



EPISODE TRANSCRIPT

Coach to the Advisor Elite: CEG's John Bowen on What it Really Takes to Build a Blockbuster Business

A conversation with John Bowen, Founder & CEO of CEG Worldwide

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Coach to the Advisor Elite, CEG's John Bowen, on what it really takes to build a blockbuster business. It's a conversation with the founder and CEO of CEG Worldwide. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

Mindy Diamond:

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Mindy Diamond:

So what does it really take to become a top financial advisor? For many, it seems like an elusive title limited to a chosen few, but in reality, elite wealth managers aren't born that way. Sure, they're driven by a determination to succeed with a high level of motivation, but it's not all nature. Much of success comes from nurture, that is learning from the best. And that's why I invited John Bowen of CEG Worldwide to the show. In speaking with other top advisors, many credit John's teaching as real game changers for their businesses and John speaks from experience. He built a wealth management business himself with some \$2 billion in assets under management. John helps advisors who are looking to break through to the next level and accelerate growth. It's a topic that ranks among the most popular on our show. A show that's so important it's available in both audio and video versions. So let's get to it. John, I am thrilled to welcome you to the show today.

John Bowen:

Mindy, I am excited. I've known of you for so many years and we didn't get really to formally meet until our pre-call. So I respect all the work you've been doing and making a difference in the industry.

Mindy Diamond:

Well, thank you and right back at you for sure. So let's start at the beginning, lots to unpack here. Tell us a little bit about yourself, the road to founding CEG Worldwide.

John Bowen:



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Mindy, it's a strange journey we're all on. And I had the good fortune to be an advisor here in Silicon Valley, came from a small town New York, right place, right time and loved being an advisor, loved making a difference. The challenge was that there was no track really to run on to build a business. And I hired probably every coach or consultant at that time trying to figure it out and I always felt like I was in an entrepreneurial fog. And then we became the largest advisor at Schwab, we were independent and we had a couple billion dollars under management at the time it was in the late '90s. And because we were the largest, we were getting offers really every week to buy the firm. And a couple of my partners were a little older and I was CEO, and we got a ridiculous offer, a 16 times earnings and it was like, "Okay, we need to do this."

John Bowen:

And we did, and it was... I would've probably stayed being an advisor for the rest of my life on it. But when I took a year off, tried to figure out what did I want to do when I grow up, I was 45, I'm 66 right now. And I kept on remembering that entrepreneurial fog. And I saw the power of research on the investment side, very big on empirical research and said, why don't we create a business where we study the research of being best practices of advisors, the affluent people from a million dollars to the single family offices, as well as the accountants and attorneys. And I thought it would be a fun side project until I figured out what I would do. Well, I'm still doing it. We found in that very first class that we did of coaching that the advisors grew by 58%. And I think I was more surprised than them type thing.

Mindy Diamond:

Wow. There's so much you said there. So you built this \$2 billion practice that you sold for what is an eye popping multiple, 16 times earnings is extraordinary. What do you think the number one or two things you did in building that business that caused you or made you garner that kind of multiple?

John Bowen:

Obviously you're going to have a strategic buyer when they're buying at that rate. And that business went on to be sold recently for 10 times what we sold it for, so those processes kept ongoing. And so many of us as advisors, I'll use a theater term, the front stage we're concerned on the look and feel and so on. And that's all important the marketing, the positioning, how you become that preeminent financial advisor, whatever community you're serving, who you're going to be a hero to. And we were good at that, but the second part is creating the systems, the backstage, so that what you promise clients, we call it a value promise, you deliver every step of the way. And unfortunately, in those days, the technology wasn't even there so we had the good fortune being in Silicon Valley. So we wrote a lot of the technology at that time too.

Mindy Diamond:



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Amazing. So let's talk about this amazing firm you've built, CEG Worldwide. Would love for you to start, just tell us a little bit about its value proposition. I know you coach many of the top advisors in the industry. So tell us a little bit about the firm itself.

John Bowen:

Yeah. We really have strong beliefs, Mindy. We believe that every advisor can build an amazing life of significance, taking care of the people they love, the courses they care about, making a difference in the world. And they can do that by really working with fewer but wealthier clients. And they can do it with less effort and quicker than they ever thought possible, and that's everything we do. So it's not just about growing your business, it's having a great life. And one of the ways you do it, and this is how capitalism works as you well know, is as you provide that value for your clients, you can have that happen to you. So building an amazing life of significance for clients.

