

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer

Guest: David Hohimer, Founder and Managing Partner at Hohimer Wealth Management

Transcription results:

Intro Welcome to The Next Frontier, where we examine what the role of the financial advisor will be in a world where we are living longer, more tech-reliant, and bombarded with information 24/7 as we navigate constant uncertainty and accelerating change. Our mission is to spark new conversations that explore the future of advice by rethinking the value we deliver. Join us as we look at the evolving advice business and explore the opportunities that lie ahead for an industry in transition. It's time for a new conversation. Are you ready to weigh in?

BILL COPPEL Hi, this is Bill Coppel, and welcome to The Next Frontier. As we think about how best to deliver advice in the 21st century, we need a more comprehensive definition of what it means to serve a client. It's not just about managing their money, while that's a component of it. It's about helping clients define what matters most to them so they can achieve a sense of well-being. So how do you do that? I've said to many financial advisors over time, if you're not sure how clients feel, reflect on your own life, your own family, and the challenges you face personally because you're no different from your clients. In essence, you are the client. Yet we don't seem to think that way as financial advisors. And the advisor who has not embraced in his or her own life the kind of advice they provide clients is not authentic. So, what I thought would be valuable is to learn from an advisor, David Hohimer, who has built his business not on how much he knows about investments, but by using his own life lessons to be cognizant of what it is to walk in someone else's shoes. David is the founder and managing partner at Hohimer Wealth Management, a registered investment advisory firm in downtown Seattle. After 28 years of growing his wealth management business within the confines of a wire house, David established his firm in 2019 to help clients achieve what really matters most to them in life. Recognizing that legacy is important to many people, in 2020, the firm added a director of philanthropic services to help clients achieve their social mission objectives. David's firm is a natural extension of his personal approach to life, which is centered on building authentic relationships to create a client experience that's not only about numbers, but where people, family, and community come first. He holds the Accredited Investment Fiduciary designation and the Certified Private Wealth Advisor designation from the Investment Management Consultants Association. David, welcome to The Next Frontier.

DAVID HOHIMER Thanks for having me, Bill. I'm excited to be a part of this podcast.

BILL COPPEL Well, David, as I mentioned at the top of our podcast today, you've built your business around two things, strong ties to the community and authentic relationships that you've nurtured over time. It'd be helpful for our listeners to understand how you got here, how they became such pillars of you, and how you operate. Take a moment to share your story.

DAVID HOHIMER Well, there was a time in my childhood where my family-- I grew up receiving public assistance, and it kind of taught me the value of hard work. I don't want anything for free. I don't want anything for nothing. I want to work for it so folks can't take it away from me. So that upbringing taught me to be authentic to myself and to the folks that I surround myself with.

BILL COPPEL And these ties to the community became very important to you, I would imagine.

DAVID HOHIMER Oh, yeah, yeah, it's very important. I mean, the community that I live in, that my children live in and thrive in. And so, yeah, it's very important that we're very transparent. And that's a theme that we have at the firm that we like to be very transparent with one another, with our clients, with everyone.

BILL COPPEL So, let's dive a little deeper into that notion of what it means to be authentic. How does that translate into the value your firm offers and ultimately, the client experience you deliver? How is it reflected, say, in the scope of the services you offer?

DAVID HOHIMER That's a fantastic question because if we dive deeper into that, there's a couple key hires that we did here at Hohimer Wealth Management, and one was we hired a director of client experience and

one was a director of philanthropic services. And what it means to be authentic is that director of client experience, his job is to make sure that we're very transparent and that the message going to the client and the message within our firm is always authentic.

