

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
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Maddy Roche

Narrator: [00:00:01] Join your host, Maddy Roche, as she brings you into a community of fee-only financial advisers who are successfully building profitable businesses that serve the next generation of clients. Learn from innovative advisers 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: [00:00:25] Hello and welcome to this episode of #YYPNRadio. I'm Maddy Roche your host. I'm excited to have YYPN member Justin Brownlee, owner of Brownlee Wealth Management, a fee-only firm out of Houston, Texas, on the show with me today. Justin started his firm just last year after spending nearly ten years in the insurance and brokerage world. Today, he's building the premier firm serving oil and gas retirees and has experienced great growth by focusing exclusively on this niche. As Justin discusses today, creating targeted and specific content that speaks directly to the current needs of his ideal clients resulted in great traction. And he didn't have to be an expert at SEO to be able to share it. Justin discusses his choice to bring on an equity partner also during today's episode, and he decided to do this much earlier than expected. And he discusses how that decision helped him nearly double his revenue. Justin is really open about what it's like to start his own firm. He talks about how a cancer diagnosis changed his life and he discusses how he thinks the industry is more primed than ever for folks to enter it. As a former minister, Justin brings an intentionality to his business that is quite unique in his passion for those that he works with is clear. If you're interested in what it's like to build an intentional and niched firm, this episode is for you.

[YYPN Radio](#) with Maddy Roche

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:01:47] 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/Millennials for your free copy.

Maddy Roche: [00:02:19] You can find any of the resources we mentioned during the episode at XYPlanningNetwork/280. Also be sure to go to XYPlanningNetwork.com/VIP to join a private group just for #XYPNRadio listeners. It's a 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.co/VIP. Without further ado, here's my interview with Justin.

[00:02:47] --swish--

Maddy Roche: [00:02:48] Hello, Justin. Welcome to #XYPNRadio. I'm so glad to have you here.

Justin Brownlee: [00:02:53] Thanks. Maddy excited to be here.

Maddy Roche: [00:02:55] Yeah. Justin, why don't you let the listeners know kind of a high level overview of what you've built so far?

[XYPN Radio](#) with Maddy Roche

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Justin Brownlee: [00:03:02] Absolutely. So Brownlee Wealth Management. We serve about 15 clients. The median net worth is about two and a half million for those 15 clients. And the annual recurring revenue right now, we're at about one hundred sixty thousand a year.

Maddy Roche: [00:03:17] Wow, awesome. Where are you located and when did you start your your business?

Justin Brownlee: [00:03:21] We are in the Woodlands, Texas. And so one of those unique two word cities, we're about 30, 40 miles north of Houston.

Maddy Roche: [00:03:31] Okay-okay, and what year did you start your firm?

Justin Brownlee: [00:03:34] It was last year, beginning end of August. Beginning of September. So it's been about a year.

Maddy Roche: [00:03:40] All right. Well, happy birthday, Justin. I'd love to kind of dove in first and foremost with what got you into this industry. Part of-part of this podcast is always kind of a discussion depending. And the person we can talk a long time about it, a short time. But talking about how folks got into the industry is really important. And I'm interested what your career background was as you started to think about running your own firm.

Justin Brownlee: [00:04:04] Absolutely. So out of college, I was not was not in financial planning, wasn't in investments. I was doing full time

XYPN Radio with Maddy Roche

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

ministry, actually. And so a very opposite career trajectory at that time. So it was a campus ministry at the University of Arkansas and so made a pretty drastic switch. And this is almost a decade ago that you made this decision. My wife and I decided that we wanted to make a change and I had a few older friends that were in financial services. And so I love working with people. I like being around people love communication and stuff like that. And so I thought-I thought it could be a fit and that-that really led me into the industry in the beginning.

Maddy Roche: [00:04:54] Wow. And I'm interested. What was your education in the ministry realm? What does that mean in terms of how you studied?

Justin Brownlee: [00:05:03] Let's see. So back in college, I studied basic business, minor in economics and stuff like that. And so just kind of found found my way into campus ministry.

Maddy Roche: [00:05:16] No, I asked Justin, because career changes are so common here at XYPN and really among folks in the space that it's always so interesting, whether it's landscape architecture or working at Crayola folks come from all different walks of life into this industry. So it sounds like you had a couple people that you were looking up to. Where did they work? Did they offer you a job? How did you get into the industry having pivoted from ministry?

Justin Brownlee: [00:05:41] So at that time, and this is about a decade ago, and so certainly the industry is getting better, we have a little bit more of an opening track, if you will, if you're entering into the industry. Now, last

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

last decade or 10 years ago, there just wasn't a whole lot available. And so the older friends that I had were at AIG and so I joined AIG and that became a problem just because it's a heavy, insurance focused firm. And I wanted to do more financial planning as as I learned more. And so getting into it, it it allowed me to get my feet wet, but it was pretty apparent that this wasn't going to be where I ended up.

