

**Ep #318: 60 Clients in the First 12 Months: A  
Conversation with Danika Waddell**  
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**Maddy Roche**

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## **Ep #318: 60 Clients in the First 12 Months: A Conversation with Danika Waddell**

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**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:** [00:00:24] Hello and welcome to episode 318 of #XYPNRadio. I'm excited to talk with Danika Waddell today, owner of Xena Financial Planning, a longtime follower of #XYPNRadio, yet a relatively new entrepreneur. As you'll hear today, Danika has experienced rapid growth in her firm and serves over 60 clients in just her first 13 months. You may all be wondering what is her secret, but as we explore today, you'll hear that it comes down to knowing your strengths and weaknesses and creating a dream team to help you stay sane and serve your clients. Danika discusses how she relies and leverages her community, her centers of influence and coaches to help her stay on track and sane. She talks about the nuances of pricing in Washington state and what she expects to change in her firm in the future. But what I love most about this interview is the softer side of how Danika approaches her firm, how she takes care of herself, embraces the abundance mentality and is so deeply motivated by making financial planning accessible to more people. If you're interested in how to hit the ground running when you launch your firm, then this episode is going to be for you.

**Maddy Roche:** [00:01:36] An event made just for fee-for-service advisers? Yep, you heard that right. It's #XYPNLIVE and with over 45 content sessions, three keynotes, a one-of-a-kind exhibit day, and networking opportunities galore, it's the game-changing event you've been looking for.

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**Maddy Roche:** [00:02:14] Also, be sure to go to [XYPlanningNetwork.com/VIP](http://XYPlanningNetwork.com/VIP) to join her private group just for #XYPNRadio listeners. It's a community of advisers 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](http://XYPlanningNetwork.com/VIP).

**Maddy Roche:** [00:02:34] Hello Danika, how are you? Welcome to #XYPNRadio.

**Danika Waddell:** [00:02:39] Hi, Maddy. I'm very honored to be here. I've been listening to the podcast for many, many years, so it's really exciting to be here.

**Maddy Roche:** [00:02:45] Oh, that's great. I love when members say they've been listening for a number of years because this is your opportunity to tell our listeners what you've built. So why don't you go ahead and introduce yourself and your firm?

**Danika Waddell:** [00:02:57] Yeah, my name is Danika Waddell. I have a firm called Xena Financial Planning. So I launched July of 2020, just a little bit more than a year ago. The firm is fully virtual, so I have clients scattered all over the place, but primarily Seattle based. So I would say probably

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about 80 percent of my clients are local. And I think I just hit 63 clients, so that's where I'm at. My niche is women in tech and women business owners. I'm gradually losing the women in business owners focus just because there's so much demand in the tech end. So I'm going to sort of move away from that and focus a little bit more specifically just on women in tech. But that's the-that's the niche as it stands today.

**Maddy Roche:** [00:03:49] Wow. And congratulations on the growth to be in business just around a year and to be at 60 some clients, that is a lot. I want to ask you how you do it and how you prepared to do it. But let's walk back in time just a little bit because as we prepared for this podcast you mentioned, you never thought you would be an entrepreneur. And I know we have listeners out there who also don't think that they're ready to be entrepreneurs, and I'm interested in your journey becoming one.

**Danika Waddell:** [00:04:16] Mm-hmm. Yeah, it's quite a circuitous route. I feel that got me where I am today, so I am a career changer. I've been in the industry for seven years. I never had any intention of launching my own firm. So that was not on my radar really at all. But I had a bit of a crisis at my former firm that sort of began around February of 2020. So there was an event that happened, you know, somewhat traumatic. And after about three months, I finally said, I think-I think it might be time to-to do my own thing. So like I said, it wasn't something that I had been thinking about. I really had no desire to start my own firm. But because of what happened at my former firm, I decided, well, I think maybe I have to give this a shot. So that came to a head, I would say last May. So I quit my job and incorporated, you know, Xena financial Planning and, you know, signed up with XY right away. And then finally launched last July. So it was not definitely not what I had planned, but it's been. I don't know a thousand times better than I could have imagined.

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**Maddy Roche:** [00:05:28] Oh, I love hearing that. I love hearing that. You said you were a career changer. What were you doing in the first portion of your professional career?

**Danika Waddell:** [00:05:35] I'm mostly corporate finance and accounting, so my degree was in math. I had no idea what I wanted to do with that. I ended up trying teaching for a little while. I taught high school on the East Coast, and that was not quite what I wanted to do. And then I just sort of landed in some accounting roles and ended up doing that for over a decade. And you know, what was actually kind of nice about that was that I got a lot of exposure to company benefits plans I administered 401K plans. So there was actually some pretty relevant experience that I got there, but it just ultimately wasn't. It wasn't terribly satisfying.

**Maddy Roche:** [00:06:14] Interesting. Interesting. And how was the transition into being a financial planner? Were you working directly with clients and getting that kind of relationship that a lot of our financial planners crave?

**Danika Waddell:** [00:06:28] Not right away. And I think that was one of the hard parts about switching is that, you know, most places aren't going to put you in front of clients on day one. And so I had to put in, I don't know, a year or two of-of work before I was really able to have my own client relationships. And also, I think the big challenge when you're transitioning is that, you know, I was used to being fairly successful at what I was doing. And then all of a sudden you come in and you're, you know, you're the new kid in the room. And so you're just much more junior than what I was used to. So that that part of it was-was a challenge for probably a couple of years

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before, you know, I started to have my own client relationships and I was treated as more of a professional, I guess.

