How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is, How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis. It's a conversation with the co-owner of The Perfect RIA. I'm Mindy Diamond and this is Mindy Diamond on Independence. This podcast is available on our website, diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. If you are not already a subscriber and want to be notified of new show releases, please subscribe right on your favorite podcast platform or on the episode page on our website. For Apple Podcast users, I'd be grateful if you'd give the show a review. Your input helps us to make the series better and alerts other advisors like you, who may find the content to be relevant.

Mindy Diamond:

And while you're at it, if you know others who are considering change or simply looking to learn more about the industry landscape, please feel free to share this episode or the series widely. I love a good rise-from-the-ashes story. Consider Matthew Jarvis for example, today he runs the successful independent firm, Jarvis Financial. He's an accomplished author, the co-owner of The Perfect RIA, along with being a co-host of the podcast of the same name and co-owner of Retirement Tax Services. Yet a snapshot of his life a dozen years ago, is very different. At that time, as Matthew shares, he was buried in debt with a badly struggling practice and a morning routine of trying to figure out how to quit the industry without looking like a failure. Through several turns of fate, including an opportunity to be coached by one of the industry's most successful advisors, Tom Gau, Matthew clawed his way from near failure, to the top of the industry.

Mindy Diamond:

Today, Matthew is running a profitable business and teaching other advisors how to duplicate his own success in their own practices. That is a success system based on extreme accountability and delivering massive value to clients. But the real kicker is, Matthew's success isn't accomplished by working 24/7, as you might think, actually it's quite the opposite. He is widely known for sharing that he has achieved, all this, while taking some 250-plus free days, that is days when he did not work. How is it possible? Matthew reveals that and more with Louis Diamond. They dive into key teachings from his book, Delivering Massive Value, discuss building the practice and lifestyle of your dreams, the value of coaching and mastermind groups, and other tips he's learned along the way. It's a big topic, so let's get to it.

Louis Diamond:

Matthew, thank you so much for joining us today.

Matthew Jarvis:

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis, thanks for having me. I don't know when these will air, but you and I recorded an episode together for The Perfect RIA. So it's fun to do another session together.

Louis Diamond:

I know, it's true. It's nice to flip the script once in a while. Why don't we just jump in, tell us about your background and how you became a financial advisor in the first place.

Matthew Jarvis:

Yeah, I've been an advisor since 2003. I hate to admit that at this point, because I'm coming up on 20 years. Originally started working with my dad and my story is detailed on kitces.com/7 and 247, went into some length there, but started real light financial planning, escalated quite a bit on that. 2008, the financial crisis. That was a real moment of faith for us to get through the other side of that, ended up buying Dad out at that point, and then have grown the firm dramatically since then. And here we are in 2022, hard to believe.

Louis Diamond:

Yeah. So family business, I can respect that. And I know from reading your bio and just from talking with you in the past, that success wasn't really a straight line for you. That you talk about some of the struggles you had early on in the business and how that has probably shaped who you are today. Can you share with our audience a little bit about the ups and downs you've had?

Matthew Jarvis:

Yeah, for sure. I mean the downs were there. So my first five years, from 2003 to 2008, I'm going to say I did what I like to call now pipe-dream-marketing. So I sort of like, "I really wanted clients." I really wanted them, and I just didn't really know how to translate that want of clients into actually making the phone ring. So I spent a lot of time literally staring at my phone, staring at emails, staring at things, hoping that somehow prospects would magically appear. And I hadn't really cracked the code on how do I deliver massive value?

Matthew Jarvis:

How do I use a one-page financial plan, these kinds of things? 2008, the financial crisis hits. We were maxed out on credit. I couldn't borrow any more money. I was a few weeks from just being bankrupt. So I thought, "You know what? All those things, I was afraid to do those phone calls I was afraid to make, those changes I was afraid to do, I'm just going to do them because I'm going to go out of business no matter what. And I might as well go out in a ball of fire versus hiding under my desk." And at that point, everything changed.

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

Wow. So you decided to take action instead of waiting for the phone to ring and having success find you, you said, "You know what? This isn't working what I've been doing, this is back-against-the-wall moment. Let's try to change things." Is that accurate?

Matthew Jarvis:

That's totally. And some examples of that, Louis, would be like, "All right, I'm no longer going to work for people for free. If they're not willing to pay an AUM fee," and whatever your fee compensation is, that doesn't really matter. If they're not willing to pay me a fee, I can't work with them. I'm going to actually call all of the centers of influence in my area and not hope that they somehow see my Facebook post, and decide to call me, or whatever the case would be. I just wrote down, like, "Here's the things I have to do every single day, or this isn't going to work."

Louis Diamond:

Amazing. So I think it is a pretty good bridge to talking about your RIA firm, Jarvis Financial services, because I think most of this interview we'll talk about The Perfect RIA, which is your coaching business. But I know you use your RIA as your science lab, you're able to experiment with different things that work for you and then translate it to clients. So let's talk a little bit about the RIA. Can you explain what the business looks like? What types of clients you work with and any other metrics that can give us a sense of what you guys are doing out in the Pacific Northwest?

Matthew Jarvis:

Yeah. Yeah. So we are an RIA, Jarvis Financial services, we custody at Fidelity. I think at year-end on our ADV, we are about $220 million. That number is a little bit different right now with the markets having moved. But that's the official number. It's myself, last year I brought in another advisor, Alex Lynch, who's been doing a great job. He's meeting with a lot of clients. My dad still works for me, doing largely back office. And then Colleen is my office manager, we just celebrated our 10th year of working together. And then our clients are what they call mass affluent, million to $3 million of investible assets. We work with about 150 households or so. That's it in a nutshell.