Maddy Roche: [00:06:23] What was your role at AIG?

Justin Brownlee: [00:06:26] So I was actually an adviser from the get go, which looking back, it's even that brings some questions. And I would have loved to have some sort of track a decade ago where I could have joined a fee-only RIA and I could have learned under an older advisor. And that just wasn't readily available back in, back then. And it certainly is getting better now, which is exciting.

Maddy Roche: [00:06:50] Yeah. So-so what happened while you were AIG that that asked you or prompted you to to move or pivot? Did you get your CFP® what was kind of your understanding of what your next step would be?

Justin Brownlee: [00:07:01] Yeah, it was a combination of things. And so professionally, I had started to study for the CFP® and had had just learned a lot in my in my two or three years there. And so I wanted to get into more of a role where I wasn't tied to insurance products and I wanted to get to a role where my compensation wasn't nearly as determined by whatever the company preferred for us to sell. And so that led me to a

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

larger brokerage firm. That was an incredible learning opportunity and great experience there. And that's-that's largely how I got to where I am today.

Maddy Roche: [00:07:40] Yeah. Can I ask about what kind of prompted you to think that you wanted a different compensation model? I'm sure no one at the firm was telling you that it was a bad model. Where did you pick up that-that it was a model that didn't sit right with you?

Justin Brownlee: [00:07:55] You know, I think it's a combination of just sitting sitting across from clients and Nick Murray has this quote that I love and Nick Murray, when he talks about the sacredness of the work that we do. He just says that for the typical millionaire today, when they get to retirement and maybe they've saved a million or a couple of million dollars, most people in that boat didn't come from anything. Most people in that position didn't come from money. They didn't inherit anything. And they never imagined having the level of assets that they now have. And then he goes on and says, even generations before then, it's likely that their grandfather or grandmother, when they started their life 70 years ago, it's likely that they never imagined anybody in their state or in their entire region having two million dollars back in nineteen twenty or nineteen thirty. And so it's just a combination of you. You sit across from a family that's that's worked for 40 years. And there's just this desire that we need to be doing something that is truly best for them, not just fiduciary standard best interests. And that certainly is a part of it. But we need to be doing the highest level of work. And so removing the conflict of interest that that insurance products and annuities and life insurance brings, it's just a no brainer.

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:09:20] I love that answer. I'm interested in exploring this just a little bit further. When they were training you, did they talk about the difference between suitability standard and fiduciary standard and things like that? Did they give you context for this idea that that pushing certain insurance products or commissionable products are the way that they wanted you to do it? I guess what was the advice from from the business?

Justin Brownlee: [00:09:45] You know, looking back, a lot of the advice and training is really tailored just to their products. And so the training programs, the mentoring programs, it's largely centered around, these are the products that we offer. So here here's the education tutorial training so that you can better understand and ultimately training to better sell those specific products.

Maddy Roche: [00:10:08] That feel that feeling of being a salesperson. And I think could -

Justin Brownlee: [00:10:12] That's right.

Maddy Roche: [00:10:12] - rub folks a different way. So tell us how you pivoted into a different firm. You said it was great experience. What was the next step from there?

Justin Brownlee: [00:10:20] Yeah, so from there on the personal side, my wife and I, we had our first child, and so we were out on the East Coast at this time and we wanted to get a little bit closer to our family. And so that brought us back to Texas. And I had really wanted to get in a-in a specific

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

position at the brokerage firm that I was at. And this position had a base salary and it had bonus components. So it's I would probably look at it and say that it's not perfect. It wasn't fee-only. But again, back at this time, it was one of the best options available. And so it just allowed me to have an incredible experience with a lot of clients that at that stage in my career, I really wasn't going to be able to get that on my own.

Maddy Roche: [00:11:11] You mentioned fee-only again, and I'm wondering, when did you realize that there was this space of the fee-only space and what was drawing you towards it? I know that you didn't want to be a salesman, but the idea we meet so many folks that say they're fee-only and that they're practically fee-only, but there isn't really a practically fee-only. I'm interested in your commitment to fee-only. And how did that grow?

Justin Brownlee: [00:11:35] Yeah, so I think it all started. And when I had taken this position and this is gosh, this is about five or six years ago, I think I was aware of fee-only. But again, it was still this problem where I'm a people person. I want to be in front of people I really wasn't interested in back office jobs. So even at that time, I had a hard time when I was interviewing with with a few fee-only RIAs. I had a hard time finding a position that suited that. So even at this time and maybe I didn't look hard enough, but it was still this delineation of your either an advisor and they want advisors to have 10 years of experience with the CFP® or you have a back office role. I hated the idea of a back office role. And so for me at this time, joining a larger discount brokerage firm was the opportunity to still work with people, still be face to face with clients, but have have a little bit better model than what AIG was providing.