John Bowen:

So we've had this journey we've been on for 20 years now of just systematically building that front stage and backstage for advisors that we have the privilege of coaching so that they could be the preeminent financial advisor in their market. And as you well know, they give you feedback along the way, the markets give you feedback. And then we're doing all the empirical research and lo and behold, we've gotten really good at this now. And that's one of the things we get to enjoy working with very successful advisors, because so many of them know they're capable of a lot more, but they're in that entrepreneurial fog that I was in too.

Mindy Diamond:

Yeah. So who are your clients? Are they primarily wirehouse advisors, are they an entrepreneur that's building a \$2 billion firm like you, are they everything in between?

John Bowen:

It's really everything in between. As you know, there's about 400,000 financial advisors here in the States and we tend to work with the higher end advisors. Those who really want to build a great practice, whether they're lifestyle boutique or an enterprise. And we're pretty evenly divided, one third in the wirehouse category, one third in the independent broker dealer, one third in the RIA non-affiliated with a broker dealer.

Mindy Diamond:

Right. So coaching's become a pretty crowded and competitive field. In fact, I'm smiling because I know of several terminated advisors that when they got terminated said, "What am I going to do now?" And



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went out and became coaches. I'm wondering, so what is the secret sauce of CEG? How does it differentiate itself amongst a crowded field?

John Bowen:

It's really interesting. There's a lot of people like me too, that were successful advisors and say, "I'm going to teach you what I did." And we decided not to do that. We decided that we would do empirical research, study best practices of top advisors, what the affluent want from their advisors and then the related professionals. And we took that empirical research and when I really kicked off the firm, Mindy, what I thought I was going to do is just sell the research. And lo and behold, what we found was people bought the research, but didn't use it. And as a fellow entrepreneur you know there's nothing worse than providing great insights and not have them executed. So really that very first coaching program, I had no desire to be a coach. I decided that we would just do a proof of concept and what I found that I loved and my team loved working with fellow advisors, particularly entrepreneurial minded advisors in helping them grow their business.

John Bowen:

And really, we don't look that we have any competition and it's not arrogance. The competition we really have is inertia. The market's been really good from 2008 to 2009. There's obviously wobbles along the way, but there's been an explosion of wealth. And most advisors really, it's very easy to just coast on this. And one of the things that we've done is segmented the market and really showed advisors how they can race up what we call the hierarchy of advisor success. And by identifying what the most successful advisors are doing that are building this amazing life of significance. And usually success means different things to different people, but making over a million dollars in net income a year, no matter what channel that you're in, we're able to get people to be able to jump up there very, very quickly.

Mindy Diamond:

Yeah. So one of my first questions is why use a coach in general? And I want to read you something that I got from your website. Your website says that, "An extraordinary coach shows you exactly what to do, gives you every tool you need to execute and can even do the work on your behalf." That's a bold statement to say publicly, we are extraordinary coaches. So to be honest with you, I can back it up. But I don't think that that's BS because I've spoken with a lot of your advisor clients over the years who tell me you've done extraordinary work. So what is it you think that makes you extraordinary or stands out from the pack?

John Bowen:

I look at there's good, great and extraordinary coaches. And a good coach what they do, most of the coaching training, the certifying groups they believe in a concept called active coaching. And what that



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active part is, is Mindy, if you are getting coached, they believe you have all the answers or you have easy access to it. And these are usually the individuals sometimes a failed advisor, sometimes really talented people, but that's a good coach let's say. A great coach is somebody that... As an advisor, when I was in my entrepreneurial fog, I didn't have the answer, I got to tell you I didn't have the answer, but I knew what I needed. And what I would've loved to have hired is somebody that just gave it to me, put me in the game, coach and run with it. And in too many cases, I had to create the resources, the tools, the whole thing.

John Bowen:

So when we started CEG, I wanted to be a great coaching organization. When we say, Mindy, that you should say this, we have a script, we have a video, we have every detail of that. And then we go, really I don't know about you, Mindy, if I wouldn't exercise. I need a trainer. I worked out this morning, I had a coach there the whole thing. I'd be the first guy to line up to take the pill. If you could be in perfect shape with just a pill, I would do it. But what I'd really like my trainer to do is do 100 pushups for me and I get the benefit. That would be an extraordinary coach. Well, we said, what could we do to help? Well, let me give you one example. The biggest jump in moving up market is playing well with accountants and attorneys and other professionals, centers of influence because they already have the clients you want when you want to move up market.