**Maddy Roche:** [00:07:13] Yeah, absolutely. How did you know starting your firm was a possibility? And why was that what you fell back to when faced with challenges that your existing firm?

**Danika Waddell:** [00:07:24] I mean, I knew it was a possibility because I'd been listening to this podcast for five or six years, so I had heard so many stories of people that had, you know, gone about it different ways but had been successful. So I knew it was a possibility. I think the reason that I decided to launch my own firm when I got to that sort of crisis point was that I looked around at other firms in Seattle. I thought, OK, maybe I should just get another job at a different RIA. And I really didn't see anything at all, like what I wanted to do. Certainly in our local market, there's a lot of-a lot of firms that are really focused on high net worth individuals. So it's very common to have a one or two or \$10 million minimum. I actually know somebody here that has a \$25 million minimum and that's just around going like, I don't. That's not what I want to do. So I did really consider going to just work for somebody else. But I just, yeah, I just couldn't see something that was representative of the way that I wanted to practice, and it didn't take me very long at all to come to that realization. You know, I had a very quick look and I was like, Nope, this isn't doing it for me. I'm going to have to do my own thing because then I can do exactly what I want.

**Maddy Roche:** [00:08:38] Wow. And who was it that you really wanted to work with and how was it that you wanted to work with them?

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**Danika Waddell:** [00:08:44] I mean, I've landed on the niche that I mentioned. It's not so much about women in tech for me. I mean, that's a really natural thing. Just in this market. I'm very comfortable with it. You know, it's just it's very easy for me and a lot of ways, but it's not like, I'm, you know, jumping out of bed every morning to help somebody with the RSUs. So it wasn't that like the technical part of it. So much I did. I knew that I wanted to narrow the range of people that I worked with because my whole department was, you know, people who are 22 and people who are 75 and just every possible life stage and career and situation. And that was just a little bit. It was hard to stay on top of all those different things from whether it's regulatory things like Social Security and RNDs at the same time as dealing with people with student loans like I knew I didn't want to work with, you know, sort of a population that spanned multiple different decades and all that. So I knew I wanted to narrow it to say 30 to 50 ish in terms of age. And then beyond that, like I said, I mean, really, women in tech was just a natural fit for me. But I do love working with people in tech, but it could have easily been educators or something else. I mean, I don't think there was anything special about that particular niche for me.

**Maddy Roche:** [00:10:00] I'm interested in kind of this jumping off point that you had at your last firm and you once described it as comfortable. And now you really have tasted the feeling of being in real alignment with your life and your work. And I'm wondering you, you alluded to not really knowing it was out there. And I guess, can you speak directly to the-to the listeners about how do you set the bar even higher for yourself when you think you've already kind of achieved it?

**Danika Waddell:** [00:10:26] Mm-hmm. Yeah, there's a lot of questions in that question. Maddy. So let me see if I can kind of touch on a couple of things there. So first of all, I think in terms of being comfortable, I absolutely

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was very comfortable in my old job. I really liked what I did. I loved my clients. I loved the people I worked with. We did great work for our clients. Like I had no complaints. It was very it was very satisfying. So I mean, there was no problems there. Up until there was a problem, of course. But I do think when you get comfortable, you don't grow. You know, it forces, you know, being uncomfortable, it forces you to do something different to look at new solutions to a problem. So I think being too comfortable is not great for long term growth, for sure. But when I got to that point and I was, you know, like I said, decided that launching my own firm was the way that I wanted to proceed. You know, I had very low expectations after listening to, you know, I've heard a range of people's experiences on this podcast that some people have 10 clients their first year and some people have 40. And it's like, OK, well, I'll be satisfied with, you know, a very modest number. I was thinking maybe 10 to 20 clients in my first year, something like that. And and it's not even about the number to me, it's just about the way that my message is resonating with people. I mean, I really am seeing so much interest in what I'm offering. And it's just hard to. It was hard for me at the time of launching to imagine. Being this successful in the sense of having so many people that want to work with me, you know, basically having to turn prospects away because I mean, I have like a three or four month waiting list at this point. So, yeah, I mean, I think I could go a few different directions in terms of what you asked, but I guess I didn't really allow myself to expect this kind of success after a year. Like, I had a very low bar, which I think is reasonable and sort of say like, OK, well, I don't want to set my sights so high that I'm bound to fail, but I just had no expectation that it could possibly be as successful as it has been.

**Maddy Roche:** [00:12:37] Wow. Wow. And talk to us a bit about that success and how your first few clients went and when was it that you really felt the ramp up period? Because you're right, some you know the benchmark surveys that XYPN conducts, it shows that one to one point five clients per month is what a typical adviser can expect. And I'm wondering,

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you know what, what your walk through kind of experience was like that and then we can get into some questions about what you think were some of the most important moves you made. But was it immediate? I mean, were people knocking at your door the second you launched?