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:12:36] I love that. I think that's so important that there's so much experience to be gathered in this industry, whether it's in the fee-only space or not. And we hear even on the podcast so often that folks gathered invaluable experience working at these not fee-only firms and that it really took them starting their own businesses to be able to be fee-only. Go ahead and tell us about kind of the thought process behind going out on your own.

Justin Brownlee: [00:13:01] Absolutely. So at this time, I was working at the brokerage firm and I had about three hundred households was on pace to have about five hundred households in the next year or so. And the asset level for those households was-was tremendous. I think-I think my the book of business that I was-I was working with was about three hundred or three hundred fifty million at that time. And so the experience it provided was tremendous and I certainly would not have been able to do that on my own at that stage in my life and career. But as you can imagine, with three hundred or five hundred client households, there's just so many things that are not possible at that scale. And so thinking through my situation, I'm here in North Houston, and as a lot of folks can imagine, North Houston is oil and gas country. And so virtually every client I had, probably 80, 90 percent were retirees from Exxon, Mobil, Chevron, Shell, just large oil and gas petrochemical companies. And so at this time, I really wanted to dive deeper into the areas that truly affected their financial life more and so simple things like reviewing their tax return or just just mapping out Medicare premiums, that's just not possible with five hundred households. And then you talk about those basic things, much less higher stakes planning opportunities like NUA analysis, Roth conversions, estate planning. Those are just things that every single retiree in this niche needs. But it's not possible to execute across five hundred households.

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:14:47] Absolutely. So you have a dozen or so clients now. Did you pick your favorite dozen or so clients and start your own firm with them?

Justin Brownlee: [00:14:54] (laughter) I did not. So I had a strict non solicit that I followed to a T and my thought process there was I hired a lawyer, got legal advice and really walked through that non solicit. And this is the firm that I was at, is not a part of a broker protocol. And so it was not an option to to take any information. So I didn't-I didn't walk away with anything and did not expect anything coming over. And so even though I had the experience of the brokerage firm, it truly was a starting from scratch type scenario.

Maddy Roche: [00:15:31] Holy cow. Well, I guess tell us a bit about your current niche, because it does sound like you stayed within that that realm. How did you build your pipeline without having access to the people that you knew prior?

Justin Brownlee: [00:15:46] Yeah, so the niche that we that we specialize in with oil and gas professionals or retirees, the typical situation, or if we kind of make a caricature or what's the word Avatar? Avatar, sorry. So if we make a typical avatar for somebody retiring from this industry, they're in a situation where their company benefits are really unique. So the 401k or pension match is 15 to 20 percent at virtually all of these companies. And so you don't have to be an executive or anywhere close to it to reach retirement with four or five or six million dollars. And so just the typical level of assets is a lot higher. But as you can imagine, all of those assets are pretax. And so if you retire at age 60 and you've got four million dollars in an IRA, you're staring at an enormous future tax bill. And most people in

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

this position, they don't-they don't really get a whole lot of tax advice around it. And so that just continues to grow up until R&D age and it just creates enormous tax planning opportunities. And then, as we all know, most clients come to us having never done an estate plan. And so just some just some things like that. Thinking through your tax bill today, your tax bill 10, 20 years from now, and then your estate plan and trying to merge and marry all of that with the investment component. That's the typical situation that-that this that someone from this niche is operating in.

Maddy Roche: [00:17:30] Wow. Can you talk to us about how you built up your client base in this first year? You've got a dozen or so clients and it's only been a year, which is exactly on par with kind of our benchmarking results of-of the membership. And in terms of accumulating clients, they do have you have much higher revenue, and that's probably because of the investments that these folks have. But talk to us about how you've got those clients.

Justin Brownlee: [00:17:54] Yeah, so in that first year, especially those first few months, so I remember finally getting open and getting all the regulatory stuff out of the way. And at this point, as as you pointed out, I mean, I'm under a non solicit. I don't have any current clients to go work with. So I just started writing articles and making videos. And I'm kind of a teacher at heart. So I love like if I'm in an appointment with with a client, I am probably standing drawing stuff on a whiteboard for 80 percent of it. And so I just thought, I don't have anyone to teach. So I'm just going to teach whoever watches, teach whoever listens and we'll see what happens. And so that kind of started me on this journey of of online content that it changed drastically in the early months, just getting way more targeted with that content.

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:18:52] Yeah, that's a really important delineation that the market is so saturated with general content. But-but I think what you're alluding to is that you were writing specific content for the people you had expertise in, is that right?

Justin Brownlee: [00:19:04] That's exactly right. And I didn't start that way as much as I would have if I could do it over. So my website, during the first few months, I kind of hinted that I had this niche and my-my knowledge base was specialized with an oil and gas retirees. But I, I didn't get more specific until just happened to write a couple of of blogs and did some videos that were on a super specific topic and those just blew up and I wasn't expecting that.

