

Human-Centric Investing Podcast

Episode 41 – From Crisis to Team Continuity

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This is the Human Centric Investing Podcast with John Diehl, where we look at the world of investing through the eyes of our clients. Over to you, John.

John Diehl: Hello, financial advisors. This is John Diehl, Senior Vice President of the Applied Insights Team at Hartford Funds. Welcome to Episode 41 of the Human Centric Investing Podcast. Joining me again for today's podcast is Julie Genjac. Julie is a Managing Director on the Applied Insights Team here at Hartford Funds, and pleased to say that she's a member of my team. So, Julie, thanks for joining us.

Julie Genjac: Absolutely.

John Diehl: In addition to obviously presenting lots of our MIT AgeLab content to advisors and to their clients, Julie really offers something very unique to our team. Julie is an expert actually on advisor teams.

The majority of her career has been spent on coaching teams how to be more efficient, how they come into creation, how they handle transitions, and really overall efficiency during the lifespan of a team relationship. And so in light of that, I thought it would be really important to have Julie on, and especially with what we as an industry have gone through in the past two months or so, I'm really excited about this podcast.

And today we're going to talk specifically about why advisors should focus on what they learned about their teams during this crisis. I will add, Julie, that recently I was invited by the SHOOK organization, SHOOK research, to interview two top advisors. And it was interesting because as we were formulating the questions that we – that we were seeking answers to, one of the first things that came to my mind, which I did have an opportunity to ask them, was what was the impact of this crisis on their team? And I guess the question first I would ask to you is, what topics are you finding that are top of mind for advisors right now?

Julie Genjac: Well, John, you know, it's really interesting how I'm finding that advisor mindsets have shifted from reactive into sort of a proactive state. Advisors are starting to focus more on their practice, their team, their processes, really with an eye towards future growth. I think it's much more forward looking than the discussions we were having even a month ago. And it seems to me like every crisis has a bit of a life cycle, and of course advisors have been living that crisis life cycle real time.

John Diehl: Yes, and I guess, you know, you mentioned the life cycle Julie and when, you know, it's a major point of discussion at Hartford Funds and many of the meetings that our team conducts is talking about the issue or the crisis life cycle.

And we know that that cycle in an abbreviated form really has three phases. In the initial phase, our world is turned upside down. We're not sure what we're dealing with, and a lot of the information that's coming in is, as Joe Coughlin at MIT says, it's constant, it's conflicting, and it's crushing. And we're just trying to figure out which end's up.

And then you get into kind of the middle phase of the crisis, where actually at some point we feel the crisis emotions start to peak, and that's because we start to feel like maybe we're getting our arms around this crisis. The hard part is, we never know exactly when the peak of a crisis occurs.

But at some point we'll move in to the – to the third stage of a crisis, which we call the ebb. And in the ebb of a crisis, what we find is that that crisis begins to fade. And it usually fades for one of three reasons. You know, one is that, yes, someone will propose a solution society deems acceptable. We move on. Oftentimes, as well, in fact the most prevalent reason crises pass is that tomorrow's crisis

will replace today's crisis, and whatever happens tomorrow actually occurs to be more personal and put things in better perspective than what we were worried about yesterday.

But the one that I'm interested in, Julie, as it relates to teams is that the third reason why MIT tells us crises will fade is that we can't run on red alert 365, 24/7. And eventually we begin to adapt. As human beings, we adapt to our environment. We begin to establish new routines and we do begin to establish this quote unquote new normal, as overused as I think that phrase may be.

And so, Julie, based on what I just asked you, are you saying that you think that advisors are really shifting to this new normal, if you will? That they're establishing new routines within their teams? Or do you think they're still trying to figure that out?

Julie Genjac: You know, absolutely, I think they have shifted for the most part into a new normal mindset, really focused on the business and the future. And, you know, there are really six areas that I believe are key for any advisor or team to consider going forward. And although we don't dive into all six areas today, we will touch on a few key considerations from my perspective and based on conversations that I'm having with advisors.

Really the first step that I would – I would guide advisors to take is to truly reflect on their team, their practice, their processes over the last couple of months. And think about things like, you know, what has gone well? Maybe what hasn't gone quite as well? And really the most important question to any of those answers is why?

Why are these things happening? I think the why is so crucial and it absolutely helps to get to the root of the situation. You know, it's almost like diagnosing a leak in your roof and, you know, we know we can't repair the drywall and repaint until we've figured out, where is that leak coming from? And I think that reflection process is so crucial right now as advisors are shifting into that adaptation mode.

