:25:28] He had, had a conversation with James Osborne -

Maddy Roche: [00:25:31] Mhmm.

Kenneth Klabunde: [00:25:31] - at Bason Asset Management. At least back when that was recorded, James was doing a flat \$4,800 per year fee and no AUM on top of that, so it was \$4,800 flat. And, you know, even if you have \$20 million, that's, that's still the fee.

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Maddy Roche: [00:25:48] Mhmm.

Kenneth Klabunde: [00:25:48] Everything about their conversation in that podcast resonated with me deeply, in terms of James's view of building a practice that serves people, that he's excited to wake up in the morning and, and take care of his clients, and he's, he's serving the right people in the right way at the right time. And so, after listening to that (this was probably two years ago now but) as soon as I hit "stop" on that podcast, I think I submitted an ADV update -

Maddy Roche: [00:26:17] Wow!

Kenneth Klabunde: [00:26:17] - and we, and we, we cut the AUM down and added a flat retainer. And then we've been systematically rolling that out to clients over time, not suddenly. I didn't want to do what, what James did in terms of going pure flat for a whole host of reasons, not the least of which is the, you know, the, the fees saliency that, that Michael likes to talk about. And I think most clients still prefer an AUM fee. People don't like writing checks. Haha!

Maddy Roche: [00:26:47] Mhmm, mhmm. Yup.

Kenneth Klabunde: [00:26:47] So, so we did a blend. Most importantly, it put us in a position to be able to serve anybody that asks for our help.

Maddy Roche: [00:26:55] Love it.

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Kenneth Klabunde: [00:26:35] So if a physician has just gotten out of residency and has a negative net worth (meaning zero in assets and a pile of student debt) -.

Maddy Roche: [00:27:07] Mhmm.

Kenneth Klabunde: [00:27:07] - but they're making \$350,000 a years as a new general surgeon, they can absolutely afford \$4,800.

Maddy Roche: [00:27:15] Yeah.

Kenneth Klabunde: [00:27:15] And if you're on an AUM only model, well, there's no, there's no money to manage, there's no fee. So, that was a tool for us to use to say, "absolutely, we can help you! It costs \$4,800 to have a relationship with us and you're gonna get the exact same level of service and the exact same work that every other client gets because you need the help just as much." And so, so that, that's why the transition was made.

Maddy Roche: [00:27:40] Yeah.

Kenneth Klabunde: [00:27:40] The side effect of that transition is that, you know, you can go through a market crash and have it be a revenue neutral event - for the most part.

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Maddy Roche: [00:27:51] Great advice. I so appreciate and envy your, your, your deliberateness with how you formed, and run, your firm over these years. And you've used the word "rigid" already in this podcast about your onboarding process and your communication plan to your clients - I think you should give yourself some grace here -

Kenneth Klabunde: [00:28:09] (laughter)

Maddy Roche: [00:28:09] that it's actually a really beautiful thing that you've built! I'm wondering: can you talk to us about your drive for, for process? Is this something that is a personality trait of yours, or is there someone else in the firm that's really driving the process of this, and documenting it, and getting yourself and your team really dialed into, you know, time tracking and doing all the fun things that, that keep you guys efficient? Who's driving that?

Kenneth Klabunde: [00:28:32] Yeah, that comes from me.

Maddy Roche: [00:28:36] Oh! Haha! Is this something that, that you've trained yourself to do over the years, or is it just kind of come naturally to you?

Kenneth Klabunde: [00:28:43] Um I, you know, I think it comes naturally. It's just a, it's a personality trait - or a personality flaw.

Maddy Roche: [00:28:47] (laughter)

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Kenneth Klabunde: [00:28:47] Depending on which end of the, whether you're on the giving or receiving end.

Maddy Roche: [00:28:55] Yeah.

Kenneth Klabunde: [00:28:55] And it's natural for me to want to build systems, streamline things. You know, my wife will tell you that if I'm not building something new, I'm, I'm not happy.

Maddy Roche: [00:29:09] Mhmm.