John Bowen:

And I want your listeners, your viewers to think if they could get an introduction of the five best clients from that professional each and every year now, how would that change your life and if they had a few, three to five of these? And I got to tell you 6% in our research of advisors do that, it's kind of crazy. So we said, why don't we do that for them? So six times a year, we do a program called Accelerating your Alliance, where they bring a date, an account or attorney, and we walk them through. And by the end of the program, they usually have no less than one, but up to about three introductions and a track to run on. And this is where you can create tremendous value and that's why I look at extraordinary and we have a whole bunch of those type of examples.

Mindy Diamond:

Yeah. No, I get that. I want to go back to something you used the word inertia before. It's so funny because I would describe Diamond Consultants the way you just describe CEG that it's not that competition isn't what we fear even a little bit. There will definitely be advisors that won't resonate with us and they want to work with somebody else and they should. I trust that we are good at what we do and those we're meant to work with we will. But I think the single biggest issue for advisors is inertia. And you said it also in that, in this market where the market has been very cooperative. So even advisors who do very little have had their best years yet, what would you say to those advisors about inertia? So even inertia in picking up the phone to reach out to a coach, what's your advice for that?



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John Bowen:

Well, I look at it and let's look at the reality that we see and I know you see it too, in every one of our studies we see super majority of advisors earning less than half the net income they should. And they're working twice as hard as they need to. Well, one of the biggest inertia is time. I just don't have the time to do something, I'm so busy doing this. Well, this is where creating the strategic process to really transform your business, to be where you want to be.

John Bowen:

I always believe that advisors can do this on their own, they don't need a coach. But what they can do over the next five years working with the right coach, whether it's our organization or someone else, they can accomplish in about 18 months. And I don't know how you feel about time, but if I can save a few years, that's a big deal. And particularly when we start talking about the value creation that's going on here, it's huge. The ability to move up market, get a steady stream of clients with investible assets in the \$5 to \$50 million range, that's a big deal.

Mindy Diamond:

Yeah. The other thing that is a killer for a lot of advisors is the concept of good enough that yeah, maybe I could make \$1,000,000, but I'm making \$500,000 and that's way more than I ever expected to make. Or in my world, yeah, there may be things that frustrate me or irritate me and there may be a better way to do it, but I get to be home by five o'clock and coach my kids soccer game and it's good enough. It enables me to be good enough. What would you say to that?

John Bowen:

Well, let me show you, I'm going to put it on screen what we call the hierarchy of advisor success. And then we segment the market into five areas below \$200,000, the base, what we have is this is people who don't have systems yet. So we're not really going to look at any of the research there, but as we move up from technician making \$200,000 to \$350,000, you can see the outcomes on the top left assets under management, client significance. This is what everybody wants. What we see is they typically focus on investments. They think that's going to be the big difference between, and they make \$200,000 to \$350,000 assets under management, 50 to 100 million clients, 250 to 1,000,000 what we call the mass affluent, which is the most competitive. And the significance is they have a job. What we see the breakthrough, the majority of advisors are below experimenters, they're technicians or entry level.

John Bowen:

And what we see is they hit the ceiling of fear and no clear path. When they decide that they can go ahead and really move up from a standpoint of delivering client experience advice beyond simply investing, they go to being what we call experimenters \$350,000 to \$500,000 in assets under



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management, 100 to 250 million. The clients are still mass affluent to the really beginning of the affluent up to two million. But the big thing here is they're publicly, successfully and privately stressed out. That's where we see a lot of our clients coming from when they start moving up to the next level. Rainmakers and this is what you were talking about, Mindy, is the good enough. When they hit this, this is the big one they stop at. You're making \$500,000 to \$1,000,000 of net income assets under management, 250 to 500 clients are now in the affluent, the low end of the affluent, a million to five million you've broken through and you're pushing harder.

John Bowen:

Well, what's happening is you're getting referrals, but they're coming from clients and clients refer laterally or down. So you've raised your minimums, you're now frustrated again, and you're going, "You know what? I hit this ceiling of good enough, I'm going to stop here." And the big thing we say is it's possible to build an amazing life of significance. And the vision to get up to the million is to start working with centers of influence the accountants and attorneys. They're going to refer you their best clients using the right strategic alliance, five to 50 million of investible assets. And all of a sudden, now you're broke through the 500 million, maybe a billion you're on your way. And you get the life you want, you build that amazing life of significance. So we talked about inertia, there's an inertia when you're in that total entrepreneurial fog and you're stressed out, but also when you're going, "Geez, all my friends, every nobody thinks I'm really successful. I am, this is good enough."