- BILL COPPEL Well, that makes a lot of sense to me because people believe in people. And as you experience growing up and in your professional life, that authenticity goes a long way, particularly today when you think about the world we live in. This constant uncertainty, alternative facts and so forth, can leave people feeling pretty much out in the cold. So as folks come into your practice, how do you begin to cultivate that relationship?
- DAVID HOHIMER Well, it begins with starting to understand what the client wants to achieve. So, we like to say it begins with asking the right questions and we try to solve for those questions with the client in mind. So, we talk to the client. And very often, clients don't have the questions that-- I mean, they have the typical questions. The questions like, how much money am I going to need for retirement? How much money am I going to-- what kind of cash flow is going to be required to maintain my lifestyle? But I'm talking deeper, more personal questions like, what do they want to do in the second act of their life? How do they want to use their money to further some legacy goals they have? Or is there something that they want to contribute from a philanthropic standpoint? Those are questions that we help frame with the client in mind so we can actually help them have a more robust, more meaningful life.
- BILL COPPEL Well, that's exactly right. I couldn't agree more. One of the things we have learned is that it's very, very hard for us sometimes to articulate what really matters. And I bet you have seen that change over the years. My next question, if you will. You've been in the industry for several decades now. How have you evolved professionally during that time? And what are the factors that have helped drive those changes in the way you approach the business?
- DAVID HOHIMER Yeah, I'm coming on 30 years in the financial service business arena. 30 years, and it's changed drastically. I can tell you I've evolved over the last three decades from being a young man and being what we called 30 years ago, a stockbroker, so transaction oriented to really rounding out and evolving to be a comprehensive wealth advisor, someone that's looking at the holistic picture of the client and just not transactions or not trades or just not asset management, which is important, but it's not the complete picture.
- BILL COPPEL Well, that's interesting. So, you've kind of gone from this idea of getting people to buy a security from you or a stock, if you will, to helping them sort of gather and gain security in their life. Talk to us a little bit, David, about why that has happened, and what you've experienced along the way that kind of moved you away from selling stuff to people to helping them find a better path to what matters in their life.
- DAVID HOHIMER This path that over-- and it's been a 30-year path, and I expect it will continue, has slowly evolved to wanting more of a relational, more meaningful connection with our clients. And the way we do that is by getting to know what's meaningful to the client themselves. And often, the transaction is just a part of the story. In other words, they're liquidating a business. They need some income, but it's not the complete story. And you only really know the complete story by actually having a relationship, and not just a relationship like "Hi Fred," "Hi Jim," but a relationship where we meet, we get together, we break bread, we meet the family. We actually really understand the story within their lives and what's going on, because something I've learned over 30 years is the clients are like ourselves, right? I mean, they have family issues. They have drama. They have things they're concerned about, just like you or me, Bill. And so, it's good just to sit across the kitchen table and have a conversation about it.
- BILL COPPEL So, what's interesting about what you said, David, is that it seems to me that part of this transition that you've experienced over time is a reflection of what you've thought about personally for you and your family. And what I mean by that is that authenticity seems to be coming through in the fact that, hey, you're just like your clients. You deal with the same issues and challenges, whether it's raising your family or deciding what's important. And so, by reflecting on your own life, I guess what I'm hearing is that's influenced the way you approach the business. Is that accurate?

- DAVID HOHIMER Yeah. Yeah, yeah, that's very accurate. And it's probably equally fair to say that clients now don't just call me about investments. I mean, I have more conversations with clients surrounding family events, family kinds of decisions. I mean, I hear more from my clients talking about college their daughter or their son is looking at, what type of hospice they might need for their parents. Do I have an idea on any kind of health care, like Visiting Angels that they can use for their mother, for their-- yeah. So, the conversations now aren't, "David, I've heard about Apple. I heard about GameStop." No. Very rarely does that happen much. Now it's more so, "Hey, I need your help," or, "I need you to talk through this problem that I have and see if we can figure a solution that makes sense for me and my family." And those are more the questions that I now deal with with our clients.
- BILL COPPEL So, David, staying with this theme of of evolution and evolving your business, can you share with our listeners perhaps a story that illustrates a real turning point where you shifted from being a guy selling stocks to really someone helping clients with their life, if you will?
- DAVID HOHIMER Yeah, it happened 17, 18 years ago, and it happened out of nowhere. I mean, like many things in life, I wasn't planning for it, but I had a client that was a very meaningful, significant client with me at the time and still a client. And he calls me up and he was in great distress because the stock market was having issues, and his employees were really in great distress. And when I say that, I mean, I think he has 800 or 900 employees, and whatever fund company they had at the time just wasn't doing the job. But really, the markets corrected significantly. He wasn't concerned, but he actually saw the pain. I saw the pain on his face when he said, "My employees are really distressed about this. Do you have any ideas or can you give me a suggestion on what should we do?" And instead of having the pat answer of, "Why don't you contact the mutual fund company or whoever was at the time, the vendor" I said, "You know what? I'd be glad to take the time and set up a couple of meetings and speak to all of them about staying the course and being patient and thinking long term instead of short term." And he said to me, "Hey, I really, really, really would appreciate it, but they're not in town. I'm going to ship you. I'm going to fly you there." And I didn't even think twice. I said, "Sure, no problem. I don't mind taking three or four days out of my schedule to do this for you, Mr. Client." And so, the client was fantastic. I get a ticket in the mail. And the next thing I know, I'm at Dutch Harbor. Have you ever heard of Dutch Harbor, Alaska?
- BILL COPPEL No. Well, I've heard of it, but I've never been there.
- DAVID HOHIMER Okay. So Dutch Harbor is the very, very north point of the United States, and it's a small little town. In fact, most of the airplanes, 50% of the planes don't even make it in because the winds are so severe. In fact, it's the second shortest runway in the world. The first is Oslo, Norway. This is the second. And so, I fly in the air and I get on a ship in the middle of the Bering Sea, and I speak to 600 fishermen and ladies. And while I'm on this ship for six days, as it comes back to Seattle, I build a lot of bridges. I talk to many of the folks. I answer a lot of their concerns about future concerns about family, about education. And when I get back to Seattle, not only do I have my wife and four young kids waiting for me, but I have the client kind of beaming with joy that I took the time to kind of talk to what he considers to be an extension of his family. And at that moment, I realize that is what a true advisor does for a client. Going above and beyond and really solving for what was, well, at the time, was his biggest distress, which was his employees, his family business he started from scratch, was in great distress. And I took the time out of my day to actually meet them where they were and have a conversation at their level. And that was a moment 18 years ago that kind of said, aha, if you really want to take your business to the next level, this is the commitment you have to show your clients.
- BILL COPPEL David, that's an incredible story. I want to make sure our listeners understood. Apparently, this company had a retirement plan. The market was not cooperating. They got very nervous. Obviously, the owner of the company was really concerned for his employees, called you in, flies you to nowhere, Alaska, way up north, puts you on a boat for six days, if I heard the story correctly, and you had an opportunity to spend some time with these folks, and you came back. So, what happened next?