Kenneth Klabunde: [00:29:09] And so there's always something in my mind keeping me up at night, in terms of how we can do things better, how we can streamline things, how we can systematize things. The altruistic side of me wants to believe that that's not just because of my personality, but it's because of our, again, our core value that we want to be able to serve anybody that asks for help. I have no desire to be the CEO of a large RIA. Hopefully, we don't talk again in four years and this isn't the case. I don't want to hire anybody else.

Maddy Roche: [00:29:42] Wow! Okay.

Kenneth Klabunde: [00:29:42] Because, you know, we've got a great team and we work together really well. And I've tried to make some additional hires before. What a pain!

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Maddy Roche: [00:29:57] Oh! Big time, big time.

Kenneth Klabunde: [00:29:57] It's, it's not who I am. It's not what I do. I'm not a manager. I'm not a supervisor. I'm not an HR director. I'm a financial planner and -

Maddy Roche: [00:30:05] Yeah.

Kenneth Klabunde: [00:30:05] - I'm a financial strategist. So that's, you know, that- so we want to be able to serve as many people as possible, but not hire a bunch of people in order to do it. That leaves us with one path forward.

Maddy Roche: [00:30:16] Okay.

Kenneth Klabunde: [00:30:16] And that's process efficiency.

Maddy Roche: [00:30:19] Awesome. And go ahead and tell us about that. And you can pick a process or two that you're especially proud of. I'm interested in, you know, how do you come to the team with it and tell them about it, how do you see through that the process is implemented, and then how do you kind of quality control check it?

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Kenneth Klabunde: [00:30:34] So I guess I'll, I'll just tell you about the one, but it's, it's a simple one. But one of our most recent process changes that I guess was a little bit surprising in terms of how many hours it took off of our, our plates. I, I learned from Carolyn McClanahan a number of years ago that she was doing a really, a really high level sophisticated tax review process for her clients. And so I contacted Carolyn and I said, "hey, would you mind sharing with me how you do that? What's, what's your system? What's your process for delivering this high level tax review to clients?" So, she was gracious enough to share that with me, and, you know, I then tweaked it infinitely and made it our own and expanded on it. And, we implemented this tax review process - and it was a beautiful process, but it was time consuming. It involves, you know, receiving every client's tax return after April 15th, doing a deep dive into the tax return, preparing a summary report of the contents of the tax return and a tax planning letter for the things that needed to be done over the coming nine months to prepare for the next tax season and to make sure that, you know, every strategy that was available, the client was being, was being acted on. So it was a time consuming process and we time track so we know how much time we spend on those types of things. And then, you know, last year I started hearing rumors of an RIA firm that was launching a software tool that sounded an awful lot like it might supplant a lot of that process that we had built. And it's Holistiplan - probably not a surprise to anybody. And so late last year, I signed up for Holistiplan, ran my own tax return through it. We got the output back and we went, "ah, that's it! This is, this is the data that we need." And they have an optical character recognition system that allows us to send them the PDF, they read the entire return. Their computer system, using AI, interprets the return and sends us back, literally almost to a T, every single data point that we were manually capturing. And so, so this January, I think, or December and January, we, we ran a couple test returns, we rewrote our processes and procedures. When we did the- and then we estimated how many hours- or how, not how many hours, but how much time it took to handle each individual client's tax return and

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pushed them through this new process. And it took 40 hours off of our plate! Not per client, but -

Maddy Roche: [00:33:21] Wow.

Kenneth Klabunde: [00:33:21] - 40 hours across our entire business operation. So, you know, what was a, let's say it was a, you know, let's say it was a 55 hour, you know, procedure that occurred between April 15th and June 15th is now a 15 hour operation, you know, during that time, same timeframe. So, I'm not generally a big fan of, of outside software solutions, but when they're a fit and when they do what we need them to do, you know, we'll absolutely leverage it. And, not to sound like a commercial, but, you know, Holistiplan was just dead on with, with, with what we needed. So...

Maddy Roche: [00:33:59] Yeah,

Kenneth Klabunde: [00:33:59] Yeah. So that's what that process looks like. And so, you know, our previous process had been written down and everybody knew what their steps were. And, you know, the task system, you know, we could get a tax return, and Stacy would create the task, and it would be assigned to Patrick, and then it would, it would flow to me and it would flow back to Stacy, and then the report would go to the client. And we deleted most of it and -

Maddy Roche: [00:34:23] Wow!

