

**Ep #303: Adding a Partner Into an Established Firm: A  
Conversation With Ryan Mohr and Eric Thomas**

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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 #XYPNRadio, I'm Maddy Roche, your host. I'm excited for today's conversation, we're talking all about partnering. Ryan Mohr and Eric Thomas are owners of Clarity Capital Management, a fee-only firm out of Portland, Oregon. And today they're talking all about how to partner, when to do it in the benefits of it. Three and a half years ago, Ryan started his firm as a solo owner, building it to serve over forty five client households. As the pressures of growth continue, the desire to bring on a partner remained at the forefront of Ryan's mind. And on today's show, Eric and Ryan talk about their decision to partner together how they established equity buy in for Eric and the process they followed to finalize their agreements to one another. Eric discusses why the timing was right to transition into fee-only space now versus when Ryan originally opened his firm. And Ryan discusses what it was like to offer equity into a company that he built from the ground up. I really enjoyed this discussion and it's a great example of how to partner intentionally after a strong foundation has been built. If you're interested in what it's like to bring on a partner in year four this show is for you.

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**Maddy Roche:** [00:01:36] 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:** [00:02:09] You can find any of the resources we mentioned during the episode at XYPlanningNetwork.com/303. Also be sure to go to XYPlanningNetwork.com/VIP to join our 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.com/VIP. Without further ado, here's my interview with Ryan and Eric.

**Maddy Roche:** [00:02:38] Hello, Eric and Ryan. Welcome to #XYPNRadio. It's nice to have both of you this morning.

**Ryan Mohr:** [00:02:45] Hi, Maddy. Thanks for having us.

**Eric Thomas:** [00:02:47] Yeah, pleasure being here.

**Maddy Roche:** [00:02:48] Great to-great to have you. Ryan, I'm going to start with you. Today's conversation is, I think, especially interesting to our listeners, because this is a perfect example of someone designing a firm as

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they started with the idea of partnering and then waiting several years to do so. And today we're going to have the conversation about what it's been like to finally make the move to having a partner join your firm. So, Ryan, go ahead and get the listeners up to speed a little bit about yourself.

**Ryan Mohr:** [00:03:17] Sure. So I started the firm Clarity Capital Management back at the end of the very end of 2017. I came from a background in the industry, started in 2007 and worked in a few different forms, both client facing early on and then working with advisors directly. But after being away from the client facing side for a while, I wanted to get back into that and knew the only way I would want to do that was by being an independent firm that I would operate myself and to be fee-only. So started that at the very end of 2017. And I guess we can get into maybe more of the how this eventually came to be with Eric, but initially started the firm on my own from scratch, no clients or anything that followed me. So that's how, that's how it all began. Here we are what, three and a half years later. And it's been an interesting few years.

**Maddy Roche:** [00:04:28] It sure has. And Ryan, you stand out in my mind. I really remember when you joined the network and it really feels like it was only a year or two ago, but it's been several. So congratulations on your growth and for really being in being at this point in time now where you're designing really the firm in your dreams. We have Eric, of course, on the line. Eric, would you like to introduce yourself to the listeners?

**Eric Thomas:** [00:04:51] Yeah. And thanks for having us this morning. Yes. I've been in the business similar to Ryan since 2008. I started off as a rep doing 403b business like a lot of us in New York, and then kind of bounced around the industry a little bit. I moved out to Portland, Oregon,

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and was at the same firm as Ryan working kind of with back office broker-dealer/RIA hybrid world supporting firms in the ultra affluent space. We supported about 150 firms. And then, yes, actually, I think Ryan left that firm and decided to start Clarity Capital Management. And we were kind of talking about what that would look like for him. And I was actually considering whether or not to leave with him. But then some other opportunities came up with the firm in management and took that opportunity. So I had a slight delay. We hired Ryan and then Ryan finally convinced me this year. So here we are.

**Maddy Roche:** [00:05:47] Awesome. I can't wait to get into this. Ryan, what was the aha moment that you knew you had to leave the broker-dealer space and start your own RIA?