- DAVID HOHIMER Well, after getting off and being glad to get back, the client was very, very grateful. The employees were very, very grateful. But what has been amazing over the years is I have received numerous phone calls from other boat owners. And I mean, these are large boats. These are not like 10-foot-- I mean, these are 400-foot ocean trawlers, right? So, these are substantial corporations that own these, but I've received numerous phone calls just that said, "Hey, I heard this story when I was with my friend, and I would like to talk to you." And I typically say, "Okay, what do you want to talk about so I can prep for our first meeting?" And it always begins like, "Well, I heard this story about you getting on this ocean trawler for this client of ours. And if you can do that for our people, we need that type of person on our team. So, is that story true?" And the answer is that story is true. I went to the middle of the Bering Sea, got on the ship, and for six days, stayed on there and talked to all 400 employees. And inevitably, they say, "Great, when can I meet you? Because anybody that takes that much of an interest in their clients, we need to talk to them."
- BILL COPPEL So that kind of underscores your whole approach to community. The fishing community in Alaska is not-- well, they're big companies and, as you put it, large vessels involved and hundreds and hundreds, maybe thousands of people working. It's still a small community. Your dedication, your commitment to community has really paid off. And that story traveled around all those other companies. And so that became a huge catalyst for not only folks understanding how authentic you are, but also how caring you are and how much time you're willing to spend. I think that's phenomenal.
- DAVID HOHIMER Yeah. Thank you. But going back to your initial question. Was there a moment? Was there a beacon? Was there a turning point? Yeah, in 2003, that was the turning point. That moment when I looked and I saw how grateful the client was, said to me, if you want to be authentic, if you really want to make a difference, then you actually have to go that extra distance. You gotta do something that's going to be above and beyond.
- BILL COPPEL Well, you did, and it really paid off. So, your career has mile markers or milestones of change and turning points. That's a great example of one. David, most recently, you had another change. And what I'm talking about is starting your own RIA. In other words, if you were counseling an advisor today, what are the things you would tell them to reflect on if they were thinking about making this kind of a move?
- DAVID HOHIMER Ooh, that's great. So, if there was an advisor thinking, "I want to start my own RIA, my own firm so I can create my own experience so I can deliver to the client," the first thing I would tell them would be it's a lot of hard work, right? So, don't go into this thinking it's easy. It's a lot of hard work, but it's very, very, very satisfying. So, any new advisor listening that's thinking about doing this, it's hard, but it's such a rewarding feeling starting your own firm, creating your own brand, and controlling the destiny and the experience that you deliver to your client. So, I would tell them to think about it, contemplate it, but know that it's very rewarding, but very challenging on the front end.
- BILL COPPEL Harder than six days on an ocean trawler with 400 fishermen?
- DAVID HOHIMER Well, it's a different type of hard. Being on an ocean trawler for six days in the middle of two storms where you can't see land, that's kind of like a faith challenge. That's a faith testing. That's right. It's a faith-testing event.
- BILL COPPEL If you think about the arc that you've traveled, it's taken you from being focused on generating a transaction to curating client well-being. What are the things you think really differentiate your approach from the standard offering that's out there today?
- DAVID HOHIMER Well, two things. One, we went out and we hired, as I said earlier, in 2020 when COVID hit, we made a couple exceptional hires, one being a director of client experience and one being a director of philanthropic services. And both of those positions, those services are part of the offering that we deliver here at Hohimer Wealth Management. And so, I think it differentiates us because not only do we do the typical comprehensive wealth management plan, build the financial plan, let's monitor it, let's check on it. We also will help the client understand any of their legacy or philanthropic goals they have. We intertwine that with our planning approach.