Maddy Roche: [00:19:35] So you're an SEO pro.

Justin Brownlee: [00:19:38] So I embarrassingly -

Maddy Roche: [00:19:41] (laughter)

Justin Brownlee: [00:19:41] - have to admit that I don't know anything about SEO and I still don't. -

Maddy Roche: [00:19:46] (laughter)

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Justin Brownlee: [00:19:46] - And so I, my partner, Jared and I, we-we've had this conversation a lot this past month that we need to get a little bit more strategic with with some of the things we're doing there.

Maddy Roche: [00:20:00] Wow. But to have some articles, just a few articles and a few videos blow up, as you say, without any real knowledge about SEO is really impressive. Were you sharing them on certain channels that-that caught-caught the attention of the folks you were looking for?

Justin Brownlee: [00:20:14] Great question. LinkedIn was really key, which is interesting because I know it's not like I viewed LinkedIn as my ticket to business success with this. I didn't imagine that happening. And so I would put my content out on LinkedIn and it wouldn't get a whole lot of interaction. I didn't get a whole lot of-of-of anything that there was no buzz. But then I wrote one specific article that was really tailored to a specific situation. So, there was a there was a huge merger about a year ago, one company bought another company, so Occidental bought Anadarko and they had a merger. And within that merger, there was a change of control severance package that was offered to some of the employee base. And I just wrote an article that-that answered the question, if you were eligible for the change of control severance package, here's what you need to be thinking through. And I-I posted it on LinkedIn, and I think every other post I had was maybe getting one hundred, two hundred views and that post got like eight thousand. And so I didn't do anything special. I just I knew this was a question and something that people were asking at that time. And so I wrote something really specific for it and it just kind of blew up.

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:21:35] I love that. I think it's such a testament to niching, but also to the power of being able to what I suspect is kind of create these internal referrals. Because when you really start focusing on an industry in a space, a lot of the folks that that you work with will likely tell other folks that they know about you. Are you seeing the internal referrals begin to churn because of some of this niche that you've done?

Justin Brownlee: [00:21:59] That's right. And what's really interesting about that question is more content pieces that I would write thereafter. I can from that point on, I continue to get really targeted with the type of content I was producing. And so one metric would be how many people viewed this on LinkedIn, how many people liked or commented on it. But I, I quickly found that that almost didn't matter. So I would be putting content out whether it was a video or an article. And then I would hear from just friends in the area that happened to work at that company that folks at the water cooler, we're talking about that article that they had found it. And so just this idea that if I write something that's truly helpful, that even if they're not interacting with it online, it's still getting spread.

Maddy Roche: [00:22:49] Wow. If you write something helpful that that makes so much sense that that there's really a group of people that needed to see what you were writing and they found it. I'm so glad to hear that that was successful for you. And I love that LinkedIn was was the avenue. We don't hear about LinkedIn all that often. Were you were you cold messaging people to share it or anything like that? Or do you have a strategy for networking on LinkedIn?

Justin Brownlee: [00:23:14] Not really. So again, kind of falls under the under the category of by no means do I consider myself some sort of social

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

media expert. I used one outsourcing company to just-just automate my messages and connection requests. But even then, it was-it was a very basic nonchalant, hey, I produce a lot of content for oil and gas professionals, retirees feel free to follow along. I think-I think that's all I say. And so the other interesting thing was I quickly found in the first six months, if I wrote something that was relevant for a million people or millions of people, like here's what a Roth IRA is that's relevant to three hundred million people or whatever, but nobody would interact with it. But if I-if I really got more narrow and more focused and answered questions that were truly helpful for this niche, it blew up. So if-if I wrote for a million people, nobody called me, if I wrote or if I made a video for 10 people or 50 people, the opposite happened. We-we got a lot of a lot of interest at that point.

Maddy Roche: [00:24:24] Oh, I love that. I love that. Justin. Pivoting just a bit. You mentioned your partner, Jared, and I would be interested to hear about your journey going from a solopreneur to welcoming a partner into your firm. That's really something that we see happening more and more with the member firms. Advisors kind of reach a point where where they feel like they either want it for a variety of different reasons and it's not for everyone. But I want to hear your story about that and kind of what-what was your thought process around welcoming someone to your team?