Mindy Diamond:

Yeah, I get that. I think that that's really right. So when people, when advisors get to a place of wanting something more, because from where I sit and I think you would agree, it all starts with the motivation. If someone doesn't really want it, they're never going to follow through on whatever it is you have them do. But let's say you've got somebody who's motivated, they break through the inertia or the theory of good enough and they reach out to you. What are the most typical things they're looking to solve for?

John Bowen:

The biggest one is growth. Obviously they want to move up market, they want to attract a steady stream of pre-qualified, pre-endorsed wealthy clients. But let me show you one more example on screen. This is the business model of those advisors who are making over a million dollars of net income or more, we call it the elite wealth manager framework. This is what we coach to and what we find is everyone wants this. We want simple and elegant. And what that means is when you first get into the industry, life is pretty simple. And then it gets complicated and as we grow our business, most of us wanted to be a good financial advisor, but at the same time, we've become an accidental CEO and that's frustrating. So the idea is how can we go to, again, back to simple and elegant and make the business or practice indispensable rather than ourselves.



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John Bowen:

And we want to move up market wealthier clients have the assets under management, so we can have this amazing life of significance. So there are three levers and we find that advisors come for all three levers, clarity of intent. They're really struggling with what do I want to do when we grow up type thing and they could be hugely successful, but they've built something that they really don't want and how can they transform it? Also, they want to know what do the affluent clients, and depending on what level of affluence they want to work with, what is the world class client experience that's going to make them really competitive. So they're not commoditized, they're not just differentiated, they're going to be distinctive so they can become that preeminent financial advisor. And then the last part is what we call wealthy client pipeline. And this is where most people come to us and they're concerned where their next client really big client is coming from.

John Bowen:

We want them to have that quiet confidence. Now, the reason this model is here, though, is we want to go clockwise. You got to get clear on what you want to achieve, you want to not be reactive, be very deliberate in everything you're doing. And then the same with the world class client experience, we can be distinctive. And then we can go ahead and build that success in attracting that steady stream of pre-qualified pre-endorsed wealthy clients. And I'll tell you, there's something magical when you're not chasing clients whatsoever. And I know Mindy, you're at this point where you choose your clients. Here at CEG we choose our clients. We only want to work with people we can make a big impact for, and if we're not the right ones, we're happy to point them in the right direction. But we want the advisors that we have the privilege of working with to have that too. And that's really huge.

Mindy Diamond:

You mentioned the term accidental CEO.

John Bowen:

Yes.

Mindy Diamond:

Do you think that's true of an advisor who works for a wirehouse firm who isn't the CEO of a business too?

John Bowen:

There's a lot of discussion on wirehouse independence, so on. And one of the things, as much as there's movement, there's not that much what you would think, and this is markets work and there are values at each of these. I know I grew up on the independent side and I wondered, that was the dark forces for



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me, the wirehouses, and then started working with them and there's a lot of really talented people. And I would call them entrepreneur or entrepreneurial minded. They're seeing how they can take the brands and the services, the top ones are consciously choosing their strategic partner, that wirehouse. And they are very much entrepreneurs. They have some constraints because of the overall brand and culture, but yeah, very much entrepreneurial.

Mindy Diamond:

I agree with you 100%. And I see it in the advisors that I talk with that when an advisor isn't necessarily looking to make a change, but come to us because they're curious, is there something better? Is there other greener pastures, is there a better way to do this? One of the things we talk about is thinking about the business as a business and that's as true, whether you are the CEO of a \$2 billion RIA or you're running a \$2 billion business as an employee advisor at Merrill Lynch. You're thinking about the business as a business, you are beginning with the end in mind, you're thinking about the strategies and things you can do to make it better. And even though it's more than good enough where you are wondering if there are things you could be doing better, perhaps in a different environment. And that's not even a little bit an indictment of one model versus the other, it's an inside job. It's a personal decision, is this working for me and what I want to build long term?

John Bowen:

Yeah, totally agree. And one of the things we recommend is we should all take a strategic look every year who are our strategic partners, are they the right ones? But the big thing and I'm going to go back to the model just for a second. When we talk about clarity, we want to be clear what we want to build. Where we're going, the business model, wealth management, at the higher end we like virtual family office type structure. Who do we want to be a hero to? And then who are going to be the strategic partners that are going to help us really make this happen? And hopefully we have the right partners and we're going to do this long term and it's going to work exceptionally well, but on occasion we're going to need to change.