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Kenneth Klabunde: [00:34:23] - inserted the software system in the middle. And now we have the capacity - you know, that that 40 hours bought us another one to one and a half clients, in terms of capacity, so..

Maddy Roche: [00:34:36] Fascinating. And I think it's a testament to your interest in processes and your ability to identify where there is, there's improvement areas, but then your, your commitment to trying to run a firm that's a little bit forward thinking and adopting things like technology. You were on, you know, episode 58 3 years ago talking about how TextExpander was saving you and your team massive amounts of time.

Kenneth Klabunde: [00:34:58] And we still use that!

Maddy Roche: [00:34:59] And you still - we use it now!

Kenneth Klabunde: [00:35:01] That thing's awesome!

Maddy Roche: [00:35:02] Yeah, and on the podcast, Alan was looking up TextExpander and then talking about it. And now it's an integral part of our, at the XYPN team level.

Kenneth Klabunde: [00:35:10] Yes! So to give you an example of that. So inside of this, inside the Holistiplan tax software, and any advisor that's using Holistiplan will know this, the, the analysis that they output for you has a series of observations at the end of the report. Okay? So these are observations that relate specifically to that client.

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Maddy Roche: [00:35:31] Wow!

Kenneth Klabunde: [00:35:31] It might be about SEP IRAs or, you know, the fact that they're just barely missing, taking itemized deductions.

Maddy Roche: [00:35:40] Mhmm.

Kenneth Klabunde: [00:35:40] You know, those types of observations. And you have the ability to add your own custom observations! Okay? So if you, if you are creating this Holistiplan output and you want to add five custom observations and you don't have a process for that, you're going to spend an hour and a half writing those custom observations for that client.

Maddy Roche: [00:36:02] Oh yeah.

Kenneth Klabunde: [00:36:02] Well, the reality is, is that there's probably only maybe 20 additional observations that the, our firm makes that are unique -.

Maddy Roche: [00:36:12] Mmm!

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Kenneth Klabunde: [00:36:12] - that can be applied across different clients. And so as we were doing tax returns and writing these observations, we write them in TextExpander -

Maddy Roche: [00:36:23] Ah!

Kenneth Klabunde: [00:36:23] - and then the next return that comes in, we don't have to rewrite that observation; we just go, "oh, this client needs observations 1, 7, 12, and 14." And, and the text is dumped in, we review it for any adjustments that need to be made, and we're done. And an hour and a half of writing just got cut down to five minutes.

Maddy Roche: [00:36:42] Wow.

Kenneth Klabunde: [00:36:43] So that's, that's the power of TextExpander. And of course, you can apply that across any process that you do for clients, whether you're talking about tax reviews or insurance reviews or retirement planning or, you know, if you, if you evaluate the things that you are communicating to clients, if you're paying attention, there are constantly repeating threads that are, that are, that are the same.

Maddy Roche: [00:37:10] Mhmm.

Kenneth Klabunde: [00:37:10] And, and then you wordsmith those so that they become universally applicable to every client that, that it applies to and you're ready to, you're ready to roll.

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Maddy Roche: [00:37:22] Wow. That, that's incredible. And I love your tie to this "timesaving as a capacity" opportunity, that this isn't just a, "so you have less work to do." It's, it's that you can actually achieve your mission of serving as many people as possible.

Kenneth Klabunde: [00:37:35] Right.

Maddy Roche: [00:37:35] So tell me, how do you, how do you quantify the time that you spend with each client? You mentioned time tracking.

Kenneth Klabunde: [00:37:41] Yup.

Maddy Roche: [00:37:41] How do you know how much capacity you have to be able to welcome new clients in our new era?

Kenneth Klabunde: [00:37:46] Sure. I mean, some of us just got, you know, and you know, you know how, you know how busy you are at any given time. You know, we know that if we have a new client come in, depending on the nature, complexity and needs of that particular client, that one new client might have us tied up for the month and we don't want to take a second one that month. So, so that's kind of just the gut feeling -

Maddy Roche: [00:38:10] Yeah.