Justin Brownlee: [00:24:56] Absolutely. It's something that I could have maybe seen this happen maybe three to five years down the road. Never envisioned it happening this early. And so I think there's really two-two things that come to mind that drove this decision from the get go just even before I started the firm and at the very beginning, the North Star or the real the goal or the destination that we were shooting for was it was pretty simple. And that is if you're retiring or if you're a professional at Exxon,

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Mobil, Chevron, or insert another one of the five giant oil and gas companies around Houston, I wanted it to be clear, in a way, we are the best firm for you. And so that was kind of that's that. The goal that was the North Star, that we are clear in a way, it's not even debatable, we are the best firm for you. And I mention that because me personally and this is kind of the second reason I have I have some things that I think I'm really good at and then I'm really, really bad at everything else. And so when I think about my strengths and my weaknesses. There is so much that goes into running your own firm. And I am really, really good at about 20 or 30 percent of them, I think. And then I have no interest at all in the other 70 percent. And so if I match those things together, my North Star, the end goal is, hey, if you're in this demographic, if you're retiring in this niche, we are the best forum for you. That was possible as a solopreneur. That was possible for maybe 10 clients, maybe 20 clients. But I was the roadblock for that being true for fifty, one hundred, and if we grow past. I don't think that I could truly say we are the best firm if you're retiring from this from this niche, unless I brought Jared on.

Maddy Roche: [00:26:59] Okay, I've got some follow up questions to that. You were quite humble and I appreciate your transparency with this. It takes it takes a lot of guts to say as a firm owner, hey, there's only 20 thirty percent of this that I'm actually good at and that I love. Talk to me about what those, what fell on that side that you loved and what fell into that other side.

Justin Brownlee: [00:27:19] Absolutely. I love sitting down with-with clients. I love sitting down with with folks that are that are interviewing our firm, talking through their retirement situation, talking through tax planning and estate planning investments. I love all of that. I love writing about it. I mean, I could-I could write a blog every other day. I absolutely love it. I

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

really enjoy making videos, stuff like that. We'll probably start a podcast at some point, kind of one of those things that's down on the list. But all of those things just teaching people and anything that's-that's along that part of the business, I really enjoy. And I love financial planning. And so just matching that teaching with financial planning and being with clients or prospects, I really enjoy that part. But the parts that I don't enjoy are thinking through systems and processes and thinking through CRM, compliance and just everything that goes with bookkeeping. There's so many different things that are not financial planning, that are not wealth management, that have to be done. If you own a wealth management firm.

Maddy Roche: [00:28:34] Totally. Can I ask, did you know that you may not like those things going into this? Did you know that those were the components of running your business and you had a sneaking suspicion you wouldn't love it? Or did it really take a year doing it to realize you didn't like it?

Justin Brownlee: [00:28:52] You know, there was one moment before the pandemic started where some of our content had blown up and I had kind of expected the growth curve to be a lot slower. So I think in my head, I had expected to be where we currently are, maybe in a few years, and then the growth came a lot faster. And so I remember this-this moment where I think maybe three or four clients came on in a really short period of time and had a bunch of work that goes along with that. And I was just thinking, I don't enjoy this and I can do it. I can get it done. But I looked at this and thought, okay I probably need to hire or find some solution to continue to be a best in class firm. I probably need to do that once-once we reach maybe 30 or 40 clients. But but some of those experiences and seen some of the growth happen a lot faster than I was expecting. It just led me to say, is there a way to do this now?

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:29:57] Oh, I love that question. And that's wonderful to hear that the growth was fast and good for you. How did you meet your partner and what was the decision to bring them on as an equity partner versus just an employee?

Justin Brownlee: [00:30:12] Absolutely. It's really two fold. So I had met Jared at the University of Arkansas about ten years ago, and we had stayed in touch a little bit, but we had really just got back in touch with each other when we found out we were both CFPs®, both in the fee-only space. And so when we-when we really reconnected over the past couple of years, I was pretty shocked because he was actually running and still is, his skill set is paraplanning COO work and so he was running a virtual COO paraplanning firm for other small RIAs, and so that blew me away from the get go because that's exactly what I was looking for, basically operations and somebody that will handle all of that. That is-that is literally the 60 or 70 percent that I wasn't that interested in.

Maddy Roche: [00:31:13] Wow, and most folks would say, okay let's talk about giving you a salary and bringing you on. Was there-was there kind of an analysis that you did based on the revenue that you had that made it feel like that wasn't possible? Or what was the decision around him becoming a partner vs. employee?

Justin Brownlee: [00:31:29] Yeah, I think it was a couple of things, the first thing that comes to mind is, again, that question that we tried to-we tried to really ask it at every stage and the question simply being, if you're in this niche, if you're retiring from a large oil and gas company, we need to be the best firm available. And so thinking through that question and then where

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

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we were at at the time. One, I wanted to do it-I wanted to do it now because I saw huge benefits for going ahead and making the change now. So when he came on, I think we had maybe nine or 10 clients. And this is we formalize this just a few months ago. So we've-we've actually, I think, doubled in revenue or close to it since Jared has come on. And that is not a coincidence. Those are those are very related. So I was convinced that I was kind of the cog that was stalling things, if you will. So I wanted to make that now. And I used equity for a couple of reasons. One, it made the most sense just at that point. I couldn't really justify from a business owner revenue perspective paying someone a huge salary at that point. So equity made a lot more sense to be able to make the deal happen now.