BILL COPPEL David, I want to talk to you next about this notion of and the difference between managing money and helping people find well-being. If I hear you correctly, as you've been sharing with our audience your experiences, it seems that happiness isn't directly connected to the actual dollars in the account. What do you think about that statement?

DAVID HOHIMER I think that's a factual and true statement. I think whether you have 1 million, 5 million, or 30 million, the dollar amount isn't the piece that makes you happy. Having a plan and having something meaningful connected to what you're doing is going to make you happy. I mean, that's my experience, right? I've seen really, really wealthy folks that are not happy, and I've seen moderately wealthy people or just folks in general very happy. But it all goes down-- it all boils down to whether or not they feel like they're living a life with meaning.

BILL COPPEL Got it. Got it. That makes a lot of sense to me. It goes back and underscores what you started our conversation around which is this notion of helping people discover what really matters. In many ways, David, you almost approach this job as a calling as opposed to work. If you weren't doing this, David, what would you be doing?

DAVID HOHIMER Wow, wow, wow, wow. Well, let me first begin by saying I'm fortunate to be doing this job. It's a wonderful job and I'm grateful. But it is a calling, and if I wasn't doing this and speaking into the lives of my clients, I would either be a pastor, a preacher, or a community organizer where I can actually see that I'm having an impact on folks in the community that I live with, close personal impact.

BILL COPPEL Yeah, that really does reflect everything you've shared with us today in terms of what kind of level of importance you put around relationships and community. Which leads me to another question. You have a unique office structure or you might call it a physical plant. And as I interpret the plant that you have, the office that you've created, it reflects to a large degree your commitment to community and the importance you've been placing on making people feel welcome and comfortable. Tell us about how you set your office up.

DAVID HOHIMER Well, yeah. I mean, the office was designed and set up purposefully with the intent of creating what we call the speakeasy, right? We've dubbed it the speakeasy because it's part of an old utility closet that was sitting in our office space. So, the director of client experience retrofitted it, fit it out to look like an old speakeasy. We brought in a bar. We have some tables and chairs. And we dressed it up to be a small, intimate gathering place for clients, for employees, for friends, for when we're done with work. When we come into the office, it's a typical business environment, offices, computers, staff. But then when we're done, we can go back to the speakeasy and actually have a beer, have a coffee, have a cocktail, have water and just talk, just have a frank conversation about just about anything. So, it's a place that we can actually bring clients and employees together.

BILL COPPEL It's interesting because people think of a speakeasy and they'll tend to gravitate towards the alcohol and so forth that is aligned with this. But the way I'm hearing this is while clearly entertainment can take place in this space you've created. But speakeasy really talks to me about this notion of helping clients feel comfortable enough in an environment that they share with you what's most important to them. Are you beginning to see that have an effect? And are people really much more comfortable opening up in a physical environment that invites that kind of a conversation versus that typical office setting?

DAVID HOHIMER The answer in short is yes. In fact, we're now starting to see the impact where some clients will just call up and say, "Hey, I don't have an appointment." And during COVID, we have to be socially responsible and social distance. But clients will call up and say, "Hey, I know I don't have an appointment, but can I stop by because I want to talk to you about a few things." And when they come to the office, we're like, "Why don't we just go to the speakeasy?" And we'll sit there at the table at the bar and have a conversation for 30 minutes, and then they'll be off on their way. Or we'll meet somebody for the very first time, and before we're done, we'll say, "Why don't we give you a tour of our facilities?" And in the end, we'll show them that piece right before they leave. And inevitably, there's another 30-minute or 40-minute conversation there where they start telling us stories about their children, grandchildren, their spouse, their loved one, some adventure they've

been on this past summer. So, it really does lend itself as a place to kind of-- for folks to lower the barrier and just have a frank conversation about intimate things that matter to them, which if we're listening, that's when we start to build a relationship at that moment.