Louis Diamond:

Perfect. And the RIA that you're running, obviously you make, I'm sure, a great living from it, but it also is your canvas for then translating the work you're doing for your clients, to your coaching clients. So like I said, I want to spend most of the time talking about that. So your coaching business is called The Perfect RIA. Can you explain how you came into the coaching business? How did that all get started?

Matthew Jarvis:

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Yeah. I never had any intentions of getting into coaching. Partly just my own head trash. I thought, "Well, what would I tell other advisors?" But in 2017, Michael Kitces launched his advisor success podcast and I emailed him, I said, "Hey, I have this lifestyle practice. I make this money. I take all this time off. Maybe it would be an interesting story." So to my surprise, he has me on, this is kitces.com/7, became the most popular episode of the year, possibly his most popular episode ever. And then dozens, 100s of advisors started calling me, including my now best friend, Micah Shilanski. And at some point we thought, "You know what? Let's make what we've done in our practices available for other advisors. What should we call it?" "I don't know, let's call it The Perfect RIA." We launched the podcast and now with coaching, and technology, and events, and it's turned into a big thing.

Louis Diamond:

So I'm curious, I think I listened to part of that episode, maybe it was last year, but for those listening, who haven't had a chance to listen to that Kitces episode, can you recall what were some of the things that you spoke about, that got such a crazy good reaction from the advisor community?

Matthew Jarvis:

Yeah. Couple things that came up, one, was this idea of a lifestyle practice, which I'm still not in love with that term. Usually when I think lifestyle practice, I think an older advisor who's just sailing off into the sunset, not calling their clients. My version of lifestyle practice is a very intentional. I'm only in the office about six months of the year. We do surge meetings where we meet with all our clients at once, over a couple week period instead of two or three a week. But it was like our level of efficiency, how much of a practice I was able to run while being in the office a minimal time. And a lot of people resonated with that. A lot of advisors said, "Hey, I don't want to be working 50, 60, 70 hours a week. I would love to be working every other week. How is it possible to take that much time out of the office and still deliver massive value to clients?"

Louis Diamond:

I want to spend a lot of time on that because it's very unique and I think a lot of advisors have a pretty good work-life balance. Some are more open about that than others, but I think we all know many advisors do pretty good on taking vacations, but most aren't as intentional or as overt about the amount of time they take off. So I want to spend some time on that, but for context, more so just about the services you're providing to advisors, can you talk a little bit about how are you coaching advisors? What are the engagements like? What are you helping them with and how can someone engage with you?

Matthew Jarvis:

Yeah, right now we have two levels of offering. The first we call our backstage pass and that's essentially access to all of the systems, templates, value adds, and trainings, things that Micah and I are doing in our practices. Micah's practice, my business partner, is in Alaska. He has his own practice there. I'm in Washington State. It's just copies of all that. What newsletter did we send out to clients? What value add did we deliver? What's our surge meeting agenda? So the backstage pass gives people access to all of that. And then our next level, we call it Invictus. That includes the actual technology that we're using to generate our value adds, as well as some in-person events and some one-on-one coaching. A little bit with Micah and I, but mostly with our coaching team.

Louis Diamond:

And what's the reasons that advisors typically seek your services? What are they in search for when they engage with you or Micah?

Matthew Jarvis:

Usually, and this is what our hope was, is they'd say, "Hey, there's something that Matt and/or Micah have in their practice that I want in my practice." And Michael Henley is a good friend. You and I both know Michael Henley, he always says, "I'd rather copy genius than invent mediocrity." And so they just say, "Listen, Matt and Micah have this one thing figured out right. Surge meetings, value adds, lifestyle practice, whatever it is, I want to meet with them and I want to just copy what it is they're doing."

Louis Diamond:

That makes sense. Yeah. May as well. If it's working for you, why can't it work for someone else? Very interesting. And I've seen you post on social media about Masterminds. Can you explain what that concept is and how that might help someone?

Matthew Jarvis:

Yeah. So Masterminds are this idea. And so Mike and I facilitate a lot of them through the Invictus program. Then we have our own personal Mastermind, we call it the 10X Mastermind. I'll just tell you about our personal one because that way advisors can adapt this, for our personal Mastermind, you have to have a million dollars of verified personal income to be in the group. That way we're all the same level. The key here is not the dollar amount, Louis, but that you're with people that are similar level. For two or three days, we get together in-person and we do what we call financial undressing.

Matthew Jarvis:

So we say, "Great, show your profit and loss. Show your tax return. Show your net worth statement. Let's all get on the same page. And then let's go through together line-by-line," which is very uncomfortable and say, "Great. Why are you spending money here? How did you make money here?" It's really the only place I've ever seen, Louis, where people actually go deep into what's really going on in their practice, versus it's easy to get up on stage and like, "Ah, I brought in $40 million in new assets last year." Cool. How did you do it? How much are you paying your employees? What are your concerns?

Louis Diamond:

Very cool. So it's a confidential group, almost like a study group. So aside from going through the P&L, what other types of things are these Masterminds doing? What are the big takeaways that people get if they sign up?

Matthew Jarvis:

Yeah. So there are a couple of key components, and I've done dozens of these now, one thing is key is to rent an Airbnb somewhere so that you're all staying on the same location. You're not staying in a hotel. So we just do a fancy Airbnb. For us, it has to have a hot tub, because we love to sit in the hot tub, and smoke cigars, and talk about business. We typically bring in a coach, usually virtually, whoever that might be, to help us get some ideas. We need the financial undressing that I mentioned. Then you have to have, this is the key, you have to have extreme accountability, which means by the time you leave the event, you are committed to doing something like firing your 10 worst clients. And if you don't by a certain date, then you'll fire your 10 best clients.