**Ryan Mohr:** [00:05:57] So it was-it was about four years ago probably, or darn close to it. So when Eric and I were both at that company, we worked directly with advisors and their independent practices helping support them. Me more on the-on the investment side. And my position there at the time was in a role that required me to be at a desk much of the day. It was really hard to step away. And I managed a team there at the time as well, and we had in Portland. So Portland, Oregon, we-we occasionally get snowfall. And when it does, the city freaks out and people forget how to drive. And it's it's pretty wild even with like an inch of snow. And I remember then it started snowing one day and everyone in the city tried to leave and go home all at once, which caused just enormous crazy traffic jams. And our-our son, who was, I think two at the time. He was at daycare and we due to the traffic jams and being stuck downtown for many hours. He had to stay at daycare overnight. We just couldn't get over there to get him. So it was that moment I was like, I need to do something different. This is controlling my life in a not so great way. And that was like the moment where I was

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like, I got to-I got to make a change. I got to do something that gives me more flexibility in my time and not be tied down to something. And that was the moment that was like, I want to go back into this and design something that is mine and gives me some some purpose and, you know, allows me to build something that's mine and-and gives me more control of my time again. That-that was a really huge thing.

**Maddy Roche:** [00:08:04] Yeah I hear that over and over and over again during these interviews, that control of time is really a big reason folks want to jump out on their own. And I do not blame them. Eric, at three and a half years ago, it sounds like maybe you weren't in that same position. What made you stay at that point in time?

**Eric Thomas:** [00:08:21] Yeah, I think it was all about opportunity for me, you know, same as it is now, but three or four years ago we were the company that we were both working at was going through a whole bunch of changes. And I thought that could be a lot of opportunity for kind of living through those changes. And there were some opportunities for management. And I thought having an opportunity management and leading a team and kind of trying to make some changes in that bigger organization would be really interesting, along with some really good leadership-leadership changes above us. So I decided to stick around. And actually, I think that those first couple of years that I spent there were really, really positive for for kind of how I look at the business in the world that we live in. So, yeah. Yeah.

**Maddy Roche:** [00:09:05] Great. That's so good to hear. Ryan, I'm really interested in this idea that as you started your firm, you already kind of had this hunch that you wanted to do it with someone. You didn't end up

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launching your firm with a partner at the time. But can you talk to the listeners a bit about what-what were you thinking through and why was a partner something that initially you really were attached to?

**Ryan Mohr:** [00:09:25] This probably goes back to the beginning when this idea first came to be as Eric and I would talk about this idea of starting an RIA early on, you kind of kicking it around. And to me at the time, it was like, no that's crazy, we can't do that. And the more we talked about it, the more I was like, no, like, why not? And so I began to well, I think we both began to kind of explore that idea a bit more. And we-we looked early on like, okay, how would we do in office and what would that sort of look like? And so going down that path together and then it became clear that Eric was going to pursue something there within more of that leadership role. And I think at the end of the day was-was a really good thing for him and a good opportunity. And I'm glad he did that. But for me, I didn't want to continue staying there. I needed that change. And this idea was just burn in the back of my mind is like I got to I got to keep going forward with this. And so I continued to-to research and begin to more actively build, like, how I was going to actually do this. And yeah, at that point, the excitement was there and I had to keep pushing on. But all along the way, I enjoy working with people. I enjoy having a sense of collaboration and someone I enjoy and share and successes with. And, you know, it's when you're starting a business, you want someone to sort of lean against and have ideas to share with and get feedback on how you do certain things. And that was the piece that was missing. Eric was there for-for those conversations along the way, as were other people. But it wasn't the same as having an actual partner in the business. Right. So as I went along, it was I could see myself kind of going in two different directions. It was having a partner that we would be able to build the business together, or I would maintain, you know, working as a solo firm owner and just having a support person or a couple people. Maybe it was like a virtual paraplanner, which I had for a short period of time or some other kind of support person there just to be

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able to help support the business. Maybe less so attractive solution, because it still didn't solve that need and kind of want of having another person there from a collaboration standpoint. So I didn't-I didn't know what was going to happen and I didn't know who that other person would be. I didn't it wasn't really clear to me. And so I kind of just continued, you know, keep growing the business. Me and these things will find a way to kind of sort themselves out over time is kind of what I thought. And all along the way Eric and I had continued our discussions and in these kind of ebbed and flowed a little bit. And we-we got to a period where it became a more serious conversation again. And so I think it was being patient along the way and knowing the right thing would develop over time. It was just a matter of when. And yeah. So here we are,

**Maddy Roche:** [00:12:48] Beautiful and Ryan, I'm interested in this when idea. At what point in your business growth, I mean, you're three and a half years and how many clients are you serving and what's the status of your firm that you felt like it was time to finally have that official conversation with Eric?

