

# Hiring 1099 Advisors to Scale for Growth at a Virtual Firm

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Full Episode Transcript

With Your Host

Maddy Roche

XYPN Radio With Maddy Roche

**Maddy Roche:** Hello and welcome to XYPN Radio. My name is Maddy Roche, your host, and I am excited to have Jamie Lima, an XYPN member and founder of Woodson Management on the show with me today. Like many of our advisors in the community, Jamie cut his teeth at the big wirehouses and broker dealers before he started his own firm. Sick of the transactional nature of managing upwards of 450 households, he knew that he could grow a business that would allow him to know more about his clients and to provide more value. So in 2020, smack dab in the middle of COVID pandemic, Jamie founded Woodson. Today, you'll hear about how Jamie's initial marketing momentum came from posting a profile on Thumbtack, not from the multiple marketing agencies he employed in his first year. Jamie describes why and when he initially decided to hire his full time operations manager as a W2 employee and why and how he hires his 1099 advisors to scale his firm. Jamie's advice is crucial for anyone considering launching their own firm.

So listeners get out that pen and paper. Here's my interview with Jamie Lima. Hello Jamie, welcome to XYPN Radio. It is so nice to have you on.

**Jamie Lima:** It's great to be here, Maddy. Thanks for having me.

**Maddy Roche:** Yeah, you are a first timer to XYPN Radio, but I know that you've had a long history with us and you have a lot to share with our listeners from how you launched to your "why" and I'm excited to dive in. So Jamie, would you be OK introducing yourself just a high level, who you serve and what your firm is?

**Jamie Lima:** Yeah, absolutely. Again, thanks for having me. So I run a registered investment advisory firm called Woodson Wealth Management. We are located just outside of San Diego in a little tiny town called Ramona, CA. And I launched four years ago now, we were I know we were talking about this in the lead up to our call here, right smack dab in the throes of the pandemic.

My timing was impeccable launching this company but prior to Woodson Wealth Management, I'd been a financial planner for almost 20 years now. I cut my teeth in this industry at a company called Morgan Stanley back in 2005-2006 or so, and then I was there for about five years and I left went to Fidelity Investments where I worked there for about nine years. Aside from a couple of years stint where I actually went off and coached, financial advisors for the firm. I'd been all on the financial planning side. So creeping up on 20 years now and it's been an interesting ride so far for sure.

**Maddy Roche:** For sure. Congratulations on a great career. So what made you pivot into the fee only financial planning space?

**Jamie Lima:** In the big name firms as many of our listeners know, they either hand you a book of business or you have to build one from scratch, and really to make it in that world. I mean you have to have 400. I had 450 clients that I was working with when I decided to part ways with Fidelity. I mean don't get me wrong the pay was really nice and it was nice to be able to say hey I'm responsible for about \$1.2 billion dollars in assets across those 450 households. But I never really felt like I knew any of those people like never mind you know what Maddy does for work what her goals and objectives are I can never remember your loved one's names and were we going to put the kids through college, or are we not going to put the kids through college, where do they want to retire to?

You just can never wrap your arms around that type of stuff when you're managing that many relationships. So it's very surface level. It's a very transactional. And you reach a point in your career where you have to ask yourself, do I want to continue to do this for the remainder of it?

And I decided in 2019 or so that I was going to start thinking about going in a different direction and I pulled the trigger on that and in early 2020.

**Maddy Roche:** Wow. I'm curious, when you were serving 450 households at Fidelity, were the clients craving more from you, or was the drive much more on your end of wanting to know more about the client?

**Jamie Lima:** Probably a little bit of both. there were some times when I felt that you work with a client for two, three, five years whatever the number is and you feel like you have a good relationship with them. And the next thing There's an outgoing aid catch request because they've decided that they're going to go off and go to a different firm and get real financial planning which we were not giving them.

So so I think there was a little bit of that happened a little bit but for myself I just knew that I personally wanted to do something different. Work with a much smaller group of people and it really gets to know them, like the people, that work with now, they're all people that I want to go out and have a beer with.