John Diehl: Well, and that's what, you know, when you think about that initial phase of the crisis that I mentioned, Julie, right, we went from being in our offices to being out of our offices in, like, one week's time. And I know even from our team, you know, the thought of doing Skype meetings and WebExes and Zoom meetings, it was so overwhelming that when you hit the go button, you didn't know what was going to happen.

And in a similar way, I think that we take these advisor teams, we distribute them out to their homes, right, on maybe technology platforms that are supposed to be tested. And maybe they are, but we never really used them. So this reflection, I think, is really key. So I imagine that many advisors felt overwhelmed with the change that's happened with their practice in such a short amount of time.

Julie Genjac: Absolutely. You hit that spot on, and I think there are many advisors that never thought they'd be researching Bluetooth headsets and webcams and trying to determine what the best solution would be. So I think, you know, really starting with a simple list. That's – I've always found in working with advisors, that's the best place to begin.

So after that reflective process, start writing down maybe some of the positive things that have happened over the last couple of months that maybe could be replicated in the future if they're implemented more consistently. Or maybe think about, what are some systems that need to be established or tightened up in order to avoid repeating past mistakes or challenges that have occurred over the last few months?

I would also encourage advisors to think about maybe what surprises them most about how their team handled the changing work environment? You know, was there one team member in particular that really rose to the occasion and just, you know, knocked your socks off? Maybe they became the technology guru and you had absolutely no idea that they were passionate and knowledgeable about that.

You know, so, really thinking about that. And for the advisor themselves, what – is there something about this new normal that really struck a chord and you found that you were a little bit more

passionate about something than you had ever explored in the past. I think the key is no example or idea is too small. And I've often found that it is those really small adjustments that can ultimately pay big dividends in the end.

And, you know, if I think about one of the most common themes that I'm hearing from advisors when I'm on calls is, you know, really something along the lines of, we didn't realize how much we yelled outside of our door to communicate. And I say yelling in a professional banter type yelling, but we've all done that.

And, you know, the ability to do that when we were in person masked some of the communication challenges that we had, but we didn't realize it because we had that interplay. So that's just one example of a very small piece of the practice, but that could be, you know, enhanced and strengthened for teams going forward.

John Diehl: Well, Julie, I think, you know, one of the things you highlighted there, reflection, is something that is crucially important, but most of us don't take the time to do it. And I do want to highlight something else you said, which is writing it down, right?

Julie Genjac: Yes.

John Diehl: Taking the time to reflect and writing it down, because you just said, even the small examples matter. And if we don't write it down, those things go kind of in one side of our brain and out the other before we ever really have a chance to address them.

So I wholeheartedly agree. And I've heard the same thing from advisors as well. But here's my question for you, Julie. Is this something, this reflection and study and thinking about what's changed, because essentially what we're trying to do is look at our old process and seeing whether it needs to change based on the new environment. And I would ask you, is this something advisors should do alone? Or would you suggest that they include their entire team in on these discussions?

Julie Genjac: John, I'll give a two-part answer here. I think the initial step is that the advisor or lead advisors on the team do – perform their own reflection and write down their own thoughts and ideas and really truly be honest with themselves. And then once they've sort of established a vision or a set of ideas, gather the team together, if it's in person or virtual, and encourage each team member to really openly and honestly express and articulate their responses to the questions that you've just reflected on by yourself.

You know, I think, and I would – I would guide advisors, you know, you may hear some information that you didn't realize was happening. Don't feel like you need to respond or solve that right on the spot. Listen, digest, process the things that your team members are sharing, I would say.

You know, feel free to say things like, you know, I hadn't thought about that. Let me digest that and come back to the team. Or, I had no idea X or Y was happening. Let me think about this and reflect on that and let's gather again in a few days to devise a plan together. So really buying yourself that time to take that information, think about it, and then come back with a thoughtful plan.

John Diehl: You know, Julie, we're all kind of reflecting and trying to figure out our place in these new processes, and I think it's important when we deal with members of the team that each individual is going through that same process. And I think, you know, you may have someone on the team who is crucial and invaluable to what they did to – with the team when they were all together that may be somewhat disoriented by this new environment, right?

And so you don't – you don't want to pass judgment on a person because they haven't, maybe, thought about some of these things as extensively as you had. But maybe what they need is a little guidance and a little encouragement. And so I always think that's right to, you know, maybe not react right away, but absorb what they said, think about it.

Think in terms of the process that that – that the senior advisors on the team are kind of looking at, and then try to reflect back on that. I imagine that many teams do a great job of the planning to

implement this stuff, right? But don't get caught in the implementation during the reflection stage, right?