**Danika Waddell:** [00:13:12] Um, pretty much. It was kind of immediate, actually. So and I've pretty consistently onboarded, you know, three to five clients every single month. So that's how I got to sixty and 12 months. I mean, it's been very steady. There have been some definite, you know, upticks and stuff like that just in terms of being a different media publications or things like that that have gotten me, you know, a little bit of an influx in demand, but it has been pretty steady. And so, yeah, I don't know what I can say about that other than it did start pretty quickly. And I think some of that even was building prior to me launching like people that, you know, I left my old firm in May. I didn't launch until July 31, and I had several people that were emailing me saying, Let me know as soon as you're registered, like, I'm ready. So I had some demand, pretty much right out of the gate. And you know, there's a lot of things I can attribute that to. But certainly, you know, I have a really good natural network in the Seattle area. So I had, you know, some CPA and attorney folks that were referring clients to me, you know, again before I even launched. So and that's going to steady throughout.

**Maddy Roche:** [00:14:21] How do you work with centers of influence like that? I mean, did you write them a letter? Did you call them, invite them out to lunch? How did you let people know that you were in business?

**Danika Waddell:** [00:14:31] Hmm. I think kind of a case by case basis. There was not necessarily like a press release or anything like that. And of

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course, it was COVID time. So I wasn't, you know, taking people out to lunch. But I do have a couple of really well established relationships with some local professionals that in some cases have a lot of synergy with my target market. So, you know, an estate planning attorney that works with people in their 30s and 40s, many of whom are in tech, you know, that's a great person for me to cross refer to. So, yeah, I didn't necessarily let people know across the board, you know, hey, I'm in business, but just sort of reaching out one by one and really nurturing those relationships, which I've been doing for years. I also get a lot of referrals from local advisors. So again, because we have these really high minimums in our area, I mean, I've been getting referrals from local advisors, you know, before I even started my own firm, just people that don't, you know, they get somebody that doesn't meet their minimums and they know that I don't have a minimum and, you know, they'll send them my way. So that's been pretty consistent for quite a while.

**Maddy Roche:** [00:15:39] I'm interested in how you kind of strategize your quarters. And I mean, a year goes by so fast and sometimes we just all of a sudden find ourselves a year in and it's been working. What kind of working on the business do you do in a consistent way?

**Danika Waddell:** [00:15:55] Not enough. It's funny because I just listened to last week's podcast to see the guy who runs the EOS program for XYPN and wheels turning in my head about, you know, how to systemize some of my processes and how to scale. I do have, you know, just quarterly time blocked off on my calendar for strategic planning, things like that. I've worked with a business coach from day one and, so I have, you know, I mean, I definitely have some strategic planning, I guess, that I do around the business, but it's not as formalized as I would like it to be. So I think

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doing something like EOS is definitely in my future, but I haven't quite gotten to that level yet.

**Maddy Roche:** [00:16:38] Yeah, yeah. You mentioned a business coach. What prompted you to get a business coach so early? And is it worth the investment?

**Danika Waddell:** [00:16:46] I think it was for me. I don't know that that's true for everybody, but I'm not a great process. You know, systems type of person. So actually creating some of the workflows and things like that, it's just not my natural ability, so I hired somebody really early on that, you know, is a business coach, but is particularly focused on that area. So she's really skilled at operations in general, and that was incredibly helpful for me because that's just not-not my strong suit. So I really, you know, I delegated really early and I think that's been a huge help because I know what I'm good at and I know what I'm not good at. And so I very quickly pulled in people to help me in the things that I'm either not good at or I don't like.

**Maddy Roche:** [00:17:32] For you to have done that early could be probably one of the best things you could have done is to get off some of that work that drains people and weighs people down. Do you have a couple of examples of the things outside process that you feel like you're not good at or you just don't love?

**Danika Waddell:** [00:17:48] I don't have compliance. For obvious reasons. So I hired the compliance and working with compliance coaching and started doing that earlier this year, which has also been really helpful. It's

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just not something I want to spend a lot of my time on, but I also want to know that it's in really good shape like I want to have a great compliance program, but I just don't want to spend a lot of my own time building that. So working with somebody on compliance has been great. I hired a virtual assistant fairly early on, which has also been really, really nice because things like doing client notes and meeting notes and things like that agendas. It's just, you know, that's I have better there are better uses of my time, basically.

**Maddy Roche:** [00:18:29] Wow. I'd love to stay on that topic for a moment. How do you leverage that virtual assistant or are they in client meetings with you?

**Danika Waddell:** [00:18:37] She does not sit on on client meetings with me. She but she does prepare all of my agendas. She doesn't actually do my notes, but she goes through my notes and pulls tasks out of my notes and puts them in a Wealthbox. And then she stays on top of me with the tasks and says, You know, don't forget, this task hasn't been done yet. So, I mean, just from an administrative standpoint and with 63 clients like, it's hard for me to stay on top of all of the tasks. So it's been really great to have somebody who is sort of monitoring where people are in the process. And then she does a lot with onboarding. So, you know, I'm first starting to work with the clients doing all the data entry. I get her getting everything put into RightCapital, things like that. So it's been an incredibly good investment to have her helping me.

**Maddy Roche:** [00:19:25] Totally. Is she implementing the processes your business coaching you have built or is she coming to the table with process already?