You can't do that with the 450 people that, 450 households that you're working with. It just, doesn't work out.

**Maddy Roche:** Yeah, absolutely. So who do you focus on, in terms of clients?

**Jamie Lima:** Typically the 30 to 50 year old, I call them the mid career professionals and the emerging millionaires, so to speak, the people that are out there that are not quite a millionaire yet. And, but they have aspirations of being such and with a little bit of hope, help from us and support, we can hopefully one day get them there.

So very different demographic than what I was working with in the past as well. And that's, that gets me fired up. It's the people that we work with are in many ways just like a lot of our peers that are doing the same thing. We're working with people that would be overlooked by some of these other firms because they don't have a million dollars in the brokerage account, and it's just a shame that's the treatment that they get.

But I understand it. I understand the economy, economics and how these businesses work but I just wanted to do something completely different and working with a much younger demographic allows me I think to help them in areas of their life that are often overlooked things like college planning and estate planning making sure they have the right insurance coverages in place and so on. Those are all things that are easy to forget about especially when you know You're 30 something in the middle of working on your career and you have a couple kids and things are getting a little more complex and you're busy I think those things can be ignored but we're here to take some of that work off of their plate and the and help them with it.

**Maddy Roche:** It's so amazing that for so long this industry has said retirement is the only time people need financial planning. what about the other 65 years people are using and earning and creating wealth for themselves?

**Jamie Lima:** Absolutely

**Maddy Roche:** So Jamie, just give the listeners a little perspective. you're going on almost four years?

So how many clients what's your book?

**Jamie Lima:** So we're officially four years old. I have 65 clients myself and I added a couple advisors to the team over the course of the last year and a half, almost two years now.

So total across the team, I think we're at about 130, 140 households across the team.

**Maddy Roche:** Great, really impressive growth over the past four years. So I'll want to dive into what has worked, what challenges you face, but let's start with the first challenge that you may have run into, which is starting during COVID, paint that picture for the listeners.

**Jamie Lima:** When you're starting a firm with zero clients, zero revenue, zero anything. And we were in the first inning of COVID at that point. If we all remember, April was really when things started to rear their heads in 2020. You're absolutely right it's been a challenge, and I think just trying to stay focused on who I want to serve and how I want to serve them, is really what has given us this early success. You're never gonna hear me say that we're super successful because I always feel like we can do so much better and serve so many people and that's just how I feel about things. But for us to have the level of success that we've had today we've had to stay true to the values right and really stay focused on the people that we want to serve and not try to go outside of that because it's easy and Michael Kitces says this all the time. It's easy when you're starting a firm, you just try to appease everyone and try anybody that has a pulse and is willing to pay you. That may have happened a few times. We really tried to stay focused, laser focused on who we want to serve. And I think that helped because it might've been a little bit slower going and we may not have grown as fast as some other firms that are out there, but we are serving the clientele that we really want to focus on.

And we've stayed true to that. I think that's been a huge driver of our success.

**Maddy Roche:** Has your fee structure evolved at all over the past four years for these specific types of clients?

**Jamie Lima:** We've been able to increase the fee, which is nice.

**Maddy Roche:** Great!

**Jamie Lima:** We've been able to increase the fee. I think I've increased the fee three times and I personally work with about 60 to 65 households, somewhere in that range. That's where I've settled off at and my minimum is \$5,000 a year. So that's my minimum.

When I first launched it was \$2500.

**Maddy Roche:** OK listeners, listen up.

**Jamie Lima:** Yeah, that's been nice but one thing that we have done which is maybe a little bit different than some other firms out there is we do have a basically a subscription based service, right?

And so it's four hundred dollars a month for as long as you want to work with us That's a year, or two, or five. That's whatever works for the client And we don't have to handle it we don't have to manage the investments. We don't have to do any investment management We'll just build the plan, maintain it for them make adjustments help them through estate planning insurance needs all the stuff, that's what we do.