Matthew Jarvis:

Our mutual friend, Michael Henley, he had an extreme accountability one time, I won't give you the details because that's confidential, but his extreme accountability was, if you didn't do X, Y, or Z thing, then his favorite car, which is a very nice car, he had to wrap like a political wrapper for his least favorite political candidate. Right? And he's like, "There's no way I'll let that happen." Perfect. Then just do what you said you're going to do, which he did, but this extreme accountability is a game changer.

Louis Diamond:

It's creating real consequences for not following through. But I would guess too, that a bigger part of the action item is that you're now vocalizing the goal to others, and you have others that are keeping you accountable. I mean, to think if it were me, I'd probably sooner take a consequence rather than have someone else be disappointed in me. That's probably part of the magic.

Matthew Jarvis:

I think that's most of it, we've not ever, to my knowledge, had to actually enforce the consequences. We've had a few people come close. I came really close on one, but we've done it. And it's nice to have someone also look at your practice appear and say, "Hey, I also struggled with this and here's how I fixed it. And here's what works and what didn't work." There's definitely a place for like a third-party coach, someone who's not actually in the industry, but there's also a place for like, "Hey, this is my fellow advisor. They have this same problem. They can call me on my BS. They can hold me accountable."

Louis Diamond:

We should employ this at my Fantasy Football League. It sounds great. For whoever gets to last place. So back to, I think what's the most compelling part of your success, it's publicly talking about how many vacation days you take and how work-life balance is the number one thing for you. So my question is, I just saw on your website that you put on there that you're out of the office six months out of the year. How do clients feel about that? Don't your clients need you 365 days a year? What if there's a market meltdown? What if their niece is getting married next week and they need you? How do clients react to your intentional time off?

Matthew Jarvis:

Yeah. Clients, they're really good about it because they're still getting what it is they expect, right? Which is when I have a problem, Jarvis and his team solve it. When I need to meet with Jarvis, he's available to meet with me. Now, what that doesn't mean though, is that if they call at Tuesday at 4:00 in the afternoon, that I'm going to drop whatever I'm doing, I'm going to take that call. Similar to my doctor, or even if I'm going to stay at the Ritz Carleton. I can't just show up at the Ritz and they'll say, "Mr. Jarvis, we'll make a room available for you."

Matthew Jarvis:

Everybody has to follow a system and so we just advise clients when we're onboarding, and we reset that expectation again and again, "Hey, we'll primarily see you in April during tax season. We'll see you in the fall before the year ends. If something urgent comes up in between, we can schedule a time. But just so you know, I'm not reactive. You're not going to get emails back from me. I don't answer the phone." Everything's just very intentional about delivering what the client is actually going for, versus being reactive.

Louis Diamond:

I love that. So it's like training your clients to act in a certain way, but I think what you said makes sense, as long as they're getting what they need and as long as there is a way, if there is an urgent problem, to escalate it. I would think there's probably some people that are cool with it and there's probably some people who may look to hire you, but say, "Hey, I personally work 80 hours a week, so I want someone who matches my intensity." And that just may mean that you're not the right fit for them and vice versa.

Matthew Jarvis:

Yeah. I've never had it overtly be a reason that a prospect didn't hire us. I mean, maybe it was subtly. I have had a couple of clients. I had one client. He said, "Hey, listen, I work 50 or 60 hours a week and if a client emails me, I email them back right away otherwise I'd lose my job." And so I gave him a call and I said, we'll call him Bob because I call my sample clients Bob and Sue, I said, "Bob, thank you by the way for reminding me why I didn't take a job in corporate America." And we laugh. And I said, "Listen, this is just not how I operate. And if that's a problem, I get that. I'll find you an advisor who will return your phone calls right away. That's just not my thing. When you call my office with a question, unless it's a legitimate 911 emergency, they're going to schedule a time for me to get back to you. I don't respond to emails like that." Those kinds of things.

Matthew Jarvis:

And he said, "No, actually, Matthew, that makes sense." He's been a client for many years since then. But it's about managing that expectation and, Louis, every advisor does this to some extent. I don't think there's any advisors that at 2:00 on a morning, on a Sunday, their phone is pinging when a client emails them, and they're getting up and they're calling that client right then. I just don't think that exists, right? Or like if you're in the shower to be like overly hyperboles. So we're all-time blocking. I'm just a little bit more intentional than most people.

Louis Diamond:

And how do you think you've still been able to grow your practice all these years, while working far less than the average advisor does?

Matthew Jarvis:

Yeah. It really boils down to that. When I work, I just get a lot more done than most people do. So there's these studies, Louis, and you've seen them and I've seen them, that the average person is spending three hours a day on email or that after 20 or 30 hours of work, they're not actually being productive. We call it playing office. I just don't do those things. Those six months that I'm in the office, it's actually far less than that. Now, when I'm in the office, I am ripping through things. I don't check email. That's not my thing. I have someone who does that. I don't answer incoming phone calls. My day is very structured. And so when I come in, I just get a lot of work done. So I would argue that I'm probably not doing any less work than any other advisor. I'm just pushing it into a more condensed period of time.

Louis Diamond:

I got that. And it also probably speaks to the team that you create. Having the right people on the bus, lets you trust them to do what you need to. And it keeps you from playing office, as you said.

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Matthew Jarvis:

Yeah. And things like having a niche help, right? All of our clients are retirees, so it's a similar thing. The fact that we do quarterly value adds, right? So in one quarter we'll review every single client's beneficiary and then give them an update on that. So all at once, my entire team is focused on beneficiary review instead of one here, one there, one next week, three week, forget whatever the case may be. It's that old Henry Ford example, right? Henry Ford's genius was, "Let's put the Model T on an assembly line and have the same guy pull the same lever every time." And he cut the work by 1/100th. It was a fraction of what it took before if you're haphazardly doing it.