Mindy Diamond:

Yep. So John, in addition to identifying and working the relationships with centers of influence, what are the specific kinds of things that top advisors are doing to really accelerate growth?

John Bowen:

The thing that we see over and over again is they are becoming, when we think of the model, rainmakers or at the elite level, they're really getting their marketing message clear. And that's why I use the term preeminent. They have positioned themselves as a preeminent advisor in who they want to be a hero to. And they're systematically getting that message out, leveraging thought leadership and it's consistent. And there's this thought, geez, I got to write a book, I got to write all these articles and



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everything. There's a difference between creation where you create it and curation. If you're steadily sharing this messaging and it's coming from you and your perspective, that's going to position you as an expert. And if you think about it, the affluent want to, and particularly as higher level, they have choices. They want to work with an expert, somebody they perceive as an authority.

John Bowen:

And this is where you've got to take those actions to do it. And we do a lot of studies and we had one study we did a number of years ago and we found that there's five things that the affluent want from financial advisors. They want to help making smart decisions about their money, which is the investment side which the advisors are happy to provide. Second is they need help on mitigating taxes. Third is taking care of the errors, the estate planning side. The fourth is asset protection, making sure the assets are not unjustly taken through litigation divorce. And the fifth is magnifying the charitable gifts. And as you move up market, the super majority are charitable minded and that's really important. And so one of the things you have to position yourself as an expert, and we did a study and we asked this really large group of affluent individuals.

John Bowen:

Would you like to work with an expert that did those five things, helped to address those concerns? Okay, 99% said yes. We never asked that question again, that was a duh moment. Of course, you would want to have that. I'm worried about the one person that doesn't want the expert. So the first thing is you've got to position yourself to be that preeminent. There's 400,000 plus financial advisors here in the US and why would anyone choose you, particularly someone that has access to so many? And then the other big thing though, is you've got to be able to position yourself well so that centers of influences want to work with you, particularly the accountants and the attorneys. When we study the affluent when we ask them, well, when we ask advisors, where did you get your top five clients? The super majority in every study we've ever done say they got it through referrals of accountants and attorneys.

John Bowen:

So when we ask the affluent, we find every study it was 50% or more say they found their primary financial advisor. So one of the things we're big here at CEG is being successful on purpose. If that's where the lion share of the best business comes from, that's what you do. And so that you're positioning yourself preeminent financial advisor with a thought leadership, you're going ahead and creating economic glue working with those professionals. It's not revenue shared, it's helping them grow their business as well. And it's not bringing more clients, actually most of them don't want that. It's helping them understand how they can make more money on their base by delivering more value, their current client list. And the law of reciprocity grows dramatically.

Mindy Diamond:



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You took the words right out of my mouth. I think that the number one way to get a referral, or it seems to me the number one way to get a referral is to make it clear that there's something in it for the referral.

John Bowen:

Right. We call that economic glue.

Mindy Diamond:

Yeah. The halo effect, the notion that if you refer to me, Bob accountant, and I'm good at what I do, then I make you look good.

John Bowen:

Yeah. But that's not enough. I would call that table stakes, Mindy. So if you're pointing at a high level, everybody's pretty good. And unfortunately the accountants and attorneys can't tell the difference between the financial advisors. So that's table stakes. What they want help in is how can they make their business, their practice, the accountants or attorney practice more successful? And one of the things that as we start talking about these five concerns of the five, four of them are revenue based ones for accountants and attorneys. So we call that advanced planning, those four mitigating taxes, taking care of the errors, protecting the assets and magnifying the charitable gifts. And so we teach the advisors how to help the attorney or accountant to identify opportunities, to better serve their existing client base that generates 20% more revenue for them. So not a revenue share. And then we also show them how to leverage thought leadership. And then lastly, how to generate more clients through event marketing, whether it's webinars or seminars, that type of thing.

Mindy Diamond:

So John, back to the centers of influence, how good do you think the most advisors are at explaining clearly enough to the center of influence how they will make their lives better, how they will generate more revenue for them?

John Bowen:

Our research is 94% are bad at it.

Mindy Diamond:

I was going to say the same. I don't do the research and I don't know the stats, but I would say the same because what I find is even the advisors I'm talking to, many of them are woefully not clear on what their differentiator is or how they're going to do what they're going to do better. So I would imagine it would be the same thing that it's not only developing relationships with centers of influence, but being



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really good at letting the center of influence know how you're going to help them to make more money as well.