**Ryan Mohr:** [00:13:04] Yeah. So right now we have about forty five ongoing client households and ongoing I say those are the regular clients that I work with on a regular basis. We-we do some hourly and one time plans, I've done a fair amount of those along the way as well. You know, it was getting to that feeling of capacity for me, you know, where-where you're feeling fairly constrained by the client households that you have and being more and more selective about who you choose to work with as new clients because you're aware and weighing that-that difference in time between taking care of your existing clients and the time involved in onboarding new ones. And so it was getting that point where I was like, I need to figure out something either let's stop taking on new clients and just



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be happy with where you're at or really focus on getting super streamlined and having a support person to help you. Yeah, it was-it was getting there probably in the past year. It was starting to burn in the back of my mind. A bit more of like, what am I going to do next?

**Maddy Roche:** [00:14:20] Yeah, totally. Yeah. That that decision on how to scale your firm is a big one. And you listed off all the options. Eric, it sounds like when Ryan approached you at the time was right for you.

**Eric Thomas:** [00:14:30] Yeah, I-I completely agree with that. You know, I been in the business for a while and given that opportunity to kind of help consult and work with one hundred and fifty firms, it really kind of allowed me to understand what the type of firm that I wanted to work at was. And so those conversations with Ryan really happened at the right time for me, where I could kind of understand what the commission world will look like with the with the investment advisory world looked liked. And then what are some of the advantages and disadvantages of each world? I think alongside of that, it's happened at a really interesting time in our business where our business in general is going more towards that more consultative role as an investment advisor and financial planner. So I think all of those kind of happened at the right time for me. And and I think-I think the way that Ryan has designed this firm really, really aligned with my my beliefs in the industry. So it's been good.

**Maddy Roche:** [00:15:31] That's great. I'd be interested in kind of the structure of the agreement, of course, in detail and really as much as you'd like to share. Eric, do you want to talk a little bit about kind of how-how you will base maybe tie breaker decisions?

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**Eric Thomas:** [00:15:45] Yeah, I think that's-that's been really important for both Ryan and I to kind of talk that through and make sure we have a good understanding. I think throughout the whole transition, Ryan and I have been really realistic to things that can happen in our industry. So we've been really thoughtful about what happens if there's an exit, what happens if there's a decision that isn't is in there's a 50-50 split and it's really impactful for the direction of the company. So while the just in order to get the transition done and to make sure that Ryan has maximum control over the business that he's created, in case there's something crazy that is unexpected, we did create the 51-49 split initially. But then over the next couple of months, as Ryan kind of alluded to, that'll shift to a 50-50 split. And I think what's important to both of us is when it does shift to a 50-50 split in ownership. We are creating just a third party advisory committee to actually just one other person. So the committee will consist of me, Ryan, and this third party person kind of outside of the business, maybe even outside of our-our kind of world. And then that person will come in. And if there is a need for a 50-50 kind of decision, if there's kind of a disagreement between the two of us, that third person will help make the overall decision. So I think for us, it's been important to have that 50-50 ownership. But also I wanted to make sure and that Ryan had the control just for the initial stages of the transition, just to make sure that if something were to happen and there's some sort of massive thing that would come up with me, that he had some flexibility to make some changes.

**Maddy Roche:** [00:17:23] Right.

**Ryan Mohr:** [00:17:25] So initially we have the design of the ownership being a 51-49 percent ownership for me to maintain that control early on and over the next, well, essentially the end of the year is our target for

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moving to a 50-50 percent ownership as long as everything is moving in the direction we both want it to be.

**Maddy Roche:** [00:17:47] Fascinating. That's great. So let's talk about some of the nuts and bolts, Ryan. And how-how do you go about making an offer to partner with a with an individual at your firm?

**Ryan Mohr:** [00:17:58] At the time, I was a really good question because obviously I'd never done it before. I you know, it was at first we needed to have a lot of conversations to make sure this was the right thing, that it fit with both of our-our wants right. Like, what do we want for career and personal life and, you know. What do we want from being in this business standpoint, is that the right fit and then it gets into more of the philosophy around, you know, how do we want to work with clients and how do we want to run the business? And what's our philosophies around planning and managing investments and all those different little things? So we'd spent, quite a lot of time just in discussions around all of those things, you know, we-we had what a weekly meeting, I think essentially, and that was the right weekly.

**Eric Thomas:** [00:19:05] Yeah, I think that's about right. Kind of weekly or biweekly. And I remember we'd have well, we both have a list of questions that we'd kind of generate throughout the week. And during that time together, we kind of talk about what's going on in our personal lives and all that because we're close friends, too, but also all those weird questions that come up. And I think-I think it's almost like we were dating for a while and and then growing closer and closer. Then we got engaged. And now, you know, now things are progressing rather rapidly.