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**Danika Waddell:** [00:19:33] She's mostly implementing. I mean, I think there's a little bit of back and forth with our relationship, but she doesn't have as much experience working with other advisors. So, you know, I don't think she brings as much in terms of helping me build the processes. But-but she's working on sort of developing, you know, written instructions for everything that she does do so that we have everything really clearly documented.

**Maddy Roche:** [00:19:57] Wow. I love this little dream team of a group that you have supporting you, and I think that that's the only way you could scale as quickly as you have. I'm interested in this idea of you doing it alone. I mean, do you feel like you're doing this alone or have you really built the support that you needed?

**Danika Waddell:** [00:20:14] A little bit of both. I do feel supported, for sure. And so that is both with, you know, the people that I've hired and also with the community at large, both XY and NAPFA I'm very plugged into both of those communities. Definitely would not have made it this far without those two communities, like the amount of support is incredible. There's multiple people just in my cell phone that I can call or text at any time and just say, like, Hey, I need some help, or can I run something past you? So I really would not be here without those two communities, for sure. But that said, I do think that running a business is lonely. So I mean, I do feel a little bit alone in that sense. And my long term goal is to partner with somebody. So I really don't want to stay a solo business owner. Just don't think that really suits my personality. And I would be much happier to have an actual business partner at some point. So if you're out there.

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**Maddy Roche:** [00:21:09] Wow. Well, watch out you may have some phone calls after this. Talk to me about the ideal balance that you and a partner would have. Is there a role that you would really want to dive into more?

**Danika Waddell:** [00:21:22] Hmm. I think much to my surprise, business development has turned out to be something that I'm very good at, so that's a natural thing for me to focus on. Again, like to my point about not being terribly operations focused, having somebody that's a little bit more detail oriented. I mean, I am detail oriented, but not so much on the process side of things would be nice. But yeah, I think just somebody who complements the strengths that I bring would be a really nice balance.

**Maddy Roche:** [00:21:50] Yeah, I want to go back to this dream team of yours. You've mentioned compliance, business coach, VA.

**Danika Waddell:** [00:21:55] Mm-hmm.

**Maddy Roche:** [00:21:56] What else and who else is in your-your sphere of influence?

**Danika Waddell:** [00:21:59] Hmm. I think that might be it in terms of hired sort of support. I don't think I'm paying for anything else like I'm doing my own books. That's super easy for me. Yeah, I don't think I have any other paid providers, but like I said, the community itself is might as well be paid because it's incredibly valuable.

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**Maddy Roche:** [00:22:22] Totally. I ask because I think a lot of the reason folks are hesitant to outsource early or seek out a coach is revenue. They want to wait till they're at a point where they can afford it. Can you talk a little bit about what-what you prepared for in terms of starting your business and the runway you gave yourself? And how soon did you hire those folks and did you use revenue from the company to do it?

**Danika Waddell:** [00:22:45] Mm-hmm. Mm-hmm. I definitely used revenue from the company. I'm trying to remember how much money I put in to the business at the beginning. I think-I think I loaned the business twenty five thousand dollars from my, you know, personal-personal savings. And I've given myself some of that back, maybe 10 or 15, and everything has been paid out of the business since day one. I do actually have one other and I'll talk about when I hired those people. One other person I just remember remembered kind of they're kind of lumped with the virtual assistant, but I have some marketing support now, which is good. So I'm working with nifty advisors. And so within that, I have this virtual assistant. But I've recently added some marketing support and that's just another person within Nifty. But as to when I hired, I hired my business coach, I think in September. So very, very early. The virtual assistant started in January and compliance coaching I signed up for compliance coaching very early, but I was I had to wait. So I think that started probably about six months ago.

**Maddy Roche:** [00:23:52] Great. Outside of marketing, is there someone else that you want to add to the dream team outside of that business partner?

**Danika Waddell:** [00:23:59] Well, I just made my first hire.

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**Maddy Roche:** [00:24:01] Oh, you did. Let's talk about that.

**Danika Waddell:** [00:24:03] Yeah, I hired my first W-2 employee who starting later in September, and she'll be half to start and probably will be taking over quite a few of the things that the virtual assistant is doing. But we'll see how that how that shakes out.

**Maddy Roche:** [00:24:22] Totally. XYPN we kind of talk about our business phases and that scaling is that phase that it's not client numeric, you know, it's not a number of clients necessarily pushes you over into it. It's the feeling of, I can't do this alone. And we encourage, of course, outsourcing early on. But when we think about can't do this alone, it really means have you hired someone to assist you on a W-2 sense or something like that? When did you feel that?

**Danika Waddell:** [00:24:48] At least -

**Maddy Roche:** [00:24:48] Day one?

**Danika Waddell:** [00:24:49] - you know, it took me a while to, I mean, I probably could have hired about six months ago, or that was when I was really starting to have a lot of difficulty sort of just keeping up. I mean, capacity has been my issue for quite a while, and I'm definitely there now. Like I have turned off all new appointments. I mean, I just can't even-I can't even talk to prospects right now, at least for a couple of months. But I think it did take me a little while just to sort of, you know, think through all of the things that I needed to really address with hiring, and I'm still figuring them



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out. I mean, there's, you know, all sorts of things like registering for payroll in another state and, you know, there's just a lot of-a lot of logistics. But I knew that I needed to do this probably several months ago and then actually implementing it. And kind of I went through some of the stuff and XYPN Academy. There's courses now about, you know, what to think about when you're hiring and background checks and where to go and all these different things to do so that-that resource was really helpful. But yeah, I think it just took me a few months to kind of, you know, get comfortable with the idea of hiring because it's scary. I mean, it was scary launching and now it's like, now I'm hiring, and now I have to be able to support somebody else's income. So I drag my feet a little bit on that.