Julie Genjac: You are so correct, John. And I used to have a leader who called it fixing to get ready to do something. And so a lot of advisors I think do the reflection and jot down the ideas and then don't quite get to the implementation point. And we've all fallen into that trap. Life gets busy, we get distracted. And so I think obviously the execution and implementation step is the most crucial aspect. So in order to combat that, one thing that many advisors have used as a best practice through the years is nominating one team member to be responsible for the execution of change.

Now let's say – let's say Mike is the team member that is the person responsible for this. Now, I'm not saying that Mike has to do all the work and all of it falls on his shoulders. However, Mike is managing the process. He's working to pull the pieces together and providing the senior advisor or advisors on the team with regular updates and status to process.

John Diehl: So how do you – so let's say we've gone through the reflection phase. We've got a pretty good handle on things that we think are priorities to implement. Do you have guidance, Julie, for how you – what you tell advisors in terms of, how do they determine what things they actually want to implement based on that team discussion?

Julie Genjac: Yes, that's an excellent point. And obviously the answer will differ from team to team. But generally I would say, if you can start to think about the general categories of the practice and kind of bucket the ideas, right, it helps to sort of sort and order them.

And so if we think about, maybe one bucket is practice management. So things like roles and responsibilities, team communication, team operations, and processes, that could be on bucket. And then maybe there's another bucket called something like client engagement, and maybe that includes topics or ideas like client education, marketing, portfolio construction, et cetera.

So I would encourage you to be very specific when putting ideas and thoughts and suggestions into your own bucket. But the most important thing is as a team pick one or two areas to focus on. Just one or two. I've seen many teams that create a beautiful 12- or 20-point action plan and they're very proud of it. But what tends to happen is, you get overwhelmed. It's daunting and teams get stuck, and then that list goes into a drawer and everyone falls back into their old routines.

John Diehl: Well, and I think, you know, the important thing, too, Julie, is when we look at crises, we know that what defines a crisis is the fact that, you know, in a certain sequence of events we reach a point where we're not going back to the good old days, at least not anytime soon, right?

Julie Genjac: Right. Absolutely.

John Diehl: And so I think one of the keys to this reflection and implementation process is taking a look at the things that have changed, things that we've learned, to say – and you mentioned some of them. Are there changes in roles on the team? Have we changed processes? What does communication look like? Are we changing investment approaches? Right? How are we leveraging technology differently? Because I think that's really going to uncover those implementation action plans, if you will, that may take precedence as we move forward. Would you agree?

Julie Genjac: Absolutely. Absolutely. And I think, you know, if teams begin to think about, reflect on the past, and understanding our natural tendencies. You know, I think teams maybe understand where they sometimes haven't executed and maybe what those impediments were, and so I think all, you know, as a team saying, let's create a list of all of the impediments that we're going to face.

And what are those? Is it a capacity issue? Is it a focus issue? Is it a team harmony issue? And I've found that if teams can discuss up front all the reasons why they won't be successful, it's amazing how, because those become top of mind, the team tends to overcome those obstacles because they're aware of them. And I think that awareness amongst the team is absolutely the key to success.

John Diehl: And how do you combat the tendency, Julie, to – look, teams that, especially teams that have worked together for a while, right, we think we already know things about the individual members of the

team. Oh, yes, Julie always does this because she's really good at that. And Tom really does this well, so he's the guy that always does that. But what we find in situations like this is, those roles and those responsibilities may need to change. How can teams combat that natural tendency during a period of implementation of new ideas to go back to the same old thing that we always did?

Julie Genjac: Again, I think it's a two-pronged approach, communication amongst team members and really getting granular on how we communicate and why we communicate and making sure that that is streamlined, and then, again, the awareness of each other. The awareness of the strengths and the gaps and trying to truly position each team member to play to their strengths.

I think oftentimes, we as adults try to work on our gaps or our weaker areas, which obviously is very important. But how can we flip that around and say, I have someone that naturally is passionate and so skilled at this, let me continue to lift them up and position them for future success.

John Diehl: You know what's funny is I talk to some advisor teams. They think that the big change that they're experiencing is whether people will – on their team will be working more from home after this crisis, right? And I agree, that's something that we all have to look at.

But, Julie, I think I – you would agree with me that it's not necessarily their location that makes the difference, right? It really comes down to how are they most effective and efficient on the team regardless of where they're working? And then will that environment promote that? Will they be able to do it from there?

Julie Genjac: Absolutely. Agreed.

John Diehl: Yes. So I think it's, you know, thinking about how things are changing. And when I think about the working from home and that kind of thing, that's a – that's a high level approach, right?

Julie Genjac: Yes.

John Diehl: But we need to get more granular, as you spoke about, to say, OK, if team members are going to be spending more time at a different location, at their home, whatever, what is it they're doing there that makes them especially effective whether they're in the office or not?

Julie Genjac: Absolutely. It's a very important consideration.