Maddy Roche: [00:32:47] Justin, I'm interested if you're willing to talk about the structure of the partnership, I think there could be really helpful for some of our listeners to hear how you broke it up, how you do get paid and what the relationship is kind of and a decision making basis with with you and Jared.

Justin Brownlee: [00:33:03] So thinking through the deal structure with Jared, I really wanted to create something that-that gave him huge incentive. I truly wanted him to be bought in and felt like, you know, the difference between kind of a mercenary versus just a soldier. That's-that's all I was I was looking for somebody that was going to be a partner in the bunker with me. And I remember in one of my early conversations with Jared, I told him something along the lines of, hey, I'm bringing you on. And you're you're probably the thought is that I'm the boss because I still own the majority of the shares, but I'm not looking for that type of thing. In fact, I want you to be your own boss. But even more than that, I want you to take the mindset that you're my boss. And so take the lead with operations to that level, because I truly wanted to delegate this out and really get in a

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

situation where both of us are thriving within our strengths. And so I just felt like the equity component made sense from a financial perspective for the stage of business that we were in and to bring him on faster than we otherwise could have. But then it also just made sense for-for what I was looking forward to truly just give him some of the ability to just run free and do these things.

Maddy Roche: [00:34:30] How are you working remotely right now together? And has that been the relationship, even pre pandemic?

Justin Brownlee: [00:34:37] That's a great question. I didn't even think about that. That's a huge component of all of this. This would not happen without the pandemic. -

Maddy Roche: [00:34:45] Oh, what.

Justin Brownlee: [00:34:45] - So, yes, I would have never imagined that my first hire would be remote starting out. Jared is in Memphis, currently Memphis, Tennessee, and obviously we're in the Houston and greater Houston area. So before the pandemic, I would have never envisioned doing something like this. And then the pandemic happens. And that part of that is the interesting thing, though, about being in Houston. This is an enormous place. I mean, this is like an absolute world of its own. And so before the pandemic ever started, I would have retired clients that would opt in and request Zoom meetings before we ever entered this this era just because why would you want to get in your car in Houston? It's just a miserable experience. And so we-we were kind of on that on that trend before the pandemic. But once the pandemic started, everything's remote.

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

And then I think through the role of a chief operations officer and if I'm thinking through what I want out of a COO, I don't need them in the same offices as our home office headquarters at all. And so we may change that. It's certainly something where we may be in the same location and we're sorting through that. But I'm one hundred percent convinced that what we're trying to do, trying to achieve that North Star, that can happen whether Jared is in the Woodlands with me or whether he's across the globe anywhere.

Maddy Roche: [00:36:17] Wow, wow. Awesome, Justin. Justin, you mentioned that part of your-your interest in getting Jared to come on in as an equity partner was because you couldn't really justify that large salary. Are you both pulling salaries right now for the full time work that you're putting in, or have you kind of decided to tier it in a way as revenue grows? What was your thought process behind that?

Justin Brownlee: [00:36:38] Yeah, so the thought process there is his-his equity is purchased through his work. And so, in other words, kind of a sweat equity arrangement there. And so then we have different mile markers that as we hit them with certain revenue marks, then we'll transition into more of a salary distribution type setup for both of us.

Maddy Roche: [00:37:00] Great. It sounds like you guys had a history together, just having known him for-for as many years as you did. Michael Kitces has written a couple of great articles about kind of vetting different partners and taking personality tests and different assessments to make sure that the relationship works. Have you guys taken any sort of professional approach to making sure that this partnership is-is a long one?

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Justin Brownlee: [00:37:23] I love that question. At the at the beginning of us talking, we really hadn't and my wife had been telling me for a couple of years -

Maddy Roche: [00:37:33] (laughter)

Justin Brownlee: [00:37:33] - to take Enneagram. And so she's a big fan of the Enneagram. And I had kind of put it off and I finally did it and really started to research that more and kind of think through what am I? And Jared had already done it and and really thinking through. Okay, so if I'm an eight and he's a three, how do we best work together? Which has been really helpful. And once you go through it, I mean, I almost think how was I interacting with people before this? It gives you such a framework to have empathy and just connect and care about other people in-in a deeper level.

Maddy Roche: [00:38:12] Can you can you tell us what-what your results are and how it's impacted your-your relationship to this firm?

Justin Brownlee: [00:38:19] Yeah. So I think I'm an eight and that I go back and forth, though at times I've heard it said that whatever you were at age 20 is a really pure look at who you really are. Which is fascinating. And in my story, we've-we've kind of gone through a lot. So we had three kids, my wife and I did. And then at the-at the birth of our third child, I was actually diagnosed with cancer. And so this this all happened about a year before we started the firm. And so part of me wonders going through something like that, am I a little bit of a three? And maybe that was kind of put on the back burner and now I'm in eight. But-but it's helpful to think through that. I've got a little bit of both.