John Bowen:

Yeah, it's totally Mindy. It's funny when we do the research and we ask the advisors do they know centers of influence accountants, attorney, investment bankers on and on, the people they already have as clients, do they know them? It's always in the 90%, they all know these people already. And some have great relationships. I know when I first started the business, I joined the Silicon Valley Capital Club, it was the fancy dinner club and I would take out attorneys and accountants.

John Bowen:

And I'd be so excited in the meeting and we'd talk about how we're going to take care of each other and work together and all that and the bill would come, I'd pick it up. And I'd go back to my two partners, we're doing high fives. I'm waiting by the phone for it to happen, nothing happens. I'd refer some business and nothing happened and maybe a little here and there. And then when I started focusing on helping them grow their business, this whole thing, I don't know how you feel. I love when people are helping me be more successful and this is the magic of life. And that creates that economic glue it's long term.

Mindy Diamond:

Yeah. So is it that the billion dollar plus advisors are doing more of prospecting better or developing better relationships with centers of influence and doing thought leadership, creating thought leadership and event marketing more and better than the ones managing a lower AUM? Is there a secret sauce, I guess is what I'm wondering.

John Bowen:

They're doing the front stage, so they're becoming the preeminent financial advisor. Well, but they're also doing the backstage. Well, because most advisors, you and I were talking about the accidental CEO, to have a billion or more in assets under management, you got to have a team. If you're the accidental CEO and you don't want to provide any leadership pretty quickly, you have a dysfunctional team and you're not going to get to a billion dollars. And what we find is a lot of advisors they're building good practices, high performing individuals, they're not teams. And boy, that's really frustrating because they're coexisting. And then there's a lot of coaching out there that's going ahead and building a collaborative model of high performance teams. And that's really good, but that's not good enough. And what we're big on is this whole concept of, and this is a secret sauce is co-elevation that everyone on your team is not only committed to the success.

John Bowen:



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And let's say you're building an amazing life of significance for who you want to be a hero to, but they're also committed to each other's success. So they recognize in their own self-interest by helping other people be even more successful. And when you do that, there's a whole process that happens that it really becomes what I would call you're almost becoming the flow of things. A sports analogy that it just becomes effortless and it's a lot of fun. Every one of your listeners advisors have had been on a great team I hope, whether it's a sports team or business team. And you know when everybody is working together, not only collaborative, but to help each other be successful. The combination of having the right structure going back, so you have clarity of intent, you know what the world class kind experience that's going to make you competitive at everything you do and then you have the marketing systems. You got to have the team to support that.

Mindy Diamond:

And does a lot of that co-elevation come from compensating your team in the right way, being willing to overpay for good talent?

John Bowen:

It really isn't, and it's hiring good talent. So it's not all about the compensation and the world's changed a lot. Even the pandemic has made it even more, it's creating the right environment so that you're motivating them. So you're helping them get clear understanding of that self-interest to moving to what we call enlightened self-interest where everybody's aligned. And they have to be aligned with the promise, like in our case at CEG we have a great team. We all know what our value promise is it's helping advisors build amazing lives of significance. And by moving up market, working with fewer but wealthier clients and do it faster and with less effort than they ever thought possible, everyone in our team knows that and they're working toward that. They also committed to lifelong learning because they know they have to raise the bar constantly.

John Bowen:

Well, this is the same with advisors. They have to have teams that are motivated, they also have to have them engaged. So when you're recruiting, you're recruiting the right people, you're retaining the right people. It's got to be competitive on the comp side, but really the mission is so important now the autonomy, having that flexibility and to have a pathway to grow with the organization. And then it's execution where they know they have, I always love the term quiet confidence, they know they're competitive no matter who they're working with, they have the communication processes. And the big thing is the cadence, they have a series of systems and meetings. So everyone is working together on this co-elevation to deliver an amazing experience.

Mindy Diamond:



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Yeah. I call it everyone doing what's soulful, people feel soulful about the work that they're doing. There's congruence between what's important to them, their goals, their values, and what they're actually doing. Let's pivot for a second to the concept of succession planning. Where and how does the concept of succession planning come into the top advisors and the businesses they build?

John Bowen:

So where is it now or where should it be?

Mindy Diamond:

Probably more where should it be?

