

## Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer  
Guest: John Lawton, CEO and a financial advisor at BLB&B Advisors

## 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're 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. The disruption and uncertainty we're experiencing today is affecting every aspect of our lives, and because of that, to be successful in this changing landscape, we need to reflect on everything we do, including how we show up as leaders. What I'm talking about here is that we tend to think of leadership in a traditional manner...the way it's always been done, so to speak. But the leadership style of the 20th century, as exemplified by iconic corporate leaders like Lee Iacocca, Jack Welch, and Sam Walton – all very successful in their day – may not necessarily be effective in the 21st century. So if repeating the past isn't likely to be the formula for success going forward, how should we be thinking about leading our firms, our advisors, and even our clients today? I believe 21st century leadership embodies three distinct qualities -- authenticity, empathy and humility.

BILL COPPEL So I thought it would be helpful to hear from an advisor, John Lawton, who has built his business not only on how much he knows about investments, but by leveraging his emotional intelligence to help clients answer the question of what really matters most to them in life. John is CEO and a financial advisor at BLB&B Advisors, a registered investment advisory firm with roots dating back to 1964 when it was co-founded by his father as a brokerage firm. Drawing on his ability to lead through empathy, humility and authenticity, John has helped guide clients through generational wealth transfers, business succession and other life transitions for more than two decades. His leadership style, which is centered on caring about people, has created a culture where advisors have the freedom to serve as a coach, a guide, a general contractor and a sounding board for their clients. In keeping with his caring nature, John volunteers his time and serves as a financial advisor to a number of nonprofits and charitable foundations. He is also a trustee of BLBB Charitable, the giving arm of BLB&B Advisors. Before joining the firm, John was an officer in the United States Army. He's a graduate of Bucknell University, where he obtained a BS in civil engineering. John, welcome to The Next Frontier.

JOHN LAWTON Bill, thanks so much for having me on the show today. It's really a complete honor to be here today.

BILL COPPEL Well, we're glad to have you. John, as I mentioned at the top of the episode, you've built your business around your own brand of leadership that's centered on caring about people. It'd be helpful for our listeners to understand how you got here. Tell us the story.

JOHN LAWTON

Bill, my journey with BLBB has been quite an adventure. I'm the son of one of the original founders of the firm. So I've known the firm my whole life. Ever since I was a young boy, I've always been hyper focused on pleasing others. It's always been something that was critical to who I am as a person. I entered my freshman year at Bucknell and soon realized that I was going to be in debt when I graduated from college. I didn't want to have any debt when I graduated, so I applied and was awarded a three year Army ROTC scholarship that would pay for the rest of my college. Unfortunately, my dad passed away when I was a junior in college. This was devastating to me and my family. But luckily my father's original business partner, Frank Burke, was there to help me get through a tough patch in my life. I'd worked with Frank on his farm as a young boy, and I had great trust and faith in him. Frank was instrumental in me joining the BLBB after serving in Germany as a lieutenant in United States Army. The first thing that I learned from Frank when I joined BLBB is that "people want to know how much you care about them before they care about how much you know." I'll say it again, because it's really something that was so important to me. "People want to know how much you care about them before they care about how much you know." I've actually remembered this for 25 years, and I've always tried to practice this in my career with my staff and also with the clients that I serve.

BILL COPPEL

So BLBB is Burke, Lawton, Brewer, and Burke. Let's make sure that our audience understands what that is. That's fascinating. That's an amazing story, John. You know, you have what I would consider to be a unique approach to leadership, this blend of how you were raised coupled with your military experience. How would you describe your leadership style?

JOHN LAWTON

Well Bill, my military service and my involvement in wrestling through high school and college really helped frame my thoughts about how to lead people. As a commissioned officer in the Army, you're supposed to lead the troops. For those who know the Army, the noncommissioned officers really do run the Army. For me, it was very important for me to know my soldiers and not rely upon the sergeants as an intermediary. Although my sergeants tried to discourage me not to get involved, I thought it was more important to understand what was happening with the young soldiers and their lives.

BILL COPPEL

So it sounds like you got down in the trenches, so to speak, with the soldiers in your platoon, to be sure they understood that you understood what it was like to be in their shoes. How did that early leadership experience help shape you professionally, John?

