

The Patti Brennan Show

Ep. 179 Part 1 - Who We Let in the Room: How we vet the professionals behind your portfolio ft. Lee Cohen, NY Life

Patti: Hi everybody. Welcome to The Patti Brennan Show. Whether you have \$20 or \$20 million or even \$200 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives. I'm really excited about today's podcast because with me is Lee Cohen. Lee Cohen is probably one of the best wholesalers that we work with. He is with New York Life Investments. And basically, what we're going to do today is introduce Lee and really talk about the relationship that we have with New York Life Investments and Lee—and also what it really means to all of you who are listening and watching our podcast today.

Lee, welcome to the show.

Lee: I appreciate you having me. Thank you so much.

Patti: Excellent. So, let's start out by setting the table. Obviously, there are a lot of financial advisors who listen to the show, but also clients and people who may not be in the industry. So how about we start out with: What does a wholesaler do? And what is the relationship between a wholesaler and a financial advisor?

Lee: Sure. This is a great start. I think the financial services industry knows us as wholesalers. All these different investment firms have folks like myself whose job is to go out and build the brand of our product set for the advisor community. Whether it's a mutual fund, an ETF, or anything in between, it's my job to represent my company's products and present them to financial advisors.

Now, at our firm, we go by "advisor consultants" because we take a more consultative approach. I don't like to just push a product in someone's face. I want to get to know the advisor, understand their process, the needs of their clients, and their firm's goals and objectives. I usually ask more questions than I do selling, which helps me help you—and in turn helps your clients.

Patti: 100%, and that is exactly what you have done. Folks, we get calls from wholesalers all day long. Every day. I go to conferences, and they're all out there. They kind of know us, and since we're a very large firm, everybody wants to come into our office and pitch their products.

Our job is to dig in and figure out who the best and brightest in the industry are—before we even consider adding a product to our client portfolios. So Lee, why don't you tell the story

of how we first got connected?

Lee: Absolutely. It's a story I tell a lot. It just goes to show how timing, luck, and persistence all come together. When I first started supporting Osaic, which you work with, I saw a trade come in from your firm using one of our products. I sent a quick introductory email introducing myself as your advisor consultant. I appreciated the support and wanted to get to know you and your practice.

I received an email back from Brad Everett, your CIO, who said he'd love to meet. We had a great meeting where we updated him on our strategies. At that time, I didn't really get the full sense of who Patti Brennan was. But after that meeting, I thought, "Patti's pretty good at this business."

I went back to my senior leadership team and said, "I met with Patti Brennan." One of them said, "You met with Patti Brennan? Whoa." That made me realize you had quite the reputation. I knew then that I wanted to bring value beyond just product. People build relationships, not products.

Patti: You know, if I can interrupt you, if it's it's wild, because the trade that you saw was one trade! We do, oh, my goodness, hundreds of 1000s of trades every single year. It was one trade that we made for one client because we wanted to take advantage of a tax loss. So we were doing an exchange from one convertible bond fund to another, and Brad had done some objective research, and decided that your fund was the fund we wanted to move that client into, right? But it was one client, one fund, not a lot of money, and yet you saw it, and you thought, boy, this is somebody that we'd like to get to know better. And then you spoke to senior management, one thing led to another!

Lee: I just remember the journey over the last year, which I think is the exciting part, right? We've done a lot in the last 12 months in terms of supporting your practice, by doing things with our advisor, advancement Institute, to help get to the goals and objectives you want, but everything from relationship building games going to the Phillies game together, you know, just the journey of just what I think is important about this business is, not only do you need a good product set, but you need people that you could work with, that you like, that you could trust. And I think that really

resonated in terms of how you and I worked together. Because I feel like we clicked very well as a firm. And also it was one of those things where you look back and you say, The last year has been a really good one, because we've built such a strong relationship. And I think with sales, and I think we all agree there isn't a sale unless there's a trust in a relationship.

So I love that we've built that over the last, you know, 12 months.

Patti: You know, it's interesting because you brought up that program that you guys have, and as part of that, Kevin Elko came into our office and spoke to my team, and then I did my team. And during that meeting, we did this game together, remember? And it was "what is the one word?" What is, what is your one word for the year, and so we all figured out a word, and my word was clarity. So my team literally made me a bracelet. Because sometimes, even though I think I'm being clear with everybody, they thought that I should probably be a little bit clearer. And so that was really interesting to me, something that I didn't realize they wanted to hear more about. So in the summer, I put together my succession plan. I pulled the team together, I told them what the plan is, and then I wrote a letter to all of our clients. Because, you know what? It's, what it was, one of those things where, you know, people see the wrinkles in my forehead, and by the way, I've earned every single one of them, and they're staying, by the way, and you know, they probably didn't want to ask necessarily they didn't want to be tacky, like, 'hey Patti. You know, you're looking pretty old these days. What are you going to do?' So I thought I would go out up front and send a letter to all of our clients that you may or may or may not be wondering what my plans are. I have no need to retire. I have no plan to retire, but if I did get hit by that bus? Here's what would happen, and I laid it out for them. Do you know Lee? I got so much feedback from that client letter. They loved it. They appreciated the transparency, the honesty and the fact that I just gave it to them straight. I was clear, and so that word of the year, clarity that I wear on my wrist now came from that meeting that New York Life investments did for us. I love it.