Louis Diamond:

That's really interesting. So your clients are still getting a value add every quarter, whatever the cadence is. So they're still seeing that you're thinking about them, that you're earning your fee and you're doing your work. It's just different. Instead of just, "Hey, Joe needs to update his beneficiaries." It's, "We're going to do it for everyone," instead of just doing it on a one-off basis.

Matthew Jarvis:

Yeah. And you'll still get some one-offs, right? A client will call and they'll say, "Hey, my nephew that was a beneficiary, passed away. Can you take care of that?" Sure. But I know that if I get audited or a client passes away, I know that, "Hey, we reviewed every single client's beneficiaries six months ago," or 18 months ago. That's awesome. I don't have to worry like, "Hey, when was the last time I took care of Dave's beneficiaries? I wonder if they're still current?" I don't have to ever have that thought.

Louis Diamond:

Very interesting. Can you talk about surge meetings? You mentioned it earlier. I know I've seen you write about it in your blog and on social media. So what does it mean and how do you put it into practice?

Matthew Jarvis:

Yeah, let's use just some round numbers for this. Let's see you have 100 clients and you meet with them twice a year, just for easy discussions. So that's 200 meetings. What the average advisor would do is, do about four meetings a week, every week, year-round, minus the weeks that they're on vacation. And that works. There's some advantages to that. It's an easy pace. Clients can call in whenever they want and come in. But four meetings in a 40-hour week is not an effective use of time. It's not good time blocking. So what we advocate for with The Perfect RIA, what we call surge meetings, is instead of doing four meetings a week, pick a couple of weeks and do 30 meetings in each of those weeks and then meet with all of your clients in as condensed period of time as you can.

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Matthew Jarvis:

So in our office, we do a three-week surge in April. We do a three-week surge October, November, and then each month we have two days of what we call mini surge. Those are basically the only times I see clients outside of extreme emergencies. So if a client calls in and says, "Hey, I want to meet with Jarvis." Cool. His next two appointment days are August 23rd and 24th. I'm just making up stuff, "Which one of those days worked best for you?" Versus, "Why don't you come in tomorrow and we'll try to get ready for you."

Louis Diamond:

Isn't that really tiring for you, when you're in that surge meeting mode and you just have 30 meetings, isn't it exhausting? How do you keep present and how do you keep the momentum going?

Matthew Jarvis:

Yes, super exhausting. So my surge weeks, I do meetings on Tuesday, Wednesday, Thursday, I do six a day. So what is that, 18? Let's call it 20. So I'm doing 50 to 60 meetings over the coast of three weeks. It's a lot, it's super tiring. But then I remind myself, "Cool. I get the entire rest of the year where I can do pretty much whatever I want." Instead of like, "Oh, I've got to come in on Tuesday because Sally's coming in." "I've got to come in on Thursday because Joe's coming up." Nope. There's these days I come in for surge and I just get them all knocked out, but it is really tiring. It's hard work.

Louis Diamond:

Yeah, I would imagine. But I like that. At the end of the day, what's really a difference between having 15 meetings one week or 30 in another? I mean I'd rather take another week off and recharge the batteries, and then at least you're in the zone of doing these meetings.

Matthew Jarvis:

Yeah. We have that discussion. After each surge cycle, we do a debrief with the team and we do it right at the end, so we're all exhausted. And we're all saying, "Oh, this was too much work. This was really hard. Let's do five meetings a day instead of six." And I'll say, "Great. We totally can do that. We'll just need to add one more week of surge," which is one more week where people can't take vacations, et cetera. And then everybody looks at each other and says, "You know what? Nope, I'd rather do six a day and get them done than add another week of surge."

Louis Diamond:

Yeah. That makes sense. How about any other tips for running a meeting effectively? So maybe not the time blocking of meetings, but you're in a meeting, what's the best practice for getting the most out of the time with the client?

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Matthew Jarvis:

Two things, have an agenda, a printed agenda. And then the biggest thing you can do is send several emails ahead of the meeting or phone calls ahead of the meeting, saying, "Hey, I want to make sure that I'm ready for our meeting. What question or questions are top on your mind, Mr. And Mrs. Client?" Because if I can be prepared for, "Hey, I'm worried that I'm going to have to put my mom into a nursing home." That's much more effective than me spending the first 10 minutes of the meeting, trying to pull out what their top concerns are. So now I'm ready for that. Now I've got materials ready. I've researched it, whatever the case may be. So getting clients to give you their questions in advance, it seems like a small thing, really streamlines the meeting.

Louis Diamond:

Yeah. And then you're making sure you're talking about what they want to cover, instead of the other way around.

Matthew Jarvis:

Yeah, that's right. It's not me launching into economic commentary that nobody cares about and is never accurate anyway. And my meeting always starts with, "Mr. and Mrs. Client, I got several things I want to go over with you today, but first and foremost, what questions or concerns are on your mind?" And, Louis, when I do it, I set down my pen, I lean back in my chair if we are meeting in-person and I'm really intently listening, and whatever they tell me, I listen and I note that down and I say, "Cool, what else is on your mind?" And I want to ask what else at least three times, "That's great. So I've got that you have a question about your grandson's college. Perfect. We'll chat about that. What else is on your mind?" So I'm really trying to draw out what are they thinking about, because that's where I want to spend my time.

Louis Diamond:

And I guess it's your team that's soliciting the questions ahead of time or do you have a piece of software you use that makes sure as it goes out in a scalable way?

Matthew Jarvis:

So we use Calendly for scheduling. So if you call my office and say, "Hey, I want to schedule a meeting with Jarvis," Colleen will say, "Cool. I can send you a link to his calendar. Or if you'd like, I can pull up his calendar right now," using that same link. And when they go through the registration process for the meeting, it asks them, "Hey, what questions or concerns that you have?" And then each confirmation email, the very first thing at the top is, "Hey, we look forward to seeing you. Please let us know what questions and concerns you have so that we can be prepared for the meeting."