JOHN LAWTON

So the leadership experience in the military really helped to guide me in my professional career outside the military. This experience really reinforced to me how to care for people. It has given me a great foundation about how we run our business and as I develop my leadership role in the unique situation of being the son of a founder. As many people know, second generation businesses often don't succeed. I've been very fortunate because the ownership team at BLBB really works well together and have a great sense of what we want the firm culture to be. When I think about the culture at BLBB, our receptionist and our administrative staff is just as important - well I guess I'd say more important - than the owners of the firm. I watched a handful of very prominent financial firms over the last decade struggle with change and leadership transition. In my opinion, much of the struggle revolves around leadership that develops a self-centered ego inherent at the top. When leaders display this persona that everything is supposed to revolve around them, people notice this and this causes really does cause some businesses to fail. As you know, Bill, this is really a people business. People are very smart and they know when

they're being sold a bill of goods. As a leader, you have to put yourself in that receptionist's shoes or the shoes of that young adult that just graduated from college who's working in the financial planning department. It's imperative to understand what they're going through so you can actually lead them.

- BILL COPPEL You know what interesting to me, John, is that when you look at your background - and particularly your military experience - the words empathy and emotional intelligence don't typically jump to mind traditionally speaking, right? Think about it from the Army's perspective. So when you think about the clients you serve at your firm, how does this style, this approach to leadership carry over, and how does it really impact your relationship with clients?
- JOHN LAWTON Well think about it, Bill. Clients want leadership from you as their financial advisor. But more than anything, the clients want to know that you care for them and that you have the skill set to help quarterback their particular financial situation and then connect them to the resources that they want and they need.
- BILL COPPEL And then you've got to translate that, right, if you think about it. And translate it into the value your firm offers and ultimately the client experience, you're able to deliver. Talk to us a little bit about how that translation takes place. This notion of empathy and emotional intelligence you brought into your leadership style, the way you run your firm, the way you interact with your team members and obviously your clients. How does this translate into the value that your firm offers?
- JOHN LAWTON So BLBB has-- really was founded as a service-driven organization since 1964. The firm was really set up to provide professional investment management to people that really needed it. We have really tried to focus on trying to add value well in excess of cost to clients, advise clients on all aspects of their financial lives, and focus on delivering better outcomes well beyond just investment results. We have many relationships where people trust us and want our opinion. A lot of time, it has really absolutely nothing to do with managing their money. They just want their financial advisor to be a good sounding board. And this is really something that all the financial advisors at BLBB do very well.
- BILL COPPEL What jumps to mind to me is that it's really less about their money and much more about the outcome relative to their well-being. Is that a fair way to place it?
- JOHN LAWTON Absolutely. Absolutely.
- BILL COPPEL Oftentimes, clients have difficulty identifying and articulating what's important to them. I know we've all experienced that. How do you help clients uncover what truly matters so you can guide them on a path to this well-being we just spoke about?
- JOHN LAWTON So interestingly enough, we've been able to hire a number of high level staff members who were trained as engineers. These people, they're trained to excel, looking at people's lives, which are really just complex systems and optimized variables for client desired outcomes and objectives. One of the most important skill sets that you need to possess as a financial advisor and a leader is the ability to listen. The ability to listen and then possess the skill to help solve the issues that the clients possess really goes a long way.
- BILL COPPEL So, John, in a nutshell, what is your value proposition? What is your definition of 21st century advice?
- JOHN LAWTON Bill, what we have to do is we really have to start with what matters for the client. We really have to understand where they're coming from. We then put together the basis of a plan. And so it really starts with planning for us. We have a motto and something we patent called Plan, Invest, Succeed. And so in addition to the traditional financial

planning that we do and the investment management, we now offer outside resources like tax analysis through a company called Holistic Plan, basic estate planning for our less complex clients through a company called Helios. And we are now doing some health care and Medicare consulting through another company called Caribou. We do this along with some risk management planning and also really a robust entrepreneurial finance program that we run in-house.

BILL COPPEL

So really, you're helping folks in just about every possible aspect of their life. I love this work that you're doing with Caribou on health care and Medicare consulting because, let's face it, this is going to be the number one thing that most people who are entering that, what I call the third chapter of life are going to face. Staying healthy and where am I going to live? So you talk to folks about stuff like that.

JOHN LAWTON

Yeah, we do, and the conversation goes a bunch of different ways. And sometimes the model that these companies like Caribou are offering is a little bit off the beaten path. But again, you got to find a company that really cares about a solution for people.

BILL COPPEL

John, I want to go in a slightly different direction, but let's hang on to what you just said about your definition of what advice means today. What I'm getting at here is, how did that definition of advice, where you are today and the way you're running your firm, how did that influence the recent decision you made to drop your broker-dealer and go completely RIA?