**Maddy Roche:** [00:26:06] Totally. Did you ever think you would be a manager of people?

**Danika Waddell:** [00:26:10] I mean, I've managed people in the past, not in financial service. Since I've changed careers. I haven't managed people, but I have managed people in the past. I like managing people, so it doesn't that part of it isn't super intimidating to me. It was more about making sure I have enough revenue to support another-another person's livelihood.

**Maddy Roche:** [00:26:29] Oh, totally. I want to shift gears a little bit and talk about how you serve your clients. Due to the factor in the state of Washington, the monthly retainer model isn't as welcomed with open arms as other states. And how have you pivoted? So I guess just talk a bit about what you faced and how you managed.

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**Danika Waddell:** [00:26:49] Yeah, I think when I was first launching and registering last spring, there was a lot of hesitation about introducing, you know, something that I knew would not pass Washington's regulatory bodies. So I've, you know, pretty early on just decided to kind of go with the path of least resistance and just do what I knew would get me registered as quickly as possible. So I just went with a straight hourly model. And in some ways, that was natural for me, my old firm that I was out for four and a half years before starting this, this company that was also straight hourly. So it was a world that I was very comfortable with. I'm very used to tracking my time. I don't mind doing that at all. So in some ways, that was very easy and I did, in fact, get registered very quickly. So from that perspective, it worked really well. I will say that I don't anticipate staying hourly. So, you know, there are some challenges with hourly from a variety of perspectives, but I probably will be looking at shifting to something like a flat, a flat fee. But yeah, we're just, you know, we're limited with what we can get away with in Washington and not get away with, but yeah, what they'll allow.

**Maddy Roche:** [00:28:02] Why haven't you shifted to a flat fee or why didn't you start with a flat fee?

**Danika Waddell:** [00:28:06] I think it was mostly just because I wanted to get registered as-as quickly and easily as possible. And also, I think from a pricing perspective, I just really didn't know how to think about that. At that point, I didn't know how many hours per year I might spend with a client. I just didn't know how to set the rate. Other than looking around at other people and saying, Well, this person over here is charging \$5000 a year, maybe I should charge \$5000 a year. I just didn't know enough about what service I would be offering, how much time it was going to take all of that. So it was just hard for me to price.

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**Maddy Roche:** [00:28:39] Have you figured out what the typical hourly engagement looks like for a woman in tech?

**Danika Waddell:** [00:28:46] There's a pretty big range. I mean, I do think depending on the type of stock they have, whether or not they're pre IPO, there can be a lot of complexity. And if it's just straight RSUs, you know, they work at Amazon and they got RSUs. It's actually not that complicated. So I mean, there's a pretty broad range, but I'm just at the point, you know, because I've been in business for 13 months, I'm just starting to complete a full year with my very first client, second, huge sample size yet, but I can certainly start to look at, you know, as I've been working with people for a full year, how many hours I spent on the nice things about time tracking and billing people hourly. As I can very clearly say, I spent 18 hours working on this client or twenty four hours on that client.

**Maddy Roche:** [00:29:34] Wow. Have you faced much churn with your advisor, with your clients given hourly?

**Danika Waddell:** [00:29:40] Well, of the sixty three that I've signed up, five of those were short term projects. So those people were never ongoing clients, but no one has left. I will say one of the challenges with hourly is that there's not an incentive for people to schedule meetings with me. So, you know, I can say, Oh, we're supposed to meet quarterly, but if somebody just keeps pushing their meetings out, well, they're not paying me anything. So-so none of those people have formally canceled. But at the same time, I can look and see a couple, you know, a couple of my clients maybe have-gone two quarters without meeting with me just because they keep saying like, Oh, I'm too busy. So that's one of the things that I want to try and address with a change in fees is that, you know,

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people are a little bit more incentivized to meet with me if they're paying something.

**Maddy Roche:** [00:30:29] Totally and you do charge an upfront fee, don't you?

**Danika Waddell:** [00:30:32] I do charge an upfront fee. It starts at three thousand. So that covers, let's say, 10 hours. Three hundred dollars an hour of the first quarter. And then-then it shifts to, you know, I build them quarterly at the end of each quarter based on how much time I've actually spent. So that's where the challenge, I mean, I'm not having a trouble with people in the first quarter because they've just paid me 3000 or 4000 dollars, so they are very motivated. But once they shift to, you know, I bill them at the end of each quarter based on actual time, that's where I'm starting to see people, you know, less inclined to set up their meetings or just kind of consistently rescheduling.

**Maddy Roche:** [00:31:09] Hmm. There's so much complexity to fee structures and how you do it and the benefits and the pros and cons and things like that. When advice, when clients email, you say instead of scheduling meeting, are you billing for what it takes to do that research on that question?