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Kenneth Klabunde: [00:38:10] - that you, you know, that, you know, I was checking our, our, some of our hour reports year to date and I noticed that one of our new clients that we just onboarded, that this excludes my hours. This was just the rest of the team. You know, that one client has racked up 55 hours of time already.

Maddy Roche: [00:38:27] Wow.

Kenneth Klabunde: [00:38:27] Because their needs are really intense. And so, as that client has been onboarding, you know, our team is feeling the weight of that. And we know that we're at capacity at the moment and we need to be careful about onboarding new people, you know, simultaneously with that. So some of it's just gut but, but the other thing that we do, and this is where we get really rigid and really weird, is that, yes, we time track. That started- Oh, and by the way, if you want to explore time tracking further, Bob Veres just wrote an article on time tracking; he found like six or more firms that do hourly tracking -

Maddy Roche: [00:39:10] Wow.

Kenneth Klabunde: [00:39:10] - and reviewed their methodologies and how they were doing the tracking. It was a really, really comprehensive piece on what it means to do time tracking as an RIA. So, we've been doing that for about a year and a half now. It started because... Well, two reasons: 1) some of our employees are hourly, so they have to time track anyway -

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Maddy Roche: [00:39:29] Uh huh.

Kenneth Klabunde: [00:39:29] - and I can either have them track their time in a general way, or I could have them track their time specifically.

Maddy Roche: [00:39:37] Yeah.

Kenneth Klabunde: [00:39:37] And I opted to have them track it specifically.

Maddy Roche: [00:39:41] Mhmm, mhmm.

Kenneth Klabunde: [00:39:41] So that we knew, you know, where the time was being spent. Not to monitor the employee -

Maddy Roche: [00:39:47] Right.

Kenneth Klabunde: [00:39:47] - but because that's a good metric to have as a business owner: where are we spending our time so that we can become more efficient? So then a year and a half ago, partly because of the new focus on divorce work - and as I mentioned, almost all of that work is hourly - that necessitated me beginning to track my time like an attorney would in 6, 6-minute increments, you know, 1/10th of hours, so that we could do our normal, you know, billing for the time associated with the divorce practice. And so, so we just rolled it out to the whole firm and - the

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whole firm. I said that, like we're big. There's three of us. (laughter) And I, you know, we had, we had our normal team meeting, and I said, "Alright, guys, here's what we're doing."

Maddy Roche: [00:40:33] Cool!

Kenneth Klabunde: [00:40:33] "You're going to hate me for the next two weeks, but I promise, you know, just keep going. This is gonna be good." And so we all started, started time tracking and so we can we can look back now on the last year and a half and we can see very specifically exactly how much time intensive hours each client has used and how much time we're spending on firm level tasks and compliance -

Maddy Roche: [00:40:56] Yeah.

Kenneth Klabunde: [00:40:56] - and client financial planning versus client investment management versus, you know, estate planning. And so we've got those metrics and it enables us to find the spots that we're getting hung up on, and then we can, and then we can work towards fixing those.

Maddy Roche: [00:41:12] The buy in from your staff is so impressive. And I think that that shows how mission-driven they are to that, you know, that this isn't about, you know, watching how they're spending their time; it's really about, can we serve more clients if we're able to iron out any kinks that we have in terms of how we're spending our time. If pitched that way by a teammate like you, I would, I would find it very well received; that this

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is actually a really cool, awesome opportunity to think about how to approach business versus "this is a micromanagement policy."

Kenneth Klabunde: [00:41:42] Oh, gosh. If you tried to do that as a micromanagement tool?

Maddy Roche: [00:41:45] Right.

Kenneth Klabunde: [00:41:45] Well, you know, and and and I'll admit, as a business owner, it's, it's tempting -

Maddy Roche: [00:41:51] (laughter)

Kenneth Klabunde: [00:41:51] - to use the data that way. Right?

Maddy Roche: [00:41:54] Yeah.

Kenneth Klabunde: [00:41:54] And so you really have to guard yourself against that. Once you have that data, you've got to be really careful not to use that data as a micromanagement tool -

Maddy Roche: [00:41:54] Mmm.

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Kenneth Klabunde: [00:41:54] - because it's, it's dangerous when used in that way. It's just, it's the opposite of accomplishing your mission.