JOHN LAWTON

Bill, it was a decision that evolved over time. We always have run our broker-dealer and our RIA as two separate businesses. Both of these businesses were owned by our holding company. But the decision to drop the broker-dealer had really become very clear as the regulatory environment really has changed the way that regulators view brokers and their interrelationship with the investment advisors over the last decade. We've always led with service to our clients, and owning the broker relationship was extremely important from a service perspective. With all that being said, the RIA custodians have really become very efficient and extremely transparent with their service model, which really helped us in our decision to move away from the broker-dealer service model and focus all of our efforts on being a fiduciary for our clients.

BILL COPPEL

As you think about the path you followed to make the decision to move to an RIA from your previous business model, which you just described, sort of that hybrid broker-dealer/RIA, what would you encourage advisors to think about who are facing or perhaps at a similar crossroads in their own careers?

JOHN LAWTON

Bill, just like we have talked about through this whole interview, it's extremely important to understand the needs of your client base and really what your clients want from you as an advisor. We knew that our clients wanted first-class financial planning, along with best-in-class investment management and fiduciary advice, and then you wrap in some of these outside services. The other thing that is so important is, is that making sure that you are able to develop just a great technology stack that really fits with your firm. When you run a multi custodial platform like BLBB does, you must have your tech systems talk to one another, and you must have the internal resources to be able to manage all these systems working together.

BILL COPPEL

John, I love your passion, and the story you've told us today about how you've gotten to where you are is compelling. It's almost as though you approach the role as a calling as opposed to work. So let me ask you this question. If you weren't a financial advisor today, John, what would you be doing?

JOHN LAWTON

I don't know. I mean, Bill, that's a really interesting question. I could have easily stayed in the military and made it a 30-year career. I really love the military, but I

really wanted to get back to the Philadelphia area with my family and friends, and I really wanted to pursue a civilian career. Interestingly enough, my roommate for three years and my best friend from the military is now a two-star general and probably is going to have the opportunity to be a top engineer in the Army. When I arrived back in Philadelphia, I started using my college degree as a civil engineer to work at a traffic engineering firm. I spent a year or so doing this, and then I transitioned into the financial services business. I really think I was destined to be a financial advisor. So I really cannot see doing anything at this point, anything other than that at this point. When you add in the fact that I'm one of the trustees for the BLBB Charitable Foundation and I focus on giving away over a million dollars a year to deserving charities, I mean, it becomes the absolute perfect fit for me.

BILL COPPEL

I believe you. I believe you, my friend. You know, leading authentically requires emotional intelligence, empathy and the ability to walk in someone else's shoes. And you've shared that with us. And what's interesting, John, is that you've built your entire leadership persona around that. And the payoff has been extraordinary for you as I read it and your firm, because it relates back to helping clients achieve what matters in life. You know, as we wrap up our conversation today, what kind of advice would you share with our listeners about how to transform perhaps how they're running their business today to embrace this approach?

JOHN LAWTON

Bill, it really all comes back to being able to show gratitude to others and truly caring for people. It's very easy to say but sometimes extremely hard to spend the necessary time that you need to actually accomplish this. I've been very fortunate in life because I've been able to develop meaningful relationships with so many people. And I feel that if you can surround yourself with intelligent, caring people that do not have all the same unique abilities but have a common purpose, you can really do amazing things. When I joined BLBB in 1996, there were so many core values that were already instilled in BLBB. The job of the second generation of owners was to take those core values and build processes to expand and grow the business and develop operational efficiencies. Bill, in my opinion, we have certainly done many of those things. The real question is, what happens when the business transitions to the next generation? My business partners and I spend a tremendous amount of time developing and executing on a specific strategic vision, and we all very much like mentoring the next generation of leaders. Of course, this is very time consuming but extremely enjoyable, I mean especially for me.

BILL COPPEL

Well, it seems like you're on the right path. You're beginning to build a stable of folks to follow in your footsteps, even though you're still-- I would say all your partners are quite young. And it's a wonderful story. John, I can't thank you enough for spending time with us today and sharing the BBLB story that's an incredible story. A firm started with your dad and a very close friend of his that has survived all this time, which is quite unusual as you mentioned. So many firms you've seen - we've all seen - go out of business over time. But building this business around this compassion you have for people and leading with what I think are the most important things of all, which is that notion of authenticity, emotional intelligence, and empathy, has surely left its mark on BLBB. John, thanks so much for joining us today. We look forward to your success in the future.

JOHN LAWTON

Bill, thanks so much for your time. It really was enjoyable and just an honor to be with you today.

BILL COPPEL

For listeners interested in learning more about John 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

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#### Outro

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