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

And do you find that clients normally will respond to that email and actually provide information?

Matthew Jarvis:

I think about half do. Some just don't respond to emails. I don't know why some just don't and it's all just ask them in the meeting, but I want to create that mindset of, "Hey, we're here to talk about what's on your mind and if you give me those things in advance, I can be better prepared."

Louis Diamond:

I think it's very interesting. If you ever crack the code on getting everyone to respond to emails, definitely let me know.

Matthew Jarvis:

Yeah, for sure, I will. There'll be a lot of people interested in that one.

Louis Diamond:

Exactly. So delivering massive value, I feel like that's your thing. You've said it multiple times in this interview, your writings, your social media post, your podcast, is all about delivering massive value. What does that mean though? And what are some examples of how someone can deliver massive value to clients?

Matthew Jarvis:

Yeah, yeah. It was even the title of my book, Delivering Massive Value. We were originally a state-registered RIA right before we were at the whatever asset level it is now. And the State of Washington where my office is, they came in one time during an audit and they said, "Hey, listen, the line item on the fidelity statement, showing that your fee was deducted. That's not enough. You have to physically mail a letter to the client each calendar quarter, showing them the calculation and how much money you are deducting from your account." That was like their wisdom. And so I thought, "Well, shoot, if I'm going to draw that much attention to my fee, I also want to make sure that the client has value in that same envelope."

Matthew Jarvis:

Like they open the envelope, "Here's Matt's fee. Oh, here's this cool thing." So we started once a quarter, sending what we call a value add. I wanted the client to tangibly see on one page what it is we're doing for them, not vague things like, "Hey, we're watching the market," or, "We're here in case you need us." Like, "Hey, we reviewed your estate documents and here's two things that need to happen." "We looked at your tax return and here are two things that need to happen." So deliver massive value means I need to demonstrate to the client in things that they understand and can articulate why it is that they're paying me.

Louis Diamond:

And you just gave a couple of examples, but what are others, some of your value adds or I guess maybe your highlights, what's the biggest value add you think you've delivered to clients, and then even taking a step further, some of your coaching clients, what are some of the success stories with their massive value delivery?

Matthew Jarvis:

Yeah. So my goal with the value add or financial plan, anything, is for the client to know exactly what action they need to take. So I mentioned this beneficiary review, well, the custodian sends out the client's beneficiaries every year, but they send it as percentages. And while, Louis, you and I could do percentages all day, most clients can't. So what we did is, translated it into dollars, "Mr. And Mrs. Client, if you pass away, you have three children, they're equal beneficiaries. Each of them are going to receive $832,000 in a lump sum. Is this what you want?" And if they say, "Yeah, that is what I want. My kids are great. They'll handle the $832,000."

Matthew Jarvis:

Good, we can check that box and move on. If they say, "Wait a second, I don't want David to get $832,000. He's an idiot. He'll blow it." Great. Now we know we need to dive into some different estate planning so that we can make sure their money is protected. So that's what I see as delivering value. They've never thought about it before in a dollar term. I'm the first one that showed it to him that way.

Louis Diamond:

Very interesting. So it almost sounds like you have a curriculum of sorts that you take your clients through. So obviously, if you've had clients for the last 20 years, they're probably all seeing similar value adds customized to their needs. But when you onboard a new client, you start them off at like step one of your value creation framework or is it more just quarterly, where everyone if they're a client of Matthew at this point in time, gets the same value add?

Matthew Jarvis:

Yeah. Everyone gets the same value add. So if you become a new client, you essentially get dropped into that cycle, because it takes us about two to three years to repeat through the entire financial planning process in the form of value adds. And so whenever you become a client, if you have urgent things, we're going to take care of those right away as part of the onboarding. But then you drop right into the value add cycle. Again, that helps my office streamline.

Matthew Jarvis:

For example, Louis, this upcoming quarter in October, we're working with all of our clients on their social security tax withholding, right? Because they've had an inflation adjustment up and it's going to impact tax withholding. So we're working with each client, "Hey, here's how much you're withholding from social security. Here's how much we recommend that it needs to be. Here's the form already filled out, please sign it and send it in. In fact here's the envelope to mail it in and you'll be set."

Louis Diamond:

The clients that you coach, they'll leverage what you guys have done and make it their own. Are there some examples of value adds that you've seen a coaching client use, that then you and Micah adapt for your own practices?

Matthew Jarvis:

That's a good question. Most of our coaching clients are just adapting the ones that we're doing, because we've already created them, right? They're just saying, "Hey, let's just adapt it for ours." We've seen some good ones on digital beneficiaries, right? So you can help a client set up in their iPhone. I'm a little leery about this one because I don't like being tech support. If they pass away, who has access to their digital assets? Who can unlock their iPhone and get their pictures out of it, or whatever the case may be? So that's an interesting one. We've done some around identity theft that we've learned from other advisors. So yeah, value adds are tough to create. They're tough to implement. You really need a system. They're tough to imagine, but I'm always excited to see new ones.

Louis Diamond:

Love it. So let's go into a few other topics that I've seen you talk about and I've got three or four here, so let's go rapid fire. Guardrails, what's that?

Matthew Jarvis:

Oh, I love guardrails. Retirement Income Guardrails sometimes known as dynamic distribution rates, Guyton did a great white paper on that years ago, it tells a client like, "Hey, if your portfolio goes up or down by too much, we're going to adjust your income." And then we just do it as a single visualization, like a one pager, so that they know like, "Oh, Matt, the market's down 20%. What do I do?" Great news. We're still within the guardrails. We don't need to change anything. Or, Louis, they say, "Man, what I want to do is pull out a half million dollars to buy a second house."