And so it's basically advice only for \$400 a month. And we've had some people that have really gravitated to that because not everybody wants to have people manage their portfolio and with all the technology that's out there and access to your brokerage account on your cell phone. In many cases

there's really not a need for it. So that's really the only thing that we added that might be a little bit different but so many people are out there doing subscription based stuff now too. It's not really new anymore.

**Maddy Roche:** Could you talk a bit more about that choice to not actively manage investments or go after that, that fee structure and fee model? Was that something you always knew that you would avoid as you started your own firm?

**Jamie Lima:** We do manage some client portfolios we so we have about 25 million in AUM right now across all the households for me a good majority of the clients that I work with we do manage the portfolios but for the other advisors, they really just enjoy the advice only approach and process I feel like you need to have some level of asset management if you're gonna work with a much smaller crowd of people because the economics of it doesn't add up. And I would need to work with a much larger crowd of people if I was just doing the financial planning only. So the AUM is a big driver of revenue for sure. For me I think it's an and strategy not an or strategy we do investment management and financial planning not just one or the other.

**Maddy Roche:** Love that. You mentioned that 65 clients is your sweet spot. Was that, tell me about what 65 represents for you and why that's capacity.

**Jamie Lima:** Being the firm owner and all the other responsibilities that go along with it I feel like that puts me in a position where I can give everybody the attention they deserve because I do doing quarterly calls with folks and if you do you have a quarterly call with 120 or 200 people it's gonna be almost impossible to keep up with that maintain that and then getting myself to a \$5,000 minimum per client It puts me in a position where financially it makes sense, right?

So we can cover our costs I can pay myself a wage I don't have to go without a paycheck like I did in 2020, which was a challenging year. But I think the mathematics for me lined up somewhere in that 60 to 65 household range. Now if I didn't have responsibilities of compliance and bookkeeping and payroll and all the other stuff that we have to do as business owners. I could probably get to a hundred I think somewhere in that range would be ideal. Having the other responsibilities that I do it doesn't make any sense

**Maddy Roche:** I'm curious about your choice around quarterly calls. I understand with the subscription model, a lot of advisors are looking for ways to show value, demonstrate value and meeting with clients is massively valuable for them, but quarterly is more than I typically hear in terms of a scalable practice. So what prompts you to do quarterly and why do you know that's the right decision for the firm?

**Jamie Lima:** It's been something that i've been doing my the entirety of my career I feel like if you go too much longer than quarterly it's easy to lose momentum if you do have action items that need to be completed people can be lulled to sleep and almost forget that you even exist if you're not helping them move the ball forward and you're not in front of them, that many times throughout the course of the year.

So I feel like the quarterly call for me, it's manageable. It holds me accountable as their advisor to make sure that they're doing what they're supposed to be doing. it doesn't happen often but we want to make sure that there are no changes that we need to make to the plan or did they get a new job?

Did something happen in their lives that we need to talk it through. We do follow the, I don't know how many listeners out there have seen this, you guys provided me when we launched a firm with an annual calendar and it talks about every month, here are the things that you should be doing or thinking about, relative to the financial plan.



And we actually took that, recreated it and put it on the website because I think it's amazing. And we follow that workflow for all of our clients that are in year two and beyond with us. We start that work, we created the workflow based on that calendar. And start at every January 1 for every client that we have on at the firm. So as the year goes by, we're constantly being reminded too of the next thing that we need to be doing for that client And I feel like that puts us in a position where we have all these touch points throughout the course of the year. And it's a way for us to continue to drive ongoing value to the client and it keeps us, it again holds us accountable to doing that for them because they're hiring us to in many ways keep them on track and if we're not keeping ourselves on track by having some systematic cadence to the relationship I think we're not really pulling our own weight and doing our job.

**Maddy Roche:** Definitely. I absolutely agree. So where did the first 10 to 15 clients of yours come from back in 2020?