Maddy Roche: [00:42:11] Yeah.

Kenneth Klabunde: [00:42:12] So that's really important is to present that at the heart of the mission of what we're doing.

Maddy Roche: [00:42:17] Mhmm.

Kenneth Klabunde: [00:42:17] And then there's some other side benefits as well. You know, there's, there's naturally going to be resistance right out of the gate just because of the interruption of having to stop and record what you just did and how much time you spent on it. But what we've all learned, as a result of the project, is that we have all become dramatically more efficient with the use of our time. So when you've got a clock running, and that could be any number of a thousand apps that are available to do time tracking, when you've got a clock running and you're working on a specific client, it's a real pain if you allow yourself to be interrupted to work on something else.

Maddy Roche: [00:43:01] Yes.

Kenneth Klabunde: [00:43:02] And so you don't! As a matter of fact, I can tell really clearly when somebody on my team is focused on something and has their clock running because they'll ignore my email.

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Maddy Roche: [00:43:13] (laughter)

Kenneth Klabunde: [00:43:16] And that's great! It means that, you know, my email wasn't terribly important; I just needed to know something that could be responded to in the next day or two. They're focused on developing a component of a client's financial plan and they're staying on it because who wants to stop the clock and write that down? Right?

Maddy Roche: [00:43:34] Right!

Kenneth Klabunde: [00:43:35] So we all learned that it was, it, it, it really made each of us more efficient because we weren't multitasking the way humans weren't intended to multitask. We're staying focused on things that need to be done. We're being cognizant of not spending inappropriate amounts of time -

Maddy Roche: [00:43:53] Mmmm.

Kenneth Klabunde: [00:43:53] - on things that need to be done. You know, so if, if somebody is working on, on a financial plan aspect for a client and they're getting hung up on it, you know, rather than spending three hours on it, well, you know, you stop and you go, "alright. I need to talk to somebody to help me get through this. How do we figure this out?" So we all became more efficient.

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Maddy Roche: [00:44:13] Well, you've convinced me: I need to time track, that's for sure. (laughter) That's, that's very persuasive. And I think a beautiful way to show commitment to your clients, to your team, to your processes, to the integrity of your your whole business. I want to go back in time: in 2016 on the podcast, you said that you were not a salesman. You weren't- You don't love marketing.

Kenneth Klabunde: [00:44:33] Yup.

Maddy Roche: [00:44:33] And that, that is not your, your, your sweet spot. But, you are running a really profitable high revenue firm with a great number of clients and seem to think the sky is the limit in terms of your ability to serve them. I'm interested in how you're finding your new clients, and especially amid where we are, in the midst where we are now. How are you planning on changing that, if at all?

Kenneth Klabunde: [00:44:56] Yeah, so the direct answer to your question is that I have no idea where I'm finding our new clients. Not a whole lot has changed since, since 2016. I am, admittedly, the worst marketer. Period. But I have something going for me and that's 23 years of experience and gray hair. And I've been in the same city for that entire duration, and so people know - I'm a known entity among professionals that we work with. But I still hate the idea that I have no idea where the next client's coming from. So I have, you know, really just in the last year, ever since Carl Richards launched the Fellowship, I think, he started talking about this concept of the secret society of real financial advisors, I think all the way back in 2012, maybe earlier - that term was being floated by Carl and a few others. And I remember telling Carl back then, "the moment you actually officially launch the secret society, I want to be in it."

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Maddy Roche: [00:46:03] Wanna be IN this secret society!

Kenneth Klabunde: [00:46:05] Yes. And so, when he launched The Fellowship, which was the, his manifestation of what I think was originally the Secret Society, I signed up immediately.

Maddy Roche: [00:46:17] Cool.

Kenneth Klabunde: [00:46:17] And the, the 21 days that I spent going through the 21 Declarations of the Fellowship was - and I think this was prime mid last year - it was an incredibly profound and moving 21-day period that was probably the most affirming thing I've ever done in my career as a financial advisor.

Maddy Roche: [00:46:42] Wow!