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:39:12] Wow. Wow. What a beautiful assessment of how you may have changed through that. I'm sorry to hear about that. If you don't mind asking a couple of questions regarding that, not everyone would start a firm with a diagnosis like that, did that way at all into your decision?

Justin Brownlee: [00:39:29] It certainly did. When the diagnosis happened, I was at my previous role at the brokerage firm, and it certainly made me think that doing anything like this would be way off into the future, if ever. And so it was something that I really didn't expect to do and then fortunately diagnosis was favorable and treatment is quite a miserable process, as you can imagine. But treatment is extremely effective for the diagnosis that I had. And so getting through that and kind of getting a green light that this was a really difficult process for our family. But it's something that went really well. It kind of then freed us up to, again, ask the question, is what I'm doing now truly, what I want to be doing for the next ten years is, am I in a position where I'm doing what's best for the niche and clients that I work with? And it frees us up to really make an adjustment.

Maddy Roche: [00:40:33] Wow. Absolutely. We hear so often that folks feel like opening their own firm is kind of like it's a last resort. There's a lot of confidence because you can always go back to the old world. But this idea that, like, there's no better time than now to go out and do it and I feel like there must be some initiative for anyone who's gone through anything kind of life threatening to think about that and to say, you know, there is no better time than now to do what you love and do it the way you love it.

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Justin Brownlee: [00:41:03] Yeah, I would definitely agree with that. I mean, it's certainly going through something like that and for it to happen right after our third child was born, it just was it was not on our radar at all. So it came out of left field. We were not expecting it. And it did give us that perspective that, you know, life is hard and life is short and there is no better time to put off the highest and best use of what we can be doing.

Maddy Roche: [00:41:34] I'm interested in knowing kind of your plans for the future of the firm. I love that you kind of always go back to your north star of wanting to be the premier firm in the space. And you've made really intentional decisions to make sure that that there's support for the continuation of this firm long term. What are your plans for the long term, given that North Star?

Justin Brownlee: [00:41:57] I love that question and it's something that Jared and I have purposefully left open. And so my short answer to that is we're not necessarily sure. So we're in some ways, we're really excited about getting one hundred clients and just being absolutely excellent for those one hundred families. That excites us a lot. I think the and that was where I if you would have asked me that question at the beginning of this process, that would have been my answer. The thing that's truly changed is I was not expecting the demand to be what it was, just really did not expect for the model and what we built. And in our fee structure and our service offering, I did not expect for there to be as much demand in year one. And so that's kind of changed it to say we're definitely open to the idea that maybe, maybe we do continue to grow and not necessarily cap it. And so we're trying to make decisions right now to put ourselves in a position where we really can be intentional. We don't-we don't necessarily want 10 years from now to look back and say this is what

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

happened. And we didn't necessarily decide this. So we're trying to be somewhat intentional to to build something that-that will be what we want it to be and be best in class for, say, one hundred families. But we're also trying to make decisions that once we reach 40 or 50 clients, which at the pace we're going now is is not too far off that maybe at that fork we can we can really decide do we want to build more of a team, build more advisors, hire more advisors, or do we want to continue with that original plan?

Maddy Roche: [00:43:51] Wow, I love that. And thank you for harping on the intentionality. And it's something that we try to pressure early on as folks build their firms to really think about where they want to go with with their ideal firm, because we track churn so closely at XY and really ask the questions of why would folks if they were shutting down their firms, why if they were taking different positions, why? And if they're pivoting, what was causing it in real general theme is that folks have built the firm that they didn't love. They ended up building a firm that just wasn't fitting their lifestyle, wasn't actually achieving that that light work-life balance and things like that. And with with rapid growth, it can happen fast and all of a sudden to keep up. You don't continue to keep that that north star at the front of your-your vision. And so the intentionality that you've really demonstrated through this interview discussing it is really impressive. Do you currently have a wait list for clients? Are you being intentional with the number that you're onboarding to to keep a consistent experience for clients?

Justin Brownlee: [00:44:54] That's another really tough question that we've had to sort through. And so we did recently start that because we were just at a position where we had a lot of people coming on at once. And so we did for the first time, just was a few weeks ago or maybe last month. And this I hadn't done this before, but I did tell some prospects that,

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

hey, for the next month or two we are capped and we do that intentionally. We don't want to bring on more than about three families in a given month because our process is really intensive. During that first six months, we really go through your estate plan, your tax return, your investment portfolio, and we really map out a lot of those critical items. And so it's kind of like you mentioned, just having that at the forefront of our mind, that if we if we bring on too many people at once, we're not going to be able to provide the level of detail and level of care. And then back to my career then then what's the whole point of doing this? The reason that this firm exists is to provide a real high level of detail and care for the families that we bring on, and so we for the first time we have started that and we're not we're not totally sure if we're going to continue it, but it's been helpful to just ensure quality continues as growth happens.