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**Maddy Roche:** [00:19:39] And it very much is a it's like a marriage. I mean, Alan and Michael have always talked about the kind of partnership that and commitment to-to the other partner that a partnership requires is is really high, high level and does rival that of a marriage and a lot of ways. Eric, talk to me a little bit about what it was like to have the conversation, either on the personal side or the professional side about leaving kind of the career that you had built to join a firm that your friend had built.

**Eric Thomas:** [00:20:12] Yeah, I think-I think a lot of it for me has been having a really supportive friend group, and my lovely wife is super supportive of it, I think leaving any career with kind of the golden handcuffs and in normal benefits and salary and bonus, I think that's-that's a scary world for us all, especially when you're so used to it for a long time. And I think for me, it was really seeing Ryan have the guts to do that a while ago and kind of go from one hundred miles an hour to-to zero miles an hour, then try to build up his speed again. And seeing that he was able to do that with the support from his family and then, you know, having the support from my family, knowing that I was coming home every day and there were a lot of parts of the of my career that I would just not completely satisfied with. And my wife and family seeing those things and that effect on me. So I think having a really supportive household and then finally just having the guts to-to do it. And I think for me, it's as I keep saying, as a financial planner, you always want to recommend to clients that you write a giant check and then get paid a lot less money. It sounds like a perfect idea, but I think the long term hopeful success and inflexibility of the career and then also no longer having the excuses of, well, I can't control this now. Now I have the control to affect what the firm looks like and what our clients look like and the type of services and offerings that we're offering to our clients. So having more control over all those things is-is both really scary, but also really, really exciting.

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**Maddy Roche:** [00:21:57] Totally. Totally. Very attractive. Ryan, you used FP transitions for this transition of yours. Can you talk a little bit about what that engagement looked like? What did you need for FP transitions to be able to make this possible?

**Ryan Mohr:** [00:22:12] Yeah, so, you know, we so Eric and I spent so much time up front, you know, having those conversations and making sure this was the right fit to continue to pursue. And it obviously became clear as we went along that-that that was the direction we were going in. So, you know, we both we both agreed that having a partnership where Eric was more than just an employee, is a partner, the firm and an owner of the firm was both. It was important to both of us. So then the question came, how do you actually go about that portion of the-of the buy in so equity buy in for him? And first part of that conversation is, well, what is the value of the firm itself? And so I began to explore what avenues we would look at for-for getting that. So it, there was really two options out there in the industry that I was aware of FP Transitions and SRG both have similar businesses, as far as I understand them spend a lot of time on kind of the MNA side of advisory practices. And so I reach out to both of them, ultimately ended up using FP transition. So they have a service where well, let me back up. They're both fairly comparable in terms of price for kind of smaller firms that are looking at getting a valuation and kind of some ancillary benefits that go along with that. So FP Transitions has a service that for a year long service that's kind of paid via a subscription every single month, you get an annual valuation of the firm and then they do some other things around succession planning and that sort of thing. So I end up going down that path with them and supplied some information to them about the firm demographics and ages of clients and revenue figures and all those different things. And they have a ton of data from this space because that's what they do. And they were able to take all of that information that I supplied about the firm and be able to come back with a valuation based on a few different metrics. Either it was like an all cash deal or a buy in over time. And those just had a range

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of of ultimate value, depending upon how you went about it. And, you know, the one thing about that valuation is I think it's more geared for firms that are looking to sell outright to another firm. So sell the book out to somebody else. And then, you know, a multiple of revenue makes a lot more sense because someone just buying a book, they're buying the revenue. In this situation, Eric was buying in equity into the firm. It was important that or at least it should be important to him that the firm is profitable, not just earns a bunch of money. Right. And if-if there is a ton of revenue but no profits, then that's less valuable to him. So it wasn't perfect for us, but it gave a really pretty darn good baseline. And I did a bunch of other reading about this. And of course, Michael Kitces has been out there and be able to to take those numbers and look at it from a valuation standpoint for equity buy ins as a as a multiple of profits. So we are able to take the data that FP transitions gave us and use that as a baseline to see how it compared to other kind of formulations, so to speak. And in it was a really good starting point for us. And it wasn't the only thing we depended upon, but it was-it was a really good place to start.

**Maddy Roche:** [00:26:21] Totally. Yeah, that's great. Thanks for that, Eric, I'm interested from your perspective, what did what did Ryan need to do? What did maybe FP transitions have to show you for you to feel good about the decision that you were making buying into this company?