Kenneth Klabunde: [00:46:42] That's, that's just Carl's gift. And, by the way, I think it only costs like 500 bucks. So that was, that was just a no-brainer, and I'm so glad I did it. In the, in the course of, of learning through those declarations and being affirmed through those declarations, I don't think this is actually one of the declarations, but it came out -

Maddy Roche: [00:47:02] Sure.

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Kenneth Klabunde: [00:47:02] - and that is the idea that, that if you truly believe in what you're doing, and if you believe that you are making an impact on people's lives, you have an ethical obligation to market yourself. And so, so I've taken that to heart. And I'm in, I'm in a journey right now to try to figure that out. You know, I mentioned at the beginning of our conversation that we're in the middle of rebranding right now, that we're changing the subtext of the name of the firm. We're doing a new URL.

Maddy Roche: [00:47:42] Wow! You're doing it all!

Kenneth Klabunde: [00:47:46] Doing it all! And hopefully that'll all be launched in the next couple of weeks, -

Maddy Roche: [00:47:48] Good for you.

Kenneth Klabunde: [00:47:48] - and it's all part of this idea that, that marketing and telling the world what we do, so that they have the opportunity to raise their hand and say, "will you help me?" It is, it is our responsibility; it's my responsibility as the firm owner. So I don't know what that means yet. I'm looking primarily outside the industry to figure that out because I think this isn't unique to RIAs, but any industry, we kind of become our own echo chamber, and I've just, I've never heard anything from inside the industry that, that I liked in terms of how to market and how to sell and how to get referrals; it's never resonated with me.

Maddy Roche: [00:48:31] Mmm.

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Kenneth Klabunde: [00:48:31] So, so I'm looking outside of the finance industry to other industries to say, "Alright. How do you do this? How do you communicate what we do?" So, we'll see where that takes us in the next year, but at the moment, it's taking us through a rebranding process, a process of refining how we communicate, who we are, what we do, who we serve, narrowing down who we serve, so that we can be very specific in our messaging. And hopefully in a year, if you ask me that same question, I will tell you that I know exactly where our clients are coming from because they're on a waiting list.

Maddy Roche: [00:49:03] Right? Right. Absolutely.

Kenneth Klabunde: [00:49:05] That's the goal.

Maddy Roche: [00:49:06] I've been so impressed throughout this interview, Kenneth, of the number of industry people and outside industry folks that you've really felt like have impacted the trajectory of your firm. I mean, you've cited Bob Veres, Carolyn McClanahan, and Carl Richards, and so forth - I'm so impressed with your investment into continuing to learn. Is that something that is just, is that intentional that you're doing or is this something that is just inherent in you that you're interested in hearing from others about how to do that? You've sourced so much inspiration from so many people, and with 23 years of experience, I would think that you didn't need it.

Kenneth Klabunde: [00:49:40] Oh, goodness, I need it!

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Maddy Roche: [00:49:43] It's a good lesson. It's a great, great point to make.

Kenneth Klabunde: [00:49:47] Yeah. You know, I don't know how, I don't know how you could ever do this on your own shoulders. There's just, you know, there's things that we can all be good at, but never forget that there is always somebody better. There's always a firm out there that knows how to create Holistiplan. And I didn't. You know, I met with a client yesterday and we presented a plan to do sequential Roth conversions during retirement that's going to literally save them \$450,000 in taxes over the remainder of their lifetime. I didn't come up with that. That, that came from the author of a book that I can't get my hands on right now. Yes, I can. You know, Dr. William Riken Stiehm, "Income Strategies" - you know, that's a book I've read, I think in November or December, because somebody on Twitter mentioned it and, and it's, and it's literally saving client after client after client, hundreds of thousands of dollars in taxes. I didn't come up with that. I'm not that smart.

Maddy Roche: [00:50:58] Wow!

Kenneth Klabunde: [00:50:58] You've got to look to other people to find those things.

Maddy Roche: [00:51:03] Yeah. Wonderful. Kenneth, I'm wondering, as we approach kind of our, our new world order here, do you have any words of advice, pieces of recommendations that you haven't mentioned already that you could give to someone who's considering starting their own RIA in this environment, and kind of with your experience, what, what are some,

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some pieces of advice that you have? You've given so many already; I'm just wondering directly to, speaking directly to the folks considering starting their own RIA.