**Jamie Lima:** We tried everything that year. We tried Facebook ads We you know use Snappy Kraken to create a newsletter list I went back to some of my old clients that I worked with at former firms and people that I thought were going to join us, and just try to really get in front of them and engage them.

But we, and we tried SmartAsset, we charged Scout Advisor, everything. And I burned a lot of money that year trying to figure out what was going to work for us.

And I think it was a combination of things I actually stumbled upon a website called Thumbtack.

I don't know if anybody you've heard of this or not but it's like an Angie's List And you can get yourself you can find yourself a drywaller you can find yourself a plumber and you can also find a financial planner on Thumbtack

**Maddy Roche:** No way!

**Jamie Lima:** Yeah, and so I set up a profile on there and I tried to set up my Use what marketing skills I do have to create a nice robust profile the whole thing And we probably got 20 clients off of that

**Maddy Roche:** No way!



**Jamie Lima:** So in the first 20 clients at least 15 came from Thumbtack. Now there's going to be all this competition on Thumbtack for me now It's going to go it's going to my whole marketing plan is going to go bust!

**Maddy Roche:** Jamie, I will tell you, I talk to advisors all day. I've never once heard Thumbtack as a marketing tool.

**Jamie Lima:** I could have bought a Tesla with the amount of money that I spent on marketing gurus and gimmicks that went nowhere. It was a gigantic waste of money for me. And you can get a lead off a phone tag for 75 bucks.

**Maddy Roche:** Wow. Talk to us a bit more about the I don't want to frame them as mistakes, but if you could have bought a Tesla with the amount of money you invested in marketing early on, what wasn't working? What, do you see in hindsight as not having worked?

**Jamie Lima:** I think there's a lot of noise out there relative to the world we live in. There's a lot of noise You have CNBC and their talking heads on TV all day long and then you have every you know there's financial advisors out there with their steak dinners and selling annuities and all sort of stuff And if you're trying to compete in this space, you have to try to differentiate, yourself or find another, a place to go where not a lot of the other financial advisors are hanging out, right?

If you use these, SmartAssets of the world, Scout Advisors of the world and so on, even though they give you the lead, you pay for that lead because, and somebody fills out a form online and tells them that they want you to call them. You're competing with three other advisors in that moment anyway, right? So it's very challenging so you I think you have to find areas where and find opportunities where other advisors are just not hanging out, right? You and I talked about this leading up to the conversation today. I tried Facebook ads thousands of dollars on Facebook ads. Tweaking things and hiring people to help me with it and so on and it went nowhere because it just falls, it's just in too much noise out there too much noise.

**Maddy Roche:** Yeah, and as I think about your ideal clientele, they don't strike me as people that are going to be clicking on Facebook ads, but they do strike me as a group that may be looking for someone to drywall for them on Thumbtack. Do you think that has something to do with it?

**Jamie Lima:** It might have Plus, you can set your demographics to either be, in your own backyard, or you can get opportunities all over the country. And being

100 percent virtual at this point, I think I've only met two clients face to face in the last four years.

It's 100 virtual so we have clients all over the country and I figured why not might as well just open myself up to everybody. And it just worked. Al Faber who is one of the advisors on my team, he set up his profile, that guy gets probably five, five leads a day. I don't know if it's because he's just a gorgeous looking dude or what but I don't know like he and his amazing personality and his profile or whatever it is, but he gets probably five a day.

**Maddy Roche:** From Thumbtack? Holy cow. Absolutely fascinating. So how soon after you launched did you initiate Thumbtack? And I'm, asking assuming Thumbtack is your main generation of leads, is that right?

**Jamie Lima:** I turned mine off at this point. I turned my profile off. Yeah now that I'm basically full. I'm just there's no reason to spend that money and now i'm getting referrals and you know with the divorce financial planning work that i'm doing I'm getting a lot of opportunities there as well but I think I set that profile up when I was waiting to get registered or waiting for the registration process to happen. And I was trying to be proactive and figure out what am I going to do to get my name out there?