**Eric Thomas:** [00:26:34] Yeah, that's-that's a great question. Ryan was really open to me about all the financials of the firm without sharing any client information, he was able to kind of show me what it looked like. I could get a really good understanding of what the expense expenses looked like, what the income looked like, and then all the different revenue lines. And he was-he was really supportive of just being completely transparent with all that, which I think was really helpful. And then both of

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us trying to go through that. The the valuation process together, I think was really helpful with us kind of trying to do a lot of our own reading and then kind of coming together to understand what was actually important. But in general, I think. Especially with a newer firm. There's a lot of variabilities that are not completely clear. So with, you know, the business being relatively new, you know, the growth of the company has been really quick, which means that when you do a valuation, you might tend to have higher valuation because of the growth, but because it's growing for such a short amount of time. You know, it's hard to understand what that means for the long term outcome of the company. So I think a lot of the numbers that we kind of talked about was just kind of what felt right for both of us. And it really just kind of his gut feeling that I was doing the right thing. And I think Ryan would probably say the same thing, where it's where it's really, you know, over the last couple of years, I realized that following my gut is is hopefully going to be important for that with all the other financial valuations and all the data kind of helping back up that initial decision.

**Maddy Roche:** [00:28:18] Absolutely. Would you have done it? Would you have made the jump had it been an offer for salary employment with opportunities to buy in long term, or was it really this opportunity to buy in then at that moment that that sold you?

**Eric Thomas:** [00:28:33] Yeah, that's a really interesting question. I think for me, the partnership with a full buy in was really important to me because, you know, that's one of the things that I think is really important to the long term structure of this partnership. I think-I think both of us were looking for a way that both of us could be accountable for each other's decisions. And I think without a buy in and just being a salaried employee, I could-I could you know, I could do that in other places.



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**Maddy Roche:** [00:29:04] Totally, totally. And I think it's a great reflection of the kind of the strong relationship that you two have that it I think Ryan very much was looking to have you as that partner here. But Ryan, why not hire someone before you offered partnership to Eric? Was it really Eric would bring something to this firm that that you needed and wanted?

**Ryan Mohr:** [00:29:27] Yeah, I for one, I wasn't sure how much I really wanted an employee. You know, I was busy taking care of clients and growing the business. I struggled with one, who would I hire, what would I have them do? And I got to manage somebody. And I wasn't sure I really wanted to do that. But yeah, I just didn't I-I didn't have that strong feeling that that's where I wanted to go with it or at this particular time. For me, it really went back to having that collaboration partner, someone else that I could that I trusted and-and wanted to work alongside with and share in the successes of the business and grow alongside with and share ideas and all of these things that that to me was that's what I wanted. That's that was the attractive thing to me. And what I look forward to. I just didn't have that strong feeling about thinking, oh, gosh, I have an employee just wasn't there.

**Maddy Roche:** [00:30:39] Yeah, really. Good point. Eric, I know you're still in the first several months of kind of getting ramped up after this transition, but how are you approaching this transition in terms of being able to get up to speed and be a productive, contributing member of this team?

**Eric Thomas:** [00:30:55] Yeah, it's been kind of a wild ride. It's like you're trying to figure out how to be a business owner. You're trying to manage your ongoing relationships with existing clients and transitioning hopefully existing clients and then also trying to manage the daily onslaught of other



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clients that want to talk to Ryan. And I think I'm super fortunate in that Ryan has developed a firm that people-people want to interact with. But that also means that we're-we're trying to we're trying to do three different things at once, along with all of XYPN offerings, which are completely different from all the other offerings that I used before. So it's been it's been a crazy, crazy ride. My mind is kind of mush. And then at the end of the week, I'm like, wait what did I get done this week? And you go through the list. It's like, woah, we got a lot done. Just doesn't feel like it.

**Maddy Roche:** [00:31:45] Totally. I share that feeling often. Ryan, I'm interested. You're the name of your firm, isn't your name. It's-it's Clarity Capital Management. I'm interested in how did you explain this transition to your clients and was it well received?

**Ryan Mohr:** [00:32:02] Yeah. So for one, I never wanted to name the firm after myself. I learned early on in, I think it was in several other podcasts like be careful with that, because if you ever grow the firm beyond yourself. That's a consideration, right? So I didn't-I didn't want that. Yeah, so as far as the transition goes, we, you know, I had some clients where I had had conversations with them in the past and some things that they said and prior experiences that they had made it clear that they would be maybe a little bit nervous about if someone were to join me or, you know, a partner of some kind. So I was I remember that I banked that on my back and the back of my mind. And, you know, as it became clear that we were heading down this path, I had very specific conversations with them early on to say, you know, this is what's happening. This is where we're going. It's not official yet, but this is where I think it's heading. And just want to let you know and made sure to-to have those conversations with those folks specifically. And their concerns were, you know, one of, one voice to concern about. You know, when you're part of a doctor's practice,