Lee: And you're not the only person that's worried about just the clarity of the business, right and succession planning alone. I mean, I think that's one of the biggest things that we see in financial services. Is if you look back 30 years ago and you took the average age of an advisor 30 years ago, and you look at the average age now, it's a very similar age, right? Because a lot of it's a very tough business, and a lot of the same faces stay in this business for so long. So I think as clients get older, as their children get older, they say, Well, what is our succession plan with our money? Right? So we're in the same boat where we want to try to talk to advisors. I'm glad you were proactive with it, because I think it's something that a lot of other folks need to start considering. Is what is their game plan, where, not only if they have an exit strategy, where they know they want to retire in 10 years, but things also happen out of our control. What if a person needs their new advisor tomorrow for unforeseen circumstances?

Patti: I'm glad you're prepared for it, because it's something that's very important in this business. You didn't necessarily know that the My word was going to be clarity. You didn't know that it would translate into the succession plan and how I would be as transparent as I ended up being. It just is one of those things where an idea can lead to something so much bigger and better, and that is the beauty of the relationship. So I'm kind of curious, when you've been at advisory firms all over the country, you've been doing this a while. You've seen the best, the brightest, et cetera. Like, how do you tailor your support and resources to the different styles and needs of the advisors? Because, I mean, honestly, I've got a very deep bench, right? We have here something that a lot of firms don't have, and it's just something that has happened. We have generational diversity, right, right, right, which is, you know, and it's just kind of worked out. So, you've got me and a couple others who are kind of the senior leaders, and then you've got the 40-year-olds, sure, a whole bank of them, you know, six or seven 40-year-olds, and then we've got the 30-year-olds. The 40-year-olds are mentoring the 30-year-olds, the 30-year-olds are mentoring the 20-year-olds. And then we backfill for capacity. So, it's just worked out well that way. That's Key Financial. What about other firms?

I think that, for whatever it's worth, because I do go to conferences, and I'm up on stages a lot, sure, and typically I hear at least, and you know better, that is very unusual.

Lee: Unusual is the perfect word, because it is not the industry norm. And I think a lot of advisors are realizing that the sole practitioners that used to be the industry standard is not the new norm, and the new norm is partner practices, at a minimum, two or three advisors that come together, not only just to share their book of business, but as you said, to support their clients. Right? If an advisor is on vacation with their family and there's a need of a client when you're a sole practitioner that makes it a little bit hard to service your clients. So advisors are realizing, at a minimum, partnership within just multiple advisors within a firm have become more of the norm. But like you said, you have a deep bench. You have people that have different roles and expertise, which really makes your your firm thrive. I think other firms are starting to realize you need capabilities within administrative, staff, social media, other things that 20 years ago, people weren't focusing on. That is where the success has come. Not only servicing your clients within expertise and just growing their money for the big picture, but how do you service it along the way? And I think your model has really fit the bill.

Patti: You know, probably one of the best decisions I made Lee years ago was to hire a chief operating officer because, and it was interesting because he was in the industry, worked for a software company, and what he said is, 'Patti, you need to stay in front of the clients. You need to do more of that, right? You need somebody to run your firm, right?' And I gotta tell you, Lee, that was one of the best decisions. Literally, this morning, he came to me and said, just so that, you know, we had a cybersecurity threat, but we blocked it, and here's what happened, here's how it happened, here's how it got blocked. Nothing to worry about, right? Oh, my goodness, I don't know anything about, you know, cyber threats and things of that nature, but he does. And fortunately, we were

completely protected so as were our clients, because you don't know what you don't know, right? And to me, if you don't know, admit it and then get people who do.

Lee: I love it. Can't. You couldn't have said it better. I mean, I also you coming from a medical background. I almost look at it. My parents are in the dental field, and they own two businesses, but they're dentists, right? The patients don't care about keeping the lights on. They care about the medical work that needs to be done. So I agree with you. They have people that run the practice so they could focus on dentistry, similar to what you're doing. You focus on the people, let the experts focus on running the business, so you could do what you do best, which is great, exactly.