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Matthew Jarvis:

I don't know where you're getting a second house for a half million dollars, but we'll set that aside and we'll say, "Oh, you know what? That's going to pull us below the lower guardrail." You can do that, but we're going to have to change your income. The beauty here is we're not doing this Monte Carlo silliness of you have an 87% probability of success. What does that mean? I can just say, "Listen, if your portfolio stays between a million and 1.5 million, you're good, but moves outside those boundaries, we need to make adjustments."

Louis Diamond:

I love it. And it's approachable. It's not wonky. It's something that every client, regardless of their financial literacy can understand. It's just a simple thing and you're focusing them on the guardrail. I'm sure they probably use that term also, if they're at a cocktail party, talk about their guardrails. People probably look at them weirdly, but at least you're talking about the right topics.

Matthew Jarvis:

Yeah. It's great. When clients come in, we have these different handouts. I'll say, "Hey, what stuff would you like to take home? And what should I shred for you?" And they always pick up the guardrails piece and they say, "Nope, I want to take this home. This helps me so much."

Louis Diamond:

Amazing. How about the Dishwasher Rule? This one, I have no idea where we're going with this, but I'm excited to hear.

Matthew Jarvis:

Oh, the Dishwasher Rule is if you do the dishes at your house and your spouse doesn't know that you did the dishes, do you still get marital credits for that, right? That's the origins of the Dishwasher Rule and we can laugh or we can grimace at that. But with clients, the idea is if you're doing something for clients and they don't know that you did it, it's not helping your relationship.

Matthew Jarvis:

So if I go in and look at their accounts, and I say, "You know what? A Roth conversion doesn't make sense for the client this year," and I don't tell them that I looked at it, now I get no credit for it. Now when the next advisor talks to them and says, "Why hasn't your advisor been talking to you about Roth conversions?" They say, "I don't know. I guess he's a bad advisor." So the Dishwasher Rule is if I do something for a client, they need to know that I did it. Not like an ad nauseam, I'm not like, "Hey, I thought about you today. Just wanted you to know." But if I could go in and look at your account to rebalance, whether I rebalance or not, you need to know that it happened.

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

I think that's good too, because as a client, you also want to know that your advisor is on top of it. If they're not communicating that they looked at your Roth conversions, then as a client, how do they know that you're actually doing it? So I think it's more than just getting credit and protecting the relationship, it's also just, I mean, good client service.

Matthew Jarvis:

Yeah, it is. That's what we want as consumers, right? We don't want to be overly bombarded, but I don't want it to just be this black box, like, "Hey, Louis, are you actually doing work for me or have you forgotten about me? But if you're letting me know," every whatever period, "hey, Jarvis, just want to let you know we did this, and we did this, and we did this, and it's still moving forward," I sleep a lot better at night.

Louis Diamond:

I like it. And extreme accountability. We talked about a little bit in conjunction with the mastermind concept, but is there anything more to elaborate on with extreme accountability?

Matthew Jarvis:

Yeah. Mike and I have this saying, which is, "If willpower were enough, we wouldn't be having this discussion." Louis, you and I don't need a discussion about making sure I wear pants out of the house. Luckily for everyone listening, that's not an issue for me. I always wear pants out of the house. Not a big deal, but when I was going to hire another advisor, I had a lot of head trash around that. For years, I talked about another advisor, hiring one. I never got around to it.

Matthew Jarvis:

And so Mike had told me, he says, "Listen, Jarvis, do it or don't. If you're going to do it, here's the deal. You're going to hire this new advisor by December 31st." And if you don't, my extreme accountability was not only did he get my Tesla to destroy, I then had to take UberPool for the rest of my life until I hire this advisor. And so when it got to November, I'm like, "Man, I don't know if I want to hire somebody. It's a lot of work." I have this head trash. You know what? There's no way I'm giving Micah my Tesla and riding UberPool. So extreme accountability is like that hammer that you need to get past the willpower you don't have.

Louis Diamond:

Love it. So again, it's the consequence coupled with shame and guilt from someone else. So you have to basically come up with an accountability partner. Is it like a coworker or someone you trust? Is that the thinking behind it?

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Matthew Jarvis:

Yeah. It's got to be someone you trust. It's got to be someone that you trust will enforce it. It can't be someone that has a cut in the action and it can't be someone with whom you already have a relationship, as far as, it can't be your spouse. It can't be an employee. It's better if it's a peer like another advisor and it's best if you both have extreme accountability to each other, right? So while Micah had this one on me, I had one on him, and so we were checking in on each other, like, "Hey, how's your extreme accountability going?" Right? I don't want to have to cash this check, but I will.

Louis Diamond:

Yeah. I really like that. So you mentioned in your book, Delivering Massive Value. We talked a lot about delivering massive value already. Is there any other big takeaways to call out right now? Or should people just pick up your own book?

Matthew Jarvis:

Yeah, they should definitely pick up the book. It's currently out of print, but you can still get it on audible and you can still get it in a PDF version at theperfectria.com, I think /book. The book was really like all of the lessons that I had learned these last 20 years on how to do surge meetings, and how to actually network effectively, and how to actually get referrals from centers of influence. And I really just went through and said like, "Here are the things that didn't work and here are the things that did work. And here's exactly how I did them." It's basically the guide I wish I had in 2003 when I started. It was all the things I learned the hard way and now I hope that somebody else can take it and implement it as well.

Louis Diamond:

Perfect. So is it safe to say that your coaching curriculum, the book is the framework for it?

Matthew Jarvis:

Yeah. The book is like an introduction to it, right? So the book's like, "Hey, here's the book." And if you can take the book and implement it on your own, and a lot of advisors do. I've had 100s of advisors reach out to me and say, "Hey, I implemented surge meetings after I read your book," or, "I implemented center of influence referrals." That's awesome. For advisors that read the book and then say, "You know what? I need the template. I need the letter to send to increase my fees with clients or to fire a client. Where do I get that?" That's what the Backstage Pass is for with The Perfect RIA. And then people are like, "You know what? I need someone to hold me accountable. I need a Sherpa. I need a guide to take me all the way." That's what our Invictus level program is for.