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sometimes a new physician comes on board and your physician you've known, worked with a long time, says, okay, you're going to start working with that person now. And they didn't want that to happen. It's not that they didn't like or wouldn't like Eric, is probably not the case at all. It was just that, you know, we had developed a relationship and they didn't want to feel like they were to suddenly hand it off to a new person. So I made sure to have those conversations and voice to them saying, look, this is how we're going to do it. You're going to still continue to work with me. I want you to know who Eric is and be familiar with him in case something comes up and I'm not available. He's familiar to you and people are comfortable with that. So aside from those, we-we had a communication that went out once everything was official to make the announcement to him or of him joining and, you know, painted all the positives it's bringing. I mean, they're all positive of him coming on board and just making sure we're communicating that. So and I think over time we'll do a little bit more just to introduce who Eric is and, you know, hopefully help people that haven't had the opportunity to meet him yet, just have a better sense of who he is and what are his interests and things that he does. And then it feels more like a person as opposed to just a person.

**Maddy Roche:** [00:34:57] Totally. Eric, how have you approached your relationships with the existing client base that Ryan has? Have you reach out individually or what? What will you do?

**Eric Thomas:** [00:35:07] Yeah, fortunately, the firm that I'm leaving you, it's been a really positive transition and that ultimately they understood that there wasn't going to be a good long term fit for me, although it was a little bit of a shock. I think so. I think that they've been really supportive of that transition and they understand that the relationships that I've grown with, with my existing clients, it's going to be important for them to kind of retain

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that relationship that I've-I've been really fortunate. And throughout my career, I've worked with a lot of other firms that are transitioning and I've heard all the horror stories that could happen. Fortunately, this isn't one of them. I don't think I think it's it's been a really positive transition. And I think that the firm that I'm leaving, they have a really good understanding that the clients come first and the clients, which is just so lucky, I think. Yeah, that's actually been really positive that it's it-it has been interesting, though, you know, bringing over clients and starting those conversations with clients when in the middle of trying to understand how to interact with all systems myself. So it's kind of like we're all learning together. But unfortunately, my clients have been really supportive of that, which has been great.

**Maddy Roche:** [00:36:14] Oh, wonderful. Eric, when you think about how you complement Ryan, what are the strengths that you're bringing to this firm?

**Eric Thomas:** [00:36:21] Yeah, I think that was really important in deciding to work with Ryan in that I was looking for a partner that complemented all of my skills. I think-I think I've said before that Ryan is definitely the yin to my yang in that he-he is really, really level headed. He's very analytical, but also really, really thoughtful in his approach to clients where I tend to be maybe a little bit more loud and boisterous. So-so having, you know, kind of the crazy ideas all day long. Let's let's talk about everything from me and then kind of the level-level headed, steady use of Ryan. It's been really, really positive. I think hopefully in the long run that'll lead to really positive results.

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**Maddy Roche:** [00:37:06] Totally. Ryan, I'm interested in what the goals of the firm were prior to Eric joining the firm. And now how has it shifted now that you do have a partner and you're planning a duo firm

**Ryan Mohr:** [00:37:20] So, well from the get go was obviously grow very quickly when you're starting a firm from scratch. It was, you know, find new clients that want to work with you and hopefully grow as quick as you can to be able to sustain a new business. Right. So that was really the goal early on. I, you know, I focused a lot on bringing on new clients and doing good work for them. I didn't focus as much on really like the best systems and like all these different things. Right. Like, that wasn't the thing that was going to make the business sustainable in the long run. It was bringing on new clients and doing good work and and continuing to grow the business. And once you figure out what works and-and working with clients and how you want to do things over time, then you can start to put those systems and all those different operational things together over time and, you know, slowly-slowly gotten there a little bit better. But with Eric now here, it's really clear that we need to do some of those things even better. It's, I think it's easier when it's just you. It's not that easy when it's when there's somebody else there. So that's going to be a big one. I see, is just working on continuing to hone in on those aspects to make sure the business runs more efficiently and make sure it's really clear the different ways that we're going to go down the path of working with a new client. And what's that onboarding procedure and what's all these other procedures and things that we do and making the business run efficiently and well. And so Eric's been really great at being an outside-an outside person to come in and be like, yeah, these are some things we should do because I'm just so used to doing them in a certain way. And I told Eric early on, it's like I'm open to whatever. I'm not tied to any one way of doing things. And that's really a big, big benefit. I think, of having another person is you're not just blind to your own ways of doing things that there are other ways. So that's been really, really nice here over the past month to have that outsider