And I just happened to stumble upon it. And while we were waiting four months for the state of California to approve us and get us up and running, have an awful lot of time on your hands.

**Maddy Roche:** Sure do.

**Jamie Lima:** I set that all up and as soon as I was able I fired up the engine and it just worked.

It just worked.

**Maddy Roche:** Yeah, I love that. I've always been fascinated by kind of the gig economy and some of these websites that do help you find people that you typically wouldn't find just through a Google search. I think for our listeners, what other Thumbtack type options are out there that you can lean into to tap into that ideal market?

Jamie, I'd like to pivot to the team you built because you have built a pretty impressive team over four years. Could you walk us through how many advisors are on your team and where the momentum around hiring began?

**Jamie Lima:** Yeah the first two advisors that came to join me it was, they effectively just landed in my lap. And I had a couple advisors that reached out to me that were looking for opportunity. They're the type of people that would set up their own shop if it weren't for all the back office stuff that we have to deal with because there's a lot and it's not cheap to start an RIA.

It is not cheap and Drew joined me a couple years back and then I had a gentleman named Jim who joined and I was just trying to figure it all out. Okay, what does this really look like if we add advisors to the team, how are we going to make this work? So we've just done a simple revenue share with them.

So anywhere between 60 and 80 percent of revenue share. Depending on production, mainly so we can cover our costs because there are some costs that we have to cover for technology and so on throughout the course of the month. But they are 1099 independent contractors of the firm. They're their own independent, so they can work as little or as much as they like, and it provides them a ton of flexibility.

So we had one gentleman left due to health reasons and another left because they wanted to go back to a full time gig and with the benefit of a salary, which is totally understandable. So it's myself and three other advisors right now, along with Sierra, who's our operations manager. So very, still a very small team, and we're improving as we go.

The advisor onboarding process as we have it locked and loaded now, we're really dialed in on that. So it's a nice smooth experience. We can have somebody on board and ready to go taking on clients within a week.

**Maddy Roche:** Wow.

**Jamie Lima:** Yeah we created a whole standard operating procedures manual and the whole thing just to make sure we have it all dialed in and it's worked.

It's worked. It's been a lot of work and we've made some mistakes along the way, but It's been a good experience.

**Maddy Roche:** Congratulations. I love that approach and I'm interested around the choice for 1099 with advisors versus W2. Could you talk a bit about that?

**Jamie Lima:** Mainly, it's because I wanted to make sure that they had total flexibility in how they managed their business, and they had an equity stake in their book of business. If somebody wants to build a practice, but they don't

want to have to deal with anything about waking up every day flipping on their laptop and taking care of their clients, we've got the platform to do it and that's what I wanted ultimately.

I want Al to wake up every day Fire up his laptop be laser focused on taking care of his clients and then go and enjoy the rest of his life. I want him to be able to travel and spend time with the kids and go take you know little Susie to the zoo on tuesday at two o'clock if you want to. I didn't want the it's, an eight to five gig and here's the thing and we own the clients.

We didn't want to do that. My feeling is if you treat people the right way, they're not going to want to leave anyway and everybody's going to benefit. But I also wanted to give the advisors an opportunity where if a couple years down the road they had 30, 40, 50 clients or whatever and they felt like Okay, now's my time , I have enough income coming in where I can go off and do this. I'll be able to land on my feet I want them to have the opportunity to do that as well. So it's one of those things where it's like it can help them if they decide they want to branch off and go their own way, it's a clean break 100 equity ownership in their book.

We're not there's no solicitation agreements. We're not doing any of that stuff it's just carry on but if they want to stay then we all benefit.

**Maddy Roche:** Wow. I just love the abundance mentality that you're exuding here. To be so confident in both the advisors that you've chosen to be on the team, but I'm not sensing a level of protection around the brand or something like that, that could inhibit you from really extending a fabulous opportunity to an advisor.