Louis Diamond:

Right. That makes a lot of sense. So let's talk about your podcast. You and Micah run one of the most successful financial advisor podcast called The Perfect RIA. I guess Michael Kitces probably has you edged out, but I think you mentioned you're close to a million downloads, which is absolutely extraordinary. So aside from the fact that's incredible and a major accomplishment, what are some of the favorite learnings you've had from running this podcast? Either advice that guests have given you or even just being able to sit there and absorb other people's knowledge and insights, what are some takeaways from the podcast?

Matthew Jarvis:

Yeah. Yeah. That's a great one. And for the record, I think Kitces probably has us beat five to one, but I'll take second place on that one. What's interesting with the podcast is, it forces Micah and I to sit down and look deeper at our practice. And we've often said that even if no one ever listened to the podcast, we would still do these weekly sessions together. Because it forces us to look at, "All right, how are we doing this value add in our practice? Here's the struggle we had with a team member, how are we taking care of that?"

Matthew Jarvis:

It's immensely educational for us, which is why I think it's so popular. The other thing for the listeners, is it's all things that we're really doing in our practice every day. This isn't us reminiscing like, "Oh, hey, 10 years ago, I remember when I had a practice," or us saying like, "Hey, here's how I think a practice should work." We're just saying like, "Here's literally what I did in my practice last week. I met with a prospect and they had a fee objection and here's what I said, and here's what you can do."

Louis Diamond:

Yeah. That makes sense. Without singling anyone out, any interviews that you think are particularly impactful, that someone who wants to catch up quickly in your podcast can listen to?

Matthew Jarvis:

Boy, that's a great question. I think surge meetings are probably the most impactful thing you can do in your practice. That's one of the most fundamental changes you can make and so if you just go to The Perfect RIA podcast and search for surge, you'll see some of the guest episodes like with Benjamin Brandt, Taylor Schulte, there's a bunch in the queue talking about how people implemented surge. Even we had an episode air recently with Brian Skinner, a great friend, a long time Invictus member, and he talked about hearing the podcast and realizing for the first time he wasn't the one that had to answer the phone in his office. Here he is, this wildly successful advisor and he had had in his mind if the phone rang, he had to be the one to answer it. And the podcast helped him see like, "Wait a second. If Matt and Micah aren't answering their phones, I can get away with not answering my phone as well."

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

I think that's a pretty good takeaway. And I'm curious with your coaching programs, with surge meetings, all these topics, do you think that people have to be like through an RIA, have to be an independent in order to implement it, or can advisors that are employees of a major brokerage firm or a bank, are they able to use these concepts in a similar way?

Matthew Jarvis:

Yeah, that was actually something that surprised us. One of the reasons we called it The Perfect RIA, was that we didn't think anybody outside the RIA space would be able to do these things. But we have a lot of members and a large following, that are with LPL, that are with Merrill Lynch, that are with Edward Jones. And so you have some more compliance constraints there, but the principles still apply. You can still say, "Hey, I'm not going to meet with clients on Mondays and Fridays. I'm going to only do that on Tuesday, Wednesday, Thursdays." Every platform allows that to my knowledge. Now what every platform may not let you do, is create your own value adds or you start using guardrails. And that's a discussion for another other day, but the principles are the same. And we do have an incredible following from inside the wires and the captive BDs.

Louis Diamond:

I was going to say that creating your own templates and agendas, that doesn't seem like it's very permissible with some firms, but at least the concepts are still there.

Matthew Jarvis:

Yeah. We've had some firms get hung up, like we recommend that you have a dedicated client email account, so that clients aren't emailing you directly. Some firms won't allow that or we say, "Listen, you should never be the one checking your email. Your team member should be checking your email." Some firms have some issues with that and you just have to adjust around that. You can say, "Well, I can't do that, but I can do this other thing inside my framework."

Louis Diamond:

Right. Every advisor can learn from work-life balance, from having certain rules of engagement with clients, from only doing what's most important, from time blocking. I agree with you. So I've seen you as an outspoken critic of the flat-fee model for financial advice and being very comfortable with charging what you think is correct for the amount of value that you're delivering. Can you talk about why you have a, call it a vendetta, against the flat-fee financial advisor?

Matthew Jarvis:

Yeah. So I don't really have anything against any fee model, as long as it's transparent. Where I go back and forth with the flat-fee community, for lack of a better term, is this idea that flat fees are morally superior to any other fee schedule. And at the end of the day, every fee schedule has conflicts of interest. Every fee schedule has pros and cons, and some of my vendetta against whether it's flat fee or people charging a discount fee or whatever the case may be, is in their mind the fee that they're charging, is the maximum fee that anyone can charge.

Matthew Jarvis:

And I think a lot of that is because their mindset is constrained on how much value an advisor can deliver. So I deliver this incredible amount of value and I charge a fee that's relative to that. If you feel like you don't deliver very much value, then yes, you should charge a very low fee. But don't suggest that my fee is too high or too anything, when you really don't have a concept on how much value I can deliver. Sorry. Now I'm ranting. You got me. I love these questions.

Louis Diamond:

No, I think that makes sense. So it's not against the concept at all. It's more that a lot of folks that may practice with the flat-fee approach, it's that you have a problem with the kind of the soap box that they stand on potentially, because maybe they're not delivering the amount of value that you're delivering to your own clients.