John Bowen:

Yeah. So it's a very small percentage depending on situations where the succession planning that's really being done in advance. And it's hard Mindy, because this is an industry where if you're running a very successful practice, you're at the elite level, you've got a great business. And particularly if you have a great team, you can do this well into your seventies. And we have coaching clients in their seventies doing this and they're getting better and they're refining. But at the same time, what you want to do is you want to be grooming a team that is capable of really leading the charge. And one of the things I think of at the highest level, we call it think of the military. I was a Navy pilot, I did do one day training with the seals. They were trying to recruit me in and I decided, "No, I'm not a seal."

John Bowen:

But the idea here is this specialized elite unit. What happens is everyone is capable in that group. And if you're going to play at that level and that's what you should as an advisor, the way I look at it is you should be able to leave your business for 90 days and never communicate and it gets better. That is the measure of doing it. So why wouldn't you want that now versus waiting for when you're going to retire or you're going to have a liquidity event or you're going to sunset. This is where to me, let's do it now where we get the systems in place, we can be competitive and really have a lot of fun. And the fun is not just every once in a while because we're in financial markets they go, "Geez. I'm not sure I want to have fun." Fun includes making a lot of money as well delivering value.

Mindy Diamond:

Yeah, no doubt. How about your thoughts John, on the industry landscape has expanded a lot. The waterfall of possibilities for every advisor is much more robust than it ever was before. I tell advisors all the time that a decade ago, the choice was binary. If you were an advisor at UBS, the choice was you either moved to Morgan Stanley, Merrill Lynch, Wells Fargo, or you stayed put. And it was the absolute



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outlier or the guy who had one foot on a banana peel or the advisor who was close to retirement that went independent. It was very rare to see that.

Mindy Diamond:

But today there's very valid options outside the traditional space. You've got firms like Rockefeller and First Republic, you've got a huge ecosystem born to support the entrepreneurial advisor that wants to go independent. And so making it easier to do so. What are your thoughts on cradle to grave, meaning starting in a trainee program at a firm and retiring with the gold watch through their retirement place program versus making a move at some point in your career? And I don't ask that as a recruiter, by the way, I have no horse race in your answer. I ask that just generally, because it's a question everybody wants to know.

John Bowen:

I did start at an independent broker dealer and I do have a very nice gold Rolex watch that I got as the number one advisor. But the Apple watch takes much better time, I wear that. But one of the things we want to do is every advisor should create value independent of their strategic partners. You want to have this, that you create value for your clients, the end users, the people that you want to be a hero to. Now in an ideal world, you pick the right strategic partner and you're able to go a full career. And we have a whole bunch of coaching clients that have done that, Mindy, we have some that have switched obviously along the way. This is where I say once a year, take a look strategically. Markets really do work and this is one of the reasons why there are wirehouses.

John Bowen:

There are big banks, there are the independence, there is the consolidators, there's so many choices out there, but you should be making conscious decisions of where you want to go. But never lose sight of every one of them is competing with working with a wealthy client or most of them are looking to go up market. So to the extent that you can create that value, you have all kinds of options. And that's really where the power is right now. And wealth management is one of the most profitable parts of the financial services industry now. And it's likely to stay there, it's going to be very competitive. I'm in Silicon Valley, there is no shortage of VC backed FinTech trying to do away with financial advisors. At the same time as we move up market in every one of our studies, the affluent they might want you to have an investor in an artificial intelligence company building some of this fin tech stuff too, but they want a real person that's working.

John Bowen:

Now, the other thing though we talked about the landscape changing there. The other landscape is you and I are not in the same room together, we're not in a studio together. You've got your team producing this and a great team at that. But what we also have is we now are no longer limited geographically who



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we're working with. So we have coaching clients who are, whether wirehouse independent or broker dealer, they're in poor communities. I grew up in a small town of 4,000 in upstate New York. I was just talking with my dad and he's wondering about selling his house for \$250,000. I'm in Silicon Valley, there's nothing for \$250,000, a doghouse I'm not sure. But if I were an advisor in that market, I would not be working that market today. We have advisors that have never physically met their clients because of the pandemic that have brought in accounts, not only the \$5 million.