**Jamie Lima:** Yeah, I when I left Fidelity

Maddy, by the time I walked there handed my resignation letter in and I was able to drive home I think the UPS truck was in my front yard dropping off the cease and desist letter make sure that we will remind you of the employment agreement you signed. They didn't waste any time of reminding me that those were their clients and you had no right even talking to them.

Which is totally unfair because it should be the client's choice in who they work with but they're so protective and I never want anybody to, anybody that I work with, ever to feel that way about me or had that experience with us forget it

**Maddy Roche:** Yeah, the world of non-competes and non-solicits seems rampant in this industry. And it really prohibits advisors from being able to start with the momentum they need. But I think you're a really great example of how you can do it without, violating your non-compete.

Because it doesn't sound like any of your initial clients were the people you served at Fidelity.

**Jamie Lima:** No and when I look back, I spent some time after I left making a list of people that I thought would be good potential people to work with moving forward. And you reach out to them, and I went through all the right proper channels. You know go through the White Pages and do it the old fashioned way and I found the information you call and just let them know, hey want you to know I left. Here's what I'm doing give them the whole spiel and then if they choose to work with you great If not, not a big deal. And I did that I probably was able to come up with a hundred names, somewhere in that range of people that I over the years I thought would come, only one client followed me.

**Maddy Roche:** Wow.

**Jamie Lima:** And if I pull that list out again today, Maddy I would say it was a blessing in disguise because if I look through that list now I'd recognize that they are not my ideal client, they're not the people that you want to work with for the long haul. And some of them are just they just weren't really engaged in the financial planning process either, and I can't be more fired up or excited about your finances than you are so why would I want to work with them anyway?

And so if I pulled that list out, I bet that would probably be the feeling. Just knowing some of the people that are on that list. And it just worked out. I'm glad, that it worked out the way it did. It was not easy. I'm not saying it's not, it was not easy.

But, I think I dodged the bullet.

**Maddy Roche:** Yeah, it's so good for our listeners to hear this though, because we do hear a lot on this podcast and just generally with XYPN members of folks wanting to build their book off of who they were serving prior to this. And what a beautiful opportunity to reinvent yourself and, redefine who you want to work with.

And with that breath of fresh air that can come with launching your own firm and having that autonomy, you can decide that those actually aren't your ideal clients and the relationships that you had once aren't the ones that you want to continue with. So the advisors are 1099. The operations and support staff that you have on your team, are they W2?

**Jamie Lima:** It's just myself and Sierra, are W2.

**Maddy Roche:** Okay. Talk to me a bit about your choice to employ Sierra as a W2 employee versus 1099.

**Jamie Lima:** Best decision I ever made and my words of advice in that area for anybody that's considering hiring, making their first hire, is to hire early. Before you even think that you're going to need to hire somebody if you're to the point where you need help and then you're scrambling to hire somebody there's a high probability

you're gonna you know make a hasty decision and it may not work out in your favor. How I found Sierra, she she was working for an outfit. It was just a temporary virtual assistant type of organization and what they did was they actually hired spouses of first responders in the military. So I thought, hey that's an awesome way to give back, right? If their spouse is on deployment for six months or something, and the stay at home spouse has to put the kids on the school bus in the morning and take them off in the afternoon and do those, it's a great way to earn some extra money.

And I would love to support that type of organization. And some way, somehow we were matched. And after a few months of working with her under that agreement, decided to hire her full time. She's actually was a part time position, at that time for the firm. And I never looked back.

, She went from basically helping open up an account to doing transfers and that type of thing, and organizing our CRM and administrative tiki taki tasks. And she's effectively our Operations Manager at this stage of the game. She helped with the SOP manual. She's built out the advisor platform with me, done all of it.