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perspective and then its other priorities, I think will be making sure that the clients that are following Eric over get on board smoothly and efficiently. That's got to be a big-a big goal for us here in the coming weeks is making sure that they're not feeling kind of forgotten in this whole transition and that we make that process really smooth and and delightful for them. And then from there continuing to-to grow new relationships as well. You know, and that's kind of how I see the next several weeks working-working out, as well as kind of working through some other operational things for us. We have some other things that we'll need to work on as we get closer to the end of the year that have a bigger part in terms of the-the ownership structure of the business and everything. So there's a lot of things we have on our plate that's going to definitely keep us very busy for the next several months.

**Eric Thomas:** [00:40:56] Yeah, I've been really excited about it. I feel like when you're trying to figure out what your next partner is going to look like or what your next relationship is going to look like, there's a lot of talk about how you you might say, hey, bring me feedback whenever you have it. But then when you give feedback, there's a tendency to get defensive. And I've been really excited to have a partner that receives feedback and understands that you might have to change a little bit. So I've been really excited with Ryan. I think also that was important to me when I was kind of trying to find a partner is that I can get feedback, we can have a good conversation about that feedback, and then we come somewhere in the middle. So I think-I think Ryan's been really open to hearing that feedback. And it's usually just like minor-minor tweaks in-in policy or minor minor tweaks of a website or-or process. And Ryan, so open to understanding that an outsider's views might help make a more efficient business. That's been really positive for me.

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**Maddy Roche:** [00:41:57] Totally. I love that discussion. And I think, again, it goes back to this relationship that you already have cultivated together, that you're able to give that kind of feedback to Ryan about his baby and the firm that he built and it be well received. Eric, you are bringing clients over from your previous firm, how did those conversations go and what is that process like?

**Eric Thomas:** [00:42:19] Yeah, it's-it's a little bit hard to say just because a little bit early to kind of make my final assessment there. But in general, I think the fee-only story is a really positive one. And I think it's relatively easy to explain. Also, I think moving from-from a revenue standpoint, moving from a world where there's markups and retention and there's a whole bunch of revenue-revenue that comes out of, you know, the kind of commission built hybrid world. I think we're able to be really competitive from a fee structure, which I think has been really helpful for-for those relationships. I keep telling all my clients, I'm talking to you in transitioning in that I owe them multiple beers because I have to do the onboarding process again. And for regulatory reasons, of course, we can't bring that information over from the other firms. So they have to go through an onboarding process again. So I think there's going to once the pandemic ends I'll be buying some beers for them.

**Maddy Roche:** [00:43:14] Totally. Totally. Well, speaking of which, Ryan, this all happened kind of in the midst of COVID. How has the pandemic impacted this partnership?

**Ryan Mohr:** [00:43:26] The first thing that kind of comes to mind is it feel in some ways has felt sort of anticlimactic because it's just not normal right now. We, you know, a lot of our conversations and things we had, you

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know, in the same way we're all doing it, you know, virtually not as much of in person, you know, having conversations over a beer or something like that. So that was probably the biggest one. Aside from that, I don't know if I would say it impacted it too much. It just made certain aspects, maybe a little bit more difficult or maybe not like the preferred format, you know, working through our conversations with an attorney and developing the operations agreement and subscription agreement and everything, you know, probably a conversation we would have loved to have had in person with him. And it just was something we did virtually, which was fine, just different. Sometimes it's it just sort of feels maybe a little less efficient, maybe. So there's just some of those things that it was not quite as maybe normal as we would have preferred it to be. But at the end of the day, it was it was not too bad.

**Eric Thomas:** [00:44:45] I actually had a little bit of a different answer there. I don't know if this would have happened without the pandemic for me, maybe it would have happened later or at a different time. But I think for me, going from a company with a lot of people and working on a lot of people and being social-social, I think that I had a really hard understanding that or a difficult understanding that I could work by myself at home and then work kind of in that world that Ryan and I both work in our firm. We work out of a coworking spaces and from home. And for me, it's really important to be working around a lot of other people. So I think the pandemic for me, when I was-when I was pushed to work from home, I then realized, hey, that's not really that big of a deal. I can work by myself and feel completely comfortable doing that and then have lots of interactions with people on Zoom. So I think as things open up through the pandemic, it's going to be really exciting for me because it's going to be back into that old world, but also kind of a confidence that I can kind of do this new world.



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**Maddy Roche:** [00:45:47] Oh, I love that. I love that. Eric, what would you have done differently about this whole process, if you could?