Kenneth Klabunde: [00:51:33] Do it.

Maddy Roche: [00:51:34] Yey!

Kenneth Klabunde: [00:51:36] So I had, I had, I had my, my first Zoom coffee this morning.

Maddy Roche: [00:51:41] Oh!

Kenneth Klabunde: [00:51:41] And, hopefully it's okay if I say the name, I had coffee with, with Russ Ford this morning.

Maddy Roche: [00:51:47] Awesome!

Kenneth Klabunde: [00:51:47] And Russ joined XYPN, I think midway through the year last year, started his own firm, Wayfinder Financial in Indianapolis midway through the year last year. And so, we just reconnected to follow up on a conversation we had two years ago when he

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Maddy Roche: [00:52:05] Wow.

Kenneth Klabunde: [00:52:05] - wanted to know if, if he should start his own, you know, RIA. And my resounding answer is, yes, you've got to do it. People need your help. You know, don't, don't do what I did and spend, you know, 15 years, you know, beating your head against the wall inside the financial services industry and Wall Street. Step out and, yeah, do it.

Maddy Roche: [00:52:28] Beautiful. Any final pieces of feedback or thoughts on kind of COVID-19, what we're dealing with here, where you think our industry is, is heading?

Kenneth Klabunde: [00:52:38] You know, I think it's going to be a kind of a long, slow slog. I hope I'm wrong, you know?

Maddy Roche: [00:52:43] Yeah.

Kenneth Klabunde: [00:52:43] You know, I hope that, you know, there's a vaccine that is suddenly announced tomorrow, but that's not what I'm hearing is going to happen. But, at the same time, I think clients need to know that humans have done this before. And we've got this. There will be a vaccine. We are going to beat this virus. That's not a question. We will recover economically. The market might go down further. Personally, I kind of hope it does, but I'm young enough to take advantage of that. If you're serving older clients, please protect them.

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Maddy Roche: [00:53:22] Yes.

Kenneth Klabunde: [00:53:22] Don't, don't, don't, don't be dumb about your asset allocation with older clients. Don't, don't be a market lover just because. Take care of these people. They're gonna need it. But, we're gonna recover from this and we'll all be better off for it. We'll have better perspectives on what it means to be alive and to be human. And it's going to be good. So- and clients need to hear that from us. So.

Maddy Roche: [00:53:45] Well, I needed to hear that from you, too, Kenneth.

Kenneth Klabunde: [00:53:47] (laughter)

Maddy Roche: [00:53:47] Thank you so much. I think all of our listeners here are taking a nice-sigh- nice, big, deep breath. You have really inspired me for the past six years, working with you, Kenneth, as a Founding Member of XY. I know you're so admired by so many folks in our, our community and certainly in yours. Thank you so much for your time today and for the work that you've done for your clients, for our industry, and continuing to live up to a mission of feeling ethically obligated to serving your clients.

Kenneth Klabunde: [00:54:13] Well, thank you, Maddy. This was a ton of fun talking with you, as always.

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Maddy Roche: [00:54:18] Awesome. Thank you so much.

[00:54:20] -- swish --

Maddy Roche: [00:54:21] Avocado toast. Selfies. A mountain of student loan debt. Gen Y is anything but traditional, and with over seventy five million people, it's a population you don't wanna ignore. Learn more about how to serve this unique population in our guide called "Attract and Profitably Serve Millennial Clients in your RIA." Discover three key ways to tap into the millennial market and six things that they want from their financial advisor. Visit xyplanningnetwork.com/millennials for your free copy.

Maddy Roche: [00:54:53] Be sure to join our VIP community at xyplanningnetwork.com/VIP to hang out with other #XYPNRadio listeners, ask questions for future mailbag episodes with Alan and Kitces, and finally, to find a community of like minded financial advisors. Thank you so much for joining me today. We'll see you next week.

Narrator: [00:55:10] You are not alone and you are not crazy. It's scary starting, building, and growing your own financial planning firm. And that's why we put together a free private community just for you, the cutting edge financial planner. Go to xyplanningnetwork.com/VIP or text XYPN Radio to 33344 and join a network of thousands ready to change the lives of Gen X and Gen Y clients.