, I couldn't have done it without her for sure. Being able to take off some of the administrative tasks that pile up every week, being able to offload that to her. And I never even have to think about it. She just does it and we move on. And one of the best parts about her and her experience is that she never had any financial services experience until she started working with us. She might've



spent six months or something in college, answering phones for State Farm or something but never actually had financial services industry experience. We're running a financial planning firm. And the beauty of that is that she never had any preconceived notions about how stuff is supposed to be done. And I just said, okay hey, we have to do this thing. What do you think the best way of doing it is? And then she'd come back later in the day and go, Okay it's done and this is how I did it. It wasn't, me telling her how I did it at Fidelity or we did it at Morgan Stanley. She was able to figure out as we went and it customized whatever that task was and be able to do it for our firm the way that it would be most effective and efficient for us.

It was awesome It's been an awesome experience for sure.

**Maddy Roche:** That's so great to hear and I commend you for choosing someone that doesn't come with the traditional experience. There are so many advisors, they're really locked in on this idea that they have to come to the table with experience, whether it be an advisor position or an operations position.

And I really have always encouraged them to look for the generalist, look for the people that come with just the best attitude and the best interest and, a level of, passion towards the experience versus the actual deliverable or something like that but I'm interested in, you encouraged folks just a few minutes ago to not hire when you're on fire, but tell me what was prompting you to hire Sierra when you did.

**Jamie Lima:** I felt like we were starting to get some momentum and I was probably at 25, maybe 30 households at that point And I was seeing myself start to spend more time every week on the administrative tasks which was then taking away from my ability to properly plan for meetings and make sure the plans were built and I like to prep, you know on Mondays for my meetings so I don't have to think about it and I don't have to scramble and I feel like I have everything dialed and i'm ready to go for all my meetings Tuesday, Wednesday, Thursday And it was the other things that the other stuff that I was having to deal with were getting in the way of me being able to do that, which is our highest and best use right? So instead of me putting names into from our newsletter list coming on snap from Snappy Kraken and into the CRM and starting our prospect engagement workflow, I could offload things like that to her. And they weren't very complicated tasks, but they were getting in the way And I felt like if I really wanted if I wanted to go from 30 households to 60 where I am today I was going to have to free up some time And it was one of the one of the few times I was able to prognosticate correctly how this was



going to go, and I think again doing this It was definitely sooner than I would have wanted from a financial perspective,

but it paid for itself you know, within just a few months, for sure.

**Maddy Roche:** Great. The choice to become an employer versus someone who works with contractors like 1099s and your advisors is a totally additional level of identity and time responsibility. And it changes how you allocate time and your priorities. And you're no longer just a business owner, which in and of itself is a huge undertaking.

You're actually becoming an employer where you're responsible now for the development of, the income of someone, how did you balance that?

**Jamie Lima:** I'm not sure I have. I'm only kidding. I don't know. For me, it wasn't, I don't think it was that scary of a step for me. It just, it felt like it was the natural progression for the business. And I was either going to be a solo guy doing my own thing and just ride off into the sunset, but I feel like we I have a lot to give and I mean I love coaching and training people.

I love working with people I love our colleagues and helping them, you know in their lives I just love that and I knew that I was never, I don't think I was ever gonna be ultimately be a solo person and that's where I had to start but I knew eventually I would bring team members on in some form or fashion.

I don't know. I it just seemed like a natural progression for me.

**Maddy Roche:** I've heard some feelings from California advisors that employing someone is logistically difficult. How do you navigate that with insurance and benefits and things like that?

**Jamie Lima:** She lives in Georgia She's located in Georgia and actually the we have been working together for two years and the first time we had met face to face was at XYPN Live last year.

**Maddy Roche:** Wow.

**Jamie Lima:** Yeah, because she's she lives just north of Atlanta. So that was an awesome experience we have workers comp, we have you know, we obviously payroll taxes and things of that nature, but the state of California makes it difficult in a lot of other areas. Dealing with state regulators and minimum financial requirements and all the other stuff that you have to deal with. That's

the type of stuff that keeps me up at night. I don't worry too much about the employment aspect of it. We pay her a fair wage. She makes it, she makes a great wage for the amount of time that she works and the needs that we have. So we don't have to worry about minimum wage requirements, things of that nature.