John Diehl: So, Julie, when we talk about awareness, right, awareness of – amongst the team of what's changing, do you find in talking to advisors that the big picture goal changes? Or just how we're going to accomplish that differently moving forward? And do you find that most of the time the entire team is on the same page? Or do you think that that's something that requires more of an in-depth discussion with the team?

Julie Genjac: You know, I think it's going to be going forward a blend of maybe adjusting some visions and strategies, but also adjusting or rereviewing the execution, how we're getting our work done. So I think that will be sort of a blended approach and some adjustments that the margins will be made.

You know, in terms of sharing the vision of practice with the entire team, I think many advisors are incredibly skilled at that, you know, painting that forward looking picture. But I think there are some advisors that understand it in their heart and their soul and their mind, but haven't necessarily done an incredibly clear job or proactive job of articulating that to all team members. And I truly believe that people want to be part of something bigger and feel like they walk away every single day with some sort of success.

And so I think to not clearly articulate the vision and set success metrics and bring the whole team on that, I think it's a missed opportunity. And you could potentially miss having every team member be pulling in the same direction and working towards that vision and creating that team continuity together, in my opinion.

John Diehl: Well, and I know I've heard you talk about documenting goals before, kind of like we talked about,

you know, writing down those small ideas. But when it comes to goals, is it something that you continue to advise, that goals need to be documented?

Julie Genjac: Absolutely, John. And I know we've all heard the old adage, if you can't see it, you can't achieve it. And I think that rings so true here. Document, document, document. Make sure that every member of the team is looking at the written goals and success metrics every day. You know, it's very motivating, and frankly it serves as a layer of accountability to execution, which I think is crucial in making any change, especially in a rapidly moving environment.

John Diehl: And Julie, you know, we talked about some of the real positive things that come out of the crisis. And also I think there are some things that we're missing as well. But when I think about the challenge of assessing all this and implementing, do you advise advisors to think about the impediments to kind of getting to the other side of this? Like, what will be the toughest things about the team to change in order for your vision for the team to come true? Should they be spending time thinking about those obstacles or impediments?

Julie Genjac: Absolutely. I believe impediments are just as important as setting the goal. And again, I think it takes us back to that awareness. So being clear and honest with ourselves about what really will be the greatest hurdle, and once we've been able to sort that out in our mind, it becomes real. And if it's real, then we can actually tackle it, but if it's that little glimmer or thought in our mind that we haven't actually said out loud, I've found that it becomes much more of the elephant in the room. And once we can articulate it, put it on paper or share it with the team, it becomes a challenge and the team will rise to the challenge.

John Diehl: So Julie, I know, when I think about things that I want to achieve and I've written down that goal and I think about the impediments, it helps me to plan around it. So thanks. I know you said there's like six different areas and we've only touched on a couple. I know you have helped us prepare some worksheets and things that are going to be available on the Team Continuity landing page at hartfordfunds.com/continuity. And thank you for doing this, by the way. But I guess in wrapping up our session here today, is there one first step that you would encourage advisors to take in order to get started on this process?

Julie Genjac: Yes, and I would say it's that reflection process. It's all about an advisor's ability to honestly assess their team, their process, their operational structure, and the human power that encapsulates that. And I think the real question for each advisor is what do you think is most important to change in order to continue to build the continuity of practice tomorrow? That's where I would leave advisors, is it's a reflection process.

John Diehl: Well, and I think it's important, Julie, for every team and every leader of every team to be thinking about. Sometimes that leadership is shared, right? So it's probably starting that reflection on an individual basis. If you're a member of a – of a team where, you know, several advisors on the team share that senior role, it's probably important to get together with them first to compare notes in terms of common reflections and see what arises out of that, but then to approach and engage the entire team is important, as well.

So, Julie, I want to thank you very much for your insights and for the work that you've done, and look forward to having you back on the podcast, maybe to touch on a few more of those things as we learn more about what teams are doing on the other side of this crisis. So thanks very much for joining me today.

Julie Genjac: Thank you so much, John, for the opportunity. I look forward to the next session.

John Diehl: And so for all – everyone listening today, we just want to say thanks. And, you know, we're trying to help folks look ahead, right? So being in the midst of the crisis is one thing. Establishing a new normal is one thing. But eventually we'll find that the new normal becomes our next normal. And so we hope to spend some more time with you on that in the future.

As I mentioned, please refer to the Crisis to Team Continuity landing page, which you can find at hartfordfunds.com/continuity, and you'll find additional resources as you and your team shift from reacting to a crisis to proactively engaging, learning, and implementing new ways of doing business.

Thanks very much and we'll talk to you on the next episode of the Human Centric Investing Podcast.

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