**Danika Waddell:** [00:31:25] Sure. Yeah, all time is billable. Yeah. I mean, that said, like, you know, if I'm researching something that applies to all of my clients, they don't get built for that. So, you know, right now, there's all this stuff happening with Washington learned long term care insurance. I've spent tons of time researching that. I'm not passing that on directly. But

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yeah, somebody reaches out to me and says, Hey, I'm thinking about this or I have this new benefit at work, you know, can you weigh in? Yeah. I mean, if I'm spending 20 or 30 minutes looking into something, I'm drafting an email back to them. Yeah, that that does get passed on.

**Maddy Roche:** [00:31:57] Great. How much time are you spending kind of learning the technical nuances of working with people in tech? I imagine it's kind of an ever changing landscape and requires a lot of your-your brain to stay up with it. How do you segment your time to make sure that you are doing that appropriate research?

**Danika Waddell:** [00:32:18] It actually I don't think there's that much to stay on top of. I mean, I have a pretty solid base of working with people and tech over, you know, several years of working at RIAs in Seattle where there's tons of people in tech. Pretty much, you know, you can't go five feet without bumping into somebody that works at Amazon. So I mean, I feel pretty solid in most of the basics, for sure. You know, ESPPs and RSUs, are all very straightforward. I do think there's enough-enough, you know, sort of unusual situations that are coming up with, you know, every IPO is a little bit different. You know, there's all sorts of things happening with direct listings and just, you know, there's lots of unique situations, I would say that are coming up. And one of the great things that I've done over the past year is just getting involved in the study group that focuses on equity comp and I've been working with people on tech, so we meet every single week. We went through a whole bunch, of course material from [mystockoptions.com](http://mystockoptions.com) at the beginning. Once we worked through all that, now we just bring case studies every week. That's been great. You know, as I'm going through you and I went through an IPO with a couple of clients in July and I brought-I brought the information to the team and we kind of are the study group and we strategize together. So it's been super helpful

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to, you know, also get exposed to the different things that each of us is working on.

**Maddy Roche:** [00:33:36] Mm-hmm. Oh, I love that. And that goes to the power of your network that you have people who are familiar with the type of clients you work with that can help with tough questions.

**Danika Waddell:** [00:33:46] Exactly.

**Maddy Roche:** [00:33:47] You mentioned loving business development, and I think this is a real testament to the incredible work you and other advisors do. It's so deeply needed in our world right now. We-we have never been at a point where we're folks need an advocate for their finances more, quite frankly. What are you sensing among the people that are booking calls with you? And-and why do you feel like business development? Is this feeding your kind of purpose?

**Danika Waddell:** [00:34:14] You know, it's interesting. I mean, I think one of the-the best investments I made really early on was at my website, which is another topic. But I mean, it was expensive, but it's a great website and it's very clear what I do, and I think it gives a really good sense of what it's actually like to work with me. And so by the time clients actually get to a prospect call with me, I mean, they're ready to go. They're so excited. They're like, Oh my gosh, I've been looking for this. But oftentimes they've met with a couple of other people before talking to me, and nine times out of 10, they're like, Oh my gosh, you blew the other people out of the water. Because what I find is that, you know, with the traditional AUM model, like, I met with the prospect recently who told me that she had interviewed two

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other advisors and they basically asked her, you know, how much money she had. Like, What accounts do you have and where are they? Because they're trying to assess, you know, whether or not it's going to generate enough income for them to work with her. And so, you know, we had this like 30 minute prospect call and at the end of the call. She just said to me, you haven't even asked me how much money I have or where it is, and I said, because I don't care. But she was like blown away that I just I didn't even ask her, like, how much do you have in your 401K and how much do you have in an IRA? She was like and so, and I think the process of meeting with financial advisers can be very dehumanizing. I mean, to just have like a dollar symbol attached to, you know, just come in like with a sign, here I am. This is how much money I have. Will you work with me? I just think that's a terrible experience. And so I think when people come and have a prospect meeting with me and it's like, you know, we're talking about all these other things like what's important to you and, you know, whatever, what's keeping you up at night? And they're just like, oh, you actually a listened to me and b, you don't care how much money I have. So it's been incredibly easy to convert because I think people are having such terrible experiences out there interviewing other advisors that when they come to me, they get to my website, they kind of see who I work with. I oftentimes get people who are in the LGBTQ community or people of color, and they're like, oh my gosh, I'm just so relieved to have found somebody. I don't have to explain to you what it's like to be a woman in color, a woman of color at Salesforce because you get it. And so I think just the process is so terrible that it's been really easy for me to explain what I do and how much better it is to work than the average person.

**Maddy Roche:** [00:36:45] So beautiful. Well said. What do you ask for clients or prospective clients before the meeting? Do you have an intake form gathering data?



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**Danika Waddell:** [00:36:54] Nothing. Yeah. You know, I know everybody has a different process. I actually don't ask for any information. I really just want to get to know people, right? I mean, I ask, I think, three questions and my calendly scheduling, which is, you know, like, where are you in the process? How did you hear about me and what are you looking for or something like that. I can't even remember what the third question is, but it's very, very basic, and I think that again, there's so many hurdles that we put in place before people will meet with us and it's like, you know, you have to submit all of your statements and all of you this before you can even talk to somebody. And so I really wanted to just make it a little bit of a less intimidating process.