**Eric Thomas:** [00:45:53] Yeah, it's a really interesting question. I don't-I don't know if there's that much that I would do differently. I wish that I could be more open with my colleagues about the transition before it happened, because I think there were some really, really good partners that I but for clear reasons that I don't think that that would have been a great idea. But, yeah, I think-I think for me, when I think about the really important takeaways from it is being really communicative with your family and with, you know, with Ryan and then trying to understand other's priorities. I think those were really important things in managing the transition. And I think just doing that, in reassessing that as we kind of go through the whole partnership was-was really important for me.

**Maddy Roche:** [00:46:36] Great advice. Ryan, any thing that you would have done differently about this partnership now that you have the privilege of hindsight?

**Ryan Mohr:** [00:46:45] As Eric said, I can't think of anything that I would do, you know, considerably different. I think it was just really critical. And I'm-I'm really happy that we had taken the time all along the way to have these conversations to make sure it was the right fit for both of us, you know, professionally and personally, you know, in terms of how we viewed working with clients and all those different aspects of the business and our personal lives, to make sure this was the right thing for us over the long term. So I think taking-taking that time is-is really critical. And I can also say that I think we had an advantage here, having worked together previously, that we knew how we both worked, how we interacted with people, our



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work ethic, all of those things, I think were really critical because we knew each other in another professional setting. So I can't say anything I would do a lot different. But all of those things we did along the way, I'm really thankful for.

**Maddy Roche:** [00:47:54] All right. I love the timing of this partnership so much. I think it's a really beautiful example of how to do it right and I'd be happy to have you two on in a couple of years to check in on the success of this partnership. But Eric, speaking directly to our listeners, it's kind of our wrap up question. Any specific advice around really anything we've talked about from transitioning clients to leaving your big firm to just starting out at a friend's firm?

**Eric Thomas:** [00:48:23] Yeah, I would say in general, I don't think that I felt the energy that I have right now towards our business ever been in the business since 2008. And there's always been parts of our business that has been kind of an internal conflict for me, whether it's that big commission or, you know, some sort of recommendation that might not completely align with the client's interests. But I think right now, with being able to design a firm how you want to and design the client offering and products and everything the client is getting exposure to and being involved in every one of those decisions, I think has really added to the excitement of the transition for me and knowing that the offering that we're giving is completely at our client's best interest and there's really nothing else to it. There's-there's no other big corporate company kind of trying to align their revenue or-or document something a little bit better or, you know, just I just think that for me, seeing all the different types of worlds that we live in and all those internal conflicts that we all have, being able to design that yourself and being accountable for those decisions yourself really has

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helped make this really exciting. And-and I think really, really add to the offering that we're able to give our clients.

**Maddy Roche:** [00:49:50] Well said. Thank you, Eric. Ryan, any last words of advice to our listeners from you about this whole transition of yours?

**Ryan Mohr:** [00:50:01] I think and I've said it already, you know, say it, say it again, is, you know, if you're-if you're considering bringing on another owner into the business, just taking the time, a lot of time to make sure it's the right fit, it's the right move for everybody and understand how you're going to work together, how you'll work with your clients, making sure philosophies align personally and professionally. All of those things are really, really critical, I think, and understanding what is the trajectory of the business going forward and the ownership structure and all of that. You know, one thing I didn't really get too much into was the fact that the structure of the business initially will be a 51-49 percent ownership is kind of important to me to have that fifty one percent, at least initially, to make sure that everything was working the way that we felt was the right thing to do, but will eventually get to that 50-50 ownership here over the next several months. So, you know, thinking through all those kind of little things to make sure it's-it's know going the right path for everybody and working the way that you both envision it is-is really, really critical to taking that time to make sure.

**Maddy Roche:** [00:51:30] What a beautiful, transparent conversation. Eric and Ryan, I so appreciate you sharing your experience here. Ryan, kudos to you for building this firm to the point now that you can welcome a partner. Eric, congratulations on the pivot into the fee-only space and into being a business owner yourself. You two are both wonderful members,

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great advisors, and so thankful for you both to be on the show with us today.

**Eric Thomas:** [00:51:54] Yeah, thanks so much and Ryan are very open to talking to folks in the community or outside the community, so feel free to reach out to us if you have any questions or any of that.

**Maddy Roche:** [00:52:02] Love it.

**Maddy Roche:** [00:52:04] 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](http://XYPlanningNetwork.com/Millennials) for your free copy. Be sure to join our VIP community at [XYPlanningNetwork.com/VIP](http://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:** [00:52:53] 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](http://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.

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