Patti: So let's, let's talk a little bit as you know, we have a relationship with Osaic. Osaic is our broker dealer. I really appreciate that relationship, because they've given us ideas on how we can protect ourselves, right? They've given us software and given us access to so many good things, including people and companies like yours. So one of the things that that they do every year is they have this conference called ConnctEd, and it's an educational conference for their advisors. And I'm not kidding you, there's probably 5000 people go to it. It's amazing. And there's this big hall, and there must be 300 to 400 different companies, right? Firms like yours, they set up the booths. This is who we are, et cetera. And I mean most Don't go to the booths. They are taking a nap. They're going out with their buddies, things of that nature. And I don't know, maybe it's me. I know it's I know I'm weird, but I just feel like it's my job. I go to all the booths. I go to every single one, whether we work with that company or not, and I say, Okay, we do or we don't work with you, right? Tell me why we should. You've got 15 seconds, and after that, I'll make a determination whether or not you can call my office. Please do not bother and call my office if it's not going to be a good fit. Sure, it's a waste of your time and it's a waste of my team's time, right? So, let's talk about who you are, what you offer, et cetera, and why we might let you in. I have found that so effective. I think that people really appreciate it. They know I'm genuine. That's my job. I feel like that's our job, because, you know, we've, I think clients really count on us to

understand what's out there, right, and not just always, you know, use our typical stuff that we've always used, right? What else is available? And that's how Brad found you, because we're objective. So I guess from your perspective, now, I've told you my perspective, sure, from your perspective, what makes a great wholesaler advisor relationship?

Lee: Yeah, I think there's three things that I'm really cognizant of in terms of just relationships in general, but this business, right? I think it's fair to say that the advisor community are some of the most wholesale people on the planet, right, other than product specific people like myself, but platforms and things at your home office, right? You probably get 6000 calls a day, hence why you need the gatekeeper to be able to keep your time to spend with the clients. But I think the first thing is relationship, right? Because if you don't work with somebody, you trust, you like and you can rely on, that's half the battle. I mean, realistically, people have great products and great ideas across the across every industry, but reliability and trust, I think, is very, very important about this business. Secondly, I think it's important to understand that communication is really important about this business. The world moves. The market moves. Accessibility is going to be something that I pride myself in, because if something isn't working out in favor, or an advisor needs something for the benefit or the need of their client, I need to be getting back to make sure that you have everything you need. Last but not least, we have to make this fun, right? You know this, this still is a fun business in the sense of building relationships. You're building relationships with clients. I'm building relationships with advisors. And then I think when you put those three together, when the products can come to light, that's what I think. Once you built the trust, you show that you're there, you communicate you're reliable. Now the guard comes down, and we have the ability to say, what are some things you offer, and how can they benefit my clients. I think once that comes together, that's what makes a really strong relationship between wholesalers and advisors.

Patti: You know, a perfect example of that is we had a client event this year. We had, you know, 400 clients at this event, and I called you, I said, Lee, I

would love to have somebody from New York Life investments on the stage so that Brad and I could kind of throw some questions at, you know, a group of people from your company, as well as different companies, to kind of go through the process. It was kind of like a mock process of what happens when you come into our offices, sure to so the clients can see the process themselves. And you introduced us to Lauren Goodwin, and you set up that pre call, and I got to meet Lauren. And, Oh, my goodness. Lauren Goodwin stole the show. I mean, everybody was good, but she was really outstanding. Her ability to articulate her thoughts in words that people can understand. And I got to tell you, we threw some zingers at her, and she was right on it, and had examples, and her thoughts were, well, it was just fantastic. And you made that happen for us. So thank you for that,

Lee: Of course, and you hit the nail on the head. Right? It's one of those things where translating very complicated things in this business especially because you're to the end user of the client, is the hardest part about this business. We're in a very complex business, fast moving. And if clients don't understand the goals, the needs and the and even the things that they own, right? It makes it a little bit difficult for you to do your job. What I love about what we try to provide to the advisor community is as smart as we can be in this business, or as much as we can know, if we can't translate it to the end user, which is the client, then we're not doing our job. So I'm glad that we were able to provide you the talking points and the data that could help you translate it to your clients. And I'm happy that it went well, because that was really a great client event.

Patti: Yeah, it really was. It was so well received. I got it. They're still talking about it. I love it. Fantastic. So, Lee, is there anything else that you want to add in terms of the relationship, the process?

Lee: I would just say, I think this business is about really identifying what the goals and the needs of people are right. The world could be scary, the world could be beautiful, but I think keeping things into context of the long

term vision, both with the relationships of you and your client, my relationship as a consultant with an advisor. I just really think that taking the journey together is important, right? The product will be a product. Maybe something else comes down the road. Realistically speaking, I think the longevity of the relationship is what is the most impactful thing about our business. That's what I think the journey is. Continuing the journey. As your clients grow, as you grow, we grow with you, things are going to change. They're going to be different. But what, what, what really keeps us going is that people are not their money. They're people, right?

Patti And I feel that way about you. I know that that's the way you approach life in general, and I'm so grateful that you were able to come here today. Thank you so much for your time.

Lee: It's my pleasure. Thank you And thanks to all of you who are listening and watching. I hope this was helpful. This is an unusual kind of podcast, but I want you to understand what goes on behind the scenes. I think it's important, because Sure, we may come across as if we're really smart, but I have to tell you that it's the Lee Cohens of the world that make us smart.

They give us access to information and articulate it in a way that we can translate it and determine whether or not it's right for all of you. Thank you so much for joining me. I'm Patti Brennan. If you have any questions, please feel free to visit our website at [key financialinc.com](http://keyfinancialinc.com), in the meantime, I hope you, hope you have a fantastic day. Take care.