Maddy Roche: [00:46:20] Oh, I love that. Thanks for sharing that. I want to go back to something you mentioned earlier in the interview, which was your feeling that 10 years ago there just wasn't a lot of access into the fee-only space. I'm wondering if you could just speak to that for a moment about how you think it's changed over the past 10 years and maybe where where you think the fee-only space is moving towards in the future.

Justin Brownlee: [00:46:42] When I think about the the fee-only space and the career tracks available, so 10 years ago, it was certainly difficult. There just wasn't a whole lot available. And 20 years ago it was, as everybody says, it was, truly go to some insurance or brokerage firm and eat what you kill. And they're probably going to make you call your friends and family and bug them and sell to them. So fortunately, we have more options. One space that I think needs a lot of tweaking still is some of the some of the draconian non-solicits, non-competes that I see in the fee-only RIA space. And so even back to when I left AIG, what is this, five, six years

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

ago, that was a big concern. So one-one of the reasons why I didn't join a fee-only RIA, is the few that I looked at just had unbelievably restrictive, non-competing, non-solicits. And maybe I was going to like that firm and stay there forever, or maybe I was going to launch my own firm like I ended up doing. And so I think that's kind of the next stage that it is getting better. There are some fantastic growth tracks and career opportunities, but we need to not force younger CFPs® younger advisors to sign away their next five or 10 years to this firm.

Justin Brownlee: [00:48:06] Totally. I couldn't agree more, Justin. I love this. Lucy Robeson with Advice Pay was recently on the podcast. And the whole the whole show was really dedicated to talking to alternative career paths in this space. And really, just as you realized, only 20 to 30 percent of running your RIA is stuff you like doing means there's 70 percent of running a business that that folks have available to employ people with and for. And so if you can think, even though you love the fee-only space, maybe you don't love being the financial planner, maybe you don't like marketing. You could go help run a firm. You could go be the chief operations officer somewhere. Still have your-your fingers in the fee-only space and in the good work that's happening there. But you're able to do it from a business perspective and different roles exist there. But those non-competes, those non-solicits can be incredibly challenging. And I'm glad to hear and share a success story like yours. Just I'm wondering, as we round out this amazing interview with you, what words of wisdom do you have for folks that that maybe you're on the fence about starting their firms and maybe even during the pandemic, if there's any change in your answer based on that?

Justin Brownlee: [00:49:18] That's a great question, and I think the journey that-that I've experienced is certainly one that I'm sitting here today and I'm surprised at the growth that we've been fortunate to have

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

experienced. And so my answer is a little bit skewed and probably going to encourage everybody to go start their own RIA. -

Justin Brownlee: [00:49:40] Yeah, do it!

Justin Brownlee: [00:49:40] - But. Exactly! In fact, somebody I had-I had coffee with someone from the oil and gas industry who was looking to get into our industry. And I mean, I couldn't help but say you should start your own RIA and specialize in oil and gas, even though that would be a direct competition to what what we're trying to do. So I love the independence that that's offered and I love the ability to-to do what we do and to not have some of the restrictions that come with a brokerage firm that has conflicts of interest. But I think you hit on a key point. I think it's-I think it's understanding and finding. What am I good at? What is my skill set? What are my strengths? And maybe more importantly, what am I not good at and where do I not want to be? And just continuing to take action to to get closer to that point.

Maddy Roche: [00:50:32] Absolutely. Delegation and outsourcing are can be-can be firm owners, best friend as they figure that out. Justin, I so appreciate your insight and your openness about this whole experience and in your personal experience through it, I suspect our listeners will really, really have enjoyed this episode. So thank you so much for joining me today.

Justin Brownlee: [00:50:53] Oh, thanks for having me on. This podcast was a huge resource for me over the years. And so, I mean, it's just it's such an honor to now be on the other side of it.

[XYPN Radio](#) with Maddy Roche

Ep #280: Doubling Revenue by Bringing on a Partner - The Career of Justin Brownlee

<http://www.xyplanningnetwork.com/280>

Maddy Roche: [00:51:02] Oh, Justin, thank you so much for saying that. I look forward to having you back on in a couple of years to check in on where you've brought that firm. Thanks, Justin.

Justin Brownlee: [00:51:10] Let's do it.

[00:51:11] --swish--

Maddy Roche: [00:51:12] 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. Be sure to join our VIP community at XYPlanningNetwork.com/VIP to hang out with other #XYPNRadio listeners, ask questions for future mailbag episodes, and finally to find a community of like-minded financial advisors. Thank you so much for joining me today. We'll see you next time.

Narrator: [00:52:00] You are not alone and you are not crazy is 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 #XYPNRadio to 33344 and join a network of thousands ready to change the lives of Gen X and Gen Y clients.

**Ep #280: Doubling Revenue by Bringing on a Partner -
The Career of Justin Brownlee**
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