**Maddy Roche:** [00:37:38] Totally. I love that idea of kind of normalizing needing help with finances and it not be about once you have a bunch of money, you can then get help. Like, what about everyone else? How can we ever -

**Danika Waddell:** [00:37:52] That's why XY exists.

**Maddy Roche:** [00:37:54] - Right. How do we ever serve anyone if you don't make it available to them and in a fee structure that works and is understandable. I mean, I think so many people are still really confused with the AUM model and not that that's a bad model at all. But how do you even explain it to a client? But what I'm-what I'm so intrigued by is that so many people are finding websites like yours and other XYPN members and saying, ooh, I deserve that. Ooh, it's accessible enough for me to get there. Any other thoughts on kind of your approach to getting people in the door?



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**Danika Waddell:** [00:38:27] I mean, to be honest, I-I do a lot of prospect meetings that don't end up, you know, maybe there aren't the best fit, and I'm actually trying to maybe refine my process a little bit around that. But I also see it as a service. And sometimes I tell people, you know, you do not need to work with a financial planner right now. Here's two or three things you can go home and do come back and see me in two years. So I do see that as a little bit of just sort of, you know, pro-bono service time for some people. But yeah, I mean, I think just the website and some of the other materials that I have out there do mean that I get generally qualified prospects and I haven't had to do a lot of work around that. But-but I also love just having that available for people like you do get a free half an hour. You might have to wait a while to talk with me, but it is a free half an hour and sometimes I do just give people some advice and say, like, I think you'll be better served just going and doing these things, or maybe working with somebody who charges a lot less than I do.

**Maddy Roche:** [00:39:31] I love that you've had one heck of a year plus COVID plus all the rest of life. What are you doing to stay safe, my friend?

**Danika Waddell:** [00:39:46] Therapy.

**Maddy Roche:** [00:39:47] Oh, I love that.

**Danika Waddell:** [00:39:50] Yeah. I started working with a therapist sometime last year. I think the whole transition to relatively successful entrepreneur, I mean, I still my head is still spinning from that. And yes, all of the COVID and other things that are going on. But that's been a really valuable exercise for me. I'm very big on exercise and being outside. So

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being out in the mountains or just going for a run, those are pretty much essential for my mental health. And then I love community. So, you know, whether it's other financial advisors or, you know, friends that are local to me. I got a lot of support from the people in my life that, yeah, just lend an ear when I need it.

**Maddy Roche:** [00:40:40] Have you felt like you've been able to care for yourself more now that you're an entrepreneur than you been able to in the past?

**Danika Waddell:** [00:40:48] To a certain extent, yes. I mean, it's really nice to be able to take a Friday off and go skiing. It's really nice to be able to, you know, stop work at two o'clock because I need to go to a school thing with one of my kids. So having that ultimate flexibility is incredibly nice. But you know, the downside of that is you haven't had great boundaries around when I do turn off. It's like, Oh, well, I can work at night and I can work on the weekends because everything is just seamless here. You know, my business and my personal life are kind of very well integrated, but it does make the boundaries a little bit harder for sure.

**Maddy Roche:** [00:41:23] Do you have any boundaries as you go into this new year that you want to set up for yourself?

**Danika Waddell:** [00:41:28] Well, I'm trying to keep one weekend stay free. So even though I'm totally fine with working on the weekends, I know that doesn't work for everybody. But you know, like I said, I'll take flexibility during the week. And you know, if that means I have to put in half a day on Saturday, it's fine with me. But having one day a week off is definitely a

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priority. So there have been months when I have worked Saturday and Sunday, pretty much every weekend for a while, and I definitely don't want that to be the norm going forward. And I just it's-it's really important for me to take vacations and really unplug. So that's part of hiring is knowing that I can do that.

**Maddy Roche:** [00:42:03] Mm hmm. I love that. What would you say has been the most challenging part of your year?

**Danika Waddell:** [00:42:08] Probably capacity issues and just sort of staying on top of everything. It's just been such a whirlwind because I've grown so quickly and because it started right away. It's just been hard to stay on top of everything. So I maybe should have put the brakes on new business a while ago, and I didn't do that. But I'm trying to be a little bit more cognizant of that going forward and just not say yes. I don't say yes to everything, but say yes to even less because I can't do-I can't do it all for sure. So, yeah, I think just the pace has been really hard to keep up with.

**Maddy Roche:** [00:42:46] Mm hmm. Yeah, I'd imagine that at the rate you were growing, it's very easy to say yes to the new business, especially if they're showing up and setting the boundaries with yourself. That, no, I can't take more than two clients this month is especially hard. It sounds like you have put up that waitlist now.

**Danika Waddell:** [00:43:06] I've had a waitlist for many months, actually, and I'm-I'm getting a lot better at saying no. I mean, I do say no all the time, actually to prospects. I have no problem saying, you know, you'd be better served by this other XY. I mean, I send people to other planners all the

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time. So I don't really have a problem saying no to prospects, but I do. It's almost more projects and other things that are coming up. You know, I'm on a board and I'm on a women's initiative committee. I mean, I have all these other things that I'm doing, and I've gone through the Kinder training this year. So it's just like, it's kind of too many things, I think sometimes. So I need to sort of say no to some of those things. It's like, I mean, I want to continue to learn. And so I want to, you know, and I want to give back. So I want to do all of these things, but it's like, I can't do them all at once. So it's more almost external projects versus actually saying no to prospects because that I'm pretty good at.