BILL COPPEL David, before I go to my wrap-up question, I want to sneak one question in here. And part of the reason for that is that it's where you're located physically. And the question is around, what did you learn or what are you learning from this pandemic that we're in today? And the reason I'm asking that question, so our listeners understand is you live in Seattle, which was the epicenter for this to start here in the U.S. of course, not where it originally started. And in addition to that, you're on the board at St. Anne's Hospital in Seattle. More importantly, you're the chairman of the board. And many of our listeners and financial professionals around the country do work and sit on boards and participate in community events and things of that nature giving back. But this is sort of an unusual situation, right? Here we are. You're sitting on the board of the local hospital. You're the chairman of the board, and all of a sudden, you're in the midst of a pandemic. Share with our listeners what you've taken away from that experience, and how it has informed you as an advisor running your own RIA today.

DAVID HOHIMER Oh, wow. Yeah, man. You are sneaking these questions in here. Bill, I could tell you, being on the board, being the current chair of the board, and not only that, I'm gonna deepen this a little bit. We had some of the very first folks that had COVID in our hospital, so our hospital got quarantined. The ICU was completely filled. In fact, we were taking many of the folks from some of the retirement facilities that you read about that were having troubles-- where they were having extreme troubles. So, it was very, very, very heart-wrenching. But at the same time, it thrust me into the position of, typically, we say you need good schools, good hospitals, and good police to have a good community...the start up a good community. Here with this pandemic, there were many clients that know my role that would call me up and say, "We know you're not a doctor, but can you just give us some information on what is going on? Because we've never seen this, and we're just getting such misinformation in the media." And so, during this pandemic, often, I would run into clients and folks on the street, at the store, and they would stop me and say, "How's the hospital? What's going on? Can you share anything?" And even now, as early as the last couple of weeks, I was getting calls from folks saying, "Hey, can you tell me about the vaccine as information or the misinformation about the vaccine-- and how do we get one?" And so being that I'm sitting on the hospital board, it has been very, very, very eye-opening and very telling on how important it is to have a couple of key things. One, have a plan in place. And clearly this pandemic has taught everybody, everybody needs to have a plan in place for when something really goes wrong. And that has worked at the firm, at least, making sure that our plan was in place was very critical and important to me.

BILL COPPEL And as we wrap up our conversation today, let's circle back to where we started. The notion of bringing our authentic selves to the relationships with our clients can really enhance the value we create. What would you say to advisors who may be looking at going forward? What kind of guidance would you give them on how they can approach this notion of being their authentic selves with their clients?

DAVID HOHIMER So, a couple of key things that I use this internally all the time with my folks. When they say, David, how have you done this, and how have we gotten to 30 years in the industry, and how fortunate we've been with our clients, bringing on and onboarding clients, I tell everybody there's a couple of things. One, you gotta be a likable person, right? People gotta like you. Two, you have to be trustworthy. If you can do those two things, if you can be a likeable, trustworthy person, those qualities over a casual conversation creates an authentic environment and authentic space where you can actually have a deeper relationship with all your clients. But it takes those two things, and you're coming into it with no expectations other than you want to be trustworthy, you're likable, and you want to listen to what the client has to tell us, creates an environment to be very-- it's an authentic environment. And if it's an authentic environment, authenticity comes out of it.

BILL COPPEL That's fantastic. David, I want to thank you for joining us today and sharing your experiences that you've had over your career. And I can't thank you enough for taking that kind of time because it's really important for us being in this business to hear from folks like you that inspire and help us move forward. Thank you.

DAVID HOHIMER Thank you, Bill. And it's my pleasure.

BILL COPPEL For listeners interested in learning more about David and his work, you can find links to his information in this episode's show description. We hope you enjoyed our conversation today. Please take a moment to subscribe to our podcast. And if you like what you heard, please tell others about it. It helps people find us and ensures you never miss an episode. I'd also encourage you to visit our website, firstclearing.com, to sign up for our monthly e-newsletter. It's an easy way to access curated content that can help you build a better future for your clients and your business. Thanks for listening. And until next time, be well.

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