John Bowen:

I think the largest that I'm aware of is a \$300 million account hitting the books. And I remember in April when we first had the pandemic hit in April of 2020, where one of the advisors picked up a \$15 million account, I was doing office hours and I said, how did it go? Because it was one of the very first and he hadn't met the person. And at the end he asked the client, "What would you like, how can I be a better service?" He goes, "I hope someday I get to meet." That's a whole different thing and this is a real opportunity. I'm in California, Central Valley working in some of the most expensive suburbs of both San Francisco and the San Diego market. Boy, what a new opportunity we all have to reinvent. You can live anywhere, you can work with anyone. The regulatory issues we have to deal with, but boy, talk about freedom.

Mindy Diamond:

Yeah. So I'm a recruiter and I get paid to move people for a living and I agree with your answer 100%. I think that first of all, there is no greater career than wealth management to be a financial advisor. I think that an advisor's power lies in choice. An advisor is empowered when he or she is clear about their goals and is able to live a life of congruence where what they're doing is soulful and they check in with themselves, as you said, once a year to say, am I partnered with the right strategic partner? If yes, then head down pedal to the metal, keep going. If not, there's a world of choice and I need to get educated about what those options are. So I'm with you 100% and it's a great time to be an advisor. Let me ask you about the future, what do you think is coming down the pike? You mentioned a little bit about the role of technology and all of it. So what do you think is coming down the pike for advisors?

John Bowen:

I think the future is indeed bright. This morning I worked out in virtual reality and we're building out some things in artificial intelligence to support. But there will always be a need at the high level, not mass market, the high level, a need for an advisor to act as a conduit to all these tools. Sometimes we don't realize the value we have from all the experience, this is really confusing. So I'm really excited about it, I would encourage advisors to embrace this. Every one of our coaching clients next month, we're giving them a virtual family office in virtual reality that they can meet their clients, think of the VIP tours from wirehouses.



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John Bowen:

Instead of everybody hopping on a plane, you can just go in and I got to tell you in all our tests, we've taken over a couple hundred advisors, we've taken a lot of professionals, it's amazing what you could do. The same with artificial intelligence, we're just finishing a module on property casualty insurance. Really at the high end most advisors don't deal with it. If all you had to do is get the policies, the decoration pages and send it through a system and it would tell you what you should be looking at and the key concerns, it's huge and that's what's coming.

Mindy Diamond:

So John we're bumping up on the hour, but I want to give you a moment for some shameless promotion. I know you're working on some cool programs, so why don't you take a minute and tell us what's in the lab?

John Bowen:

Well, shameless promotion is okay if we're helping each other. One of the things that we have and I wanted to give a couple bonuses, Mindy and I were talking and let me put it up on the screen, this page, it's fast track. And the first bonus, I want to make everyone... If you want to take a look at where you are now and where you want to go and do one of those strategies, I've got an unbelievable team that will be happy to do that. And we'll do that complimentary because of the podcast. And we'll take a look at where you are now, where you want to go and the gaps.

John Bowen:

And if you tell us you want to do it in virtual reality, we'll actually give you an Oculus quest too. This is Facebook now, Meta, and take you through the part of the recommendations and it's pretty amazing. If you don't want to, you don't need to, but I want you to be aware of this. Second bonus I want to share with you is this book. I talked about thought leadership, and this is becoming the expert, the wealthy one. They want to work with experts. So Mindy, if they go to CEGWorldwide.com/diamond, we'll go ahead and have that link available and they can have access to this and only if they watch the whole podcast or listen to the whole podcast.

Mindy Diamond:

Thank you for that, good. John, this was an absolute delight. You are a wealth of knowledge. I know you will continue to do amazing things for the advisor community. And I'm incredibly grateful for your time and your transparency and your wisdom.

John Bowen:



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Mindy, I really appreciate the opportunity to do this. And it takes all of us working to make a big impact. And there's such a need with what's going on politically, economically, and socially now, every advisor gets to make a huge difference. And I appreciate the opportunity to do it with you.

Mindy Diamond:

You bet. As John said, every advisor should create value independent of their firm or strategic partner. That is focus on doing all that you can to serve clients and grow your business. Take an annual look at your practice, your firm, and the options available to you and learn to embrace change because advisors who are thriving are those who have learned to be a conduit to their clients, connecting them to new and exciting opportunities. Be sure to visit this episode page for links to the infographics that John shared, as well as the special offers he mentioned. 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.

Mindy Diamond:

These written pieces are an ideal way to stay informed about what's going on in the wealth management space without expanding the energy that full on exploration requires. Feel free to email or call me if you have specific questions, I can be reached by cell at (973) 476-8578 or by email at 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, 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. That will let other advisors know it's a show worth their time to listen to. This is Mindy Diamond on Independence.