**Maddy Roche:** [00:44:06] Right, yeah. What would you say is your-your major goal for your firm? It sounds like to partner, but is it-is it to serve a certain group at a certain size, at a certain price point? How do you think about your-your big why and where?

**Danika Waddell:** [00:44:26] I do feel really passionately about accessibility in our industry. And so there is I have a really strong drive to reach more people. And so I don't quite know what form that's going to take yet because I'm probably going to change my pricing fairly soon and that's probably going to go up. And that means I'm going to be less accessible to people that can't afford to pay that fee. So I have a couple ideas. I have multiple ideas, but I do. I do want to grow to multiple, potentially multiple advisors. I definitely want to partner. Those are on my short list of things that I'd like to see happen with the firm. And I'd like to have some kind of offering, whether it's a podcast or a book or something that is available to people that don't have the means to pay the fee. So and then the last thing that I really want to do is I want to create jobs. So I think it's so hard to get into this industry. It's so hard to find firms to work for. And so I want to

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make this a place where people can come and learn to be an advisor. So, you know, only small goals.

**Maddy Roche:** [00:45:35] Yeah, no. It's so good to think about them, though, and it does sound like you've really begun putting the building blocks into place to get there. And congratulations on that. As we kind of round out this podcast, I'm wondering, what didn't you know that, you know, now that maybe some of our listeners may need to know?

**Danika Waddell:** [00:45:55] Um, you know, I kind of knew a lot about what it actually took. I mean, there's so much value in listening to the archives of this podcast or, you know, being-being on the Facebook group and just participating in the conversations and listening to what other people are going through. Like, I had very, my eyes were wide open about what I was getting into. But I do think and we alluded to this before, I just had no idea what I could actually pull off. And so I think for everybody else out there just knowing, I mean, I'm not saying you set yourself a really unattainable goal, but knowing that you can, you can do more than what you think you're capable of. I think we just all have so much more to give. And I think we're more called upon like we step up to it. So that's how I felt over the past year. It's just like, OK, I have clearly what I'm doing. My message is resonating like I am. I have stepped up to that plate in a way that I didn't know that I could.

**Maddy Roche:** [00:46:55] Oh, congratulations. Congratulations. Last question, any books that stand out, podcasts that you listen to that have changed the way you think about your business, how you approach your business, anything like that?

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**Danika Waddell:** [00:47:07] I'm not so much on the book side. I probably listen to way too many podcasts, but this is definitely one of the most impactful in terms of, you know, just really thinking through all the different aspects of getting business going. I do love some of the things like Brendan Frazier's Human Side of Money, I think is some of the sort of behavioral stuff is really fascinating to me. Hannah Moore has a great podcast, the FBA, you know, that's another fun one for people just in terms of different career paths and how people have gotten into the industry. Yeah, I listen to all of them. Honestly, I, you know, I can't get enough of just I love storytelling, you know? And so just hearing everybody's stories as it's enriching to hear, you know, all the different perspectives and different ways of thinking about fees and, you know, all these different strategies. So it's-it's one of the most important things that I've done over the past several years in terms of career development.

**Maddy Roche:** [00:48:08] As strong and as successful as you are, you are so humble in your interest in collecting as many good teammates and resources and people and inspiration. And I think that's almost the perfect mix. You know, you do need to be confident, you do need to know you're about to go, do something hard and get through it. But over and over and over again. In this interview, the theme of relying on other experts to help bring you up and make sure you're serving clients in the best way keeps coming up. And I really admire you for that. And congratulations on your growth and what you're doing. I have no doubt you're making major impact, and I can't wait to have you back on the podcast in a couple of years for a check in. When you tell me that you're an employer of many wonderful financial advisors and giving great benefits packages and all that good stuff. Any final words, Danika?

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**Danika Waddell:** [00:48:58] Yeah, I just want to echo that again. I just think that we all benefit from working together, and I want to see all boats rise. You know, we're all—we're all working together, and we're all bringing this fantastic service to, you know, a greater audience.

**Maddy Roche:** [00:49:12] Hmm. Well, I've learned a lot. I know our listeners are certainly going to learn a lot from this interview. You really painted a beautiful picture of what it takes and how to do it successfully. I'm honored to work with you, Danika and thank you so much for joining us and XYPN.

**Danika Waddell:** [00:49:25] I have been very honored to be here Maddy. Thank you so much.

**Maddy Roche:** [00:49:30] An event made just for fee-for-service advisors? Yep, you heard that right. It's #XYPNLIVE and with over 45 content sessions, three keynotes, a one-of-a-kind exhibit day, and networking opportunities galore, it's the game-changing event you've been looking for. Join us in November (in-person or virtually) and leave with knowledge, new connections, and a whole lot of inspiration to accelerate your progress and smash your goals—no matter where you are in your advisor journey. Visit [xypnlive.com](http://xypnlive.com) for full details and to grab your pass.

**Maddy Roche:** [00:50:08] 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.

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**Narrator:** [00:50:24] You are not alone and you are not crazy. It's scary starting, building, and growing your own financial planning firm. And that's why we put together a free, private community just for you, the cutting edge financial planner. Go to [XYPlanningNetwork.com/VIP](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.