Matthew Jarvis:

Yeah. Two of the things that come up, one is when industry experts say, "Hey, this is the future," like, "Hey, AUM fees are going to die and everyone's going to go flat fee." Show me your practice and let's talk about that. So I have issues with market prognosticators when it comes to practices. The other is, there's this behavioral issue that people miss. It's behaviorally very difficult to write a check every month or an hourly check. An example of this would be, how often have you not called your attorney, Louis? Because you're like, "I don't want to get a bill from those guys. If I call this guy, I need to ask him this question but I'm going to get a bill."

Matthew Jarvis:

I don't want that. I don't want a client to wait until everything's blown up before they call me. I want them to think, "You're not paying Jarvis a lot of money. I better call this guy anytime I have a question." So there's, I think some behavioral issues with how it works. I'm not saying it can't work. There's a lot of really successful advisors that have great, very intentional practices, that are on a flat-fee model. And I think that's great, but we have to acknowledge that there's failings in every fee model and every practice model.

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

Yep. I agree. No one-size-fits-all approach. Some clients may want the flat fee. Others, maybe not at all.

Matthew Jarvis:

Yeah. And if you have a great practice, that's the way you intended it to be and it's flat fee, awesome. I'd love to have you on the podcast, right? But if I see you at XYPN, and you say, "Hey, my practice is totally at capacity with 12 people because I can't afford to hire an assistant, because my flat fee's $12 a month." I can't respect that. You got your numbers mixed up.

Louis Diamond:

Yeah. I got you. What are some other coaching topics that are near and dear to your heart? Either concepts we didn't mention or ones that are in the lab right now?

Matthew Jarvis:

Time blocking, right? That falls under surge and not checking your emails is a big one. Advisors spend so much time in email. This is not to say that you ignore client's emails, by no means, but it's that you have a system for that, right? Your team is screening your emails. You're using Sanebox, which is a little cheap program that helps filter out crap. But when a client calls or emails, your team says, "Oh, that's really perfect. Either I, the team member, can handle that or I can schedule a time for Mrs. Advisor to give you a call, does tomorrow at 2:00 work, or does a Thursday at 3:00 work?" That way you're not being reactive. Where advisors get killed is, they're like reactive and they're running around and putting out fires. When I come into the office, I need to know like, "Here are the three things I need to do today. Here's the order I'm going to do them, and no one's going to interrupt me during this process."

Louis Diamond:

Yeah. Genius. What's the next big thing you're working on? Is it another book? Is it a revamp of your coaching program? We have this conversation three years from now, what's The Perfect RIA looking like?

Matthew Jarvis:

Yeah. All of the above. I am working on a updated edition of the book, the first edition sold out, which was really exciting. So before we print another one, we're going to do some updates there. We've got some big things we're unveiling later this year, some of our technology stuff. I launched Retirement Tax Services with Steven Jarvis, CPA, that's providing tax support to advisors. That's really exciting. And that's going gangbusters. So yeah, Louis, it's probably like everything we're doing right now, times 10. I look at everything, like, "How do I do this times 10?"

How to Deliver Massive Value: Turning the Tables on the Perfect Ria's Matthew Jarvis

A conversation with Matthew Jarvis, co-owner of The Perfect RIA

Louis Diamond:

Yeah. And do you have a goal for where you're trying to get your RIA practice to? For you, is it like, "I get the 500 million, then it's amazing." I'm eating my own home cooking or are you satisfied with what your RIA looks like at this time? And if it's 220 million a year from now, as long as you're still delivering massive value to clients, is that going to be okay with you?

Matthew Jarvis:

It would be okay with me other than my team members, they have growth goals as well, right? So my team that runs Jarvis Financial, I'm out of a lot of the operations, they have some really ambitious growth goals. So I would be sad if we were still at 220 million, because they have some pretty intense growth goals. Alex and I are working together closely on that. So I do want it to keep growing and then also I want to make sure I'm still meeting with prospects, right? I'm still face-to-face talking about, "Hey, we charge 1.5% and yeah, that's a lot more than Vanguard charges. Here's why it's a screaming deal." And so I want to make sure I'm having that discussion on a regular basis.

Louis Diamond:

Yeah, I got you. Well, Matt, this has been a really interesting episode. I'm just thinking about the couple of takeaways I can use for my own practice. So I hope all the advisors who listen, can take at least one or two things from this, and certainly reach out to Matthew and Micah for their coaching services. Check out the book. Check out their podcast. A lot of different ways to interact with Matthew. And I will say too, following him on social media is definitely worth it. You'll see some of the wars over flat fees and other topics. So I learn a lot just every day, opening up LinkedIn.

Matthew Jarvis:

Thanks. Yeah, that's one of my guilty pleasures, is picking on people on LinkedIn. So I hope you enjoy it.

Louis Diamond:

Thank you.

Mindy Diamond:

Matthew discussed the practices that changed his business life. Each of which are applicable to both independent and employee advisors, yet it's the ongoing dedication to delivering value to his clients, which is really the key to his success and can be a real game changer for others as well. I thank you for listening and I encourage you to visit our website, diamond-consultants.com and click on the tools and resources link for valuable content. You'll also find a link to subscribe for regular updates to the series. And if you're not a recipient of our weekly email, Perspectives for Advisors, click on the articles link to browse recent topics. These written pieces are an ideal way of staying informed about what's going on in the wealth management space, without expending the energy that full-on exploration requires.

Mindy Diamond:

You can feel free to email or call me if you have specific questions. I can be reached at (973) 476-8578, which is my cell, or my email, mdiamond@diamond-consultants.com. Please note that all requests are handled with complete discretion and confidentiality. And keep in mind that our services are available without cost to the advisor. You can see our website for more information. And again, if you enjoyed this episode, please feel free to share it with a colleague who might benefit from its content. If you're listening on the Apple Podcast app, I'd be grateful if you gave it a star rating and a review. It will let other advisors know it's a show worth their time to listen to. This is Mindy Diamond on Independence.