I don't feel a lot of pressure from the state of California on the employment side. It's more on the compliance side for me.

**Maddy Roche:** Yeah, absolutely. What are your plans in terms of team growth over the next few years? Are we making a call to advisors who are sitting in their car right now listening to come join your team or what's the long term plan?

**Jamie Lima:** We're just going to let it happen organically, to be honest. I ran some ads last year on Indeed and we did some free LinkedIn ads and tried to get some, some, folks to join us last year. Had a lot of great conversations. We probably had I think we went for 180 applicants somewhere in that range. We had a great turnout as far as people interested in it. What I found was when you start getting into the details of hey, Maddy how do you feel about building your own book? There's going to be some business development that's involved here. We're going to support you some in that respect as well, we're going to provide leads and so on but you still have to go out and do the work There's not a lot of people that want to go out there and do that, right?

There's a lot of what I found was a lot of people are OK getting a hundred thousand dollar checks base salary health benefits and all your other stuff and not really owning their clients because they have the safety and security of the financial aspects if we found somebody again more people that were interested in maybe starting their own firm and going off on their own, paving their own path and recognize that there are going to be some financial commitments to building a practice. It's gonna take some time, but they don't want to do it alone.

Those are the types of people that we want to be talking to because we can help them all day long. Al, the advisor on my team, I've known him for almost 20 years as well. He was my Operations Manager and Complex Manager when I was at Morgan Stanley back in '05 and he came and joined me in the team here.

And he's been helping with some recruiting efforts and things of that nature. And he also worked on the, advisor, onboarding process. And we can coach people, we can help them with business development stuff. We can do all that stuff, but we can't do it for them.

So we need, if people are interested in looking at this opportunity it has to be some skin in the game as well, right? They have to be willing to do some work and drum up some business and so on, because you can't have it all. You can't have the ability to work 20 hours a week with a hundred thousand dollar a year paycheck just doesn't work that way that so that's the challenge.

So going back to your question we're gonna see how it all unfolds and go from there. But we're going to try to do a little more organically and not try to put so much pressure on trying to find somebody.

**Maddy Roche:** What is the engagement and relationship contingent on if they're 1099s, is there performance as a 1099, you're not managing them. You can't really give them feedback. So how do you create consistency and delivery so that the brand's protected and what conversations, if any are you having with the advisors that you're going to take on about what it means to be a Woodson Advisor?

**Jamie Lima:** I mean we they have to abide by all the compliance rules that we have in place, right? And in their IC agreement that they signed for us, you know we make sure we protect ourselves from a trade secret perspective and so on but you're right we can't be we can't be too prescriptive and then treating them like employees because they're not but we also have to be prescriptive enough where they recognize that there is a process that we employ. This is how you would, you know, should onboard a client.

This is what the account transfer process looks like all the processes we already have baked in place, we'd like for them to follow them because it just makes everybody's life so much easier. And that was the one that was probably one of the areas of weakness for us at the outset was not being so prescriptive It was more, just come and go as you please.

And, just do what you like. And so it just, it's kumbaya. That's nice, and that feels good but it can set you up for compliance issues. And if you're not following the right process, if you're not, we use Smartria along with your, XY compliance to help manage compliance.

You have to do your quarterly, upload your quarterly statements so we can make sure there's no front running and you have to have your emails archived and you have to do all this other stuff.

That was an area we dropped the ball a little bit onboarding these advisors And we'll be a little bit more prescriptive when it comes to how they do that business

and make sure just to make sure we're covering ourselves from a compliance perspective.

**Maddy Roche:** Love that. What advice do you have for someone who's maybe sitting in your position with a great tenure at a place like Fidelity or Morgan Stanley and they're considering going out on their own.

**Jamie Lima:** I would say two things the first is you need to give yourself three years runway to be able to do this three years is a good healthy number and thankfully, we had some savings and we had the luxury of being able to do that. It was not easy that first year telling my wife that I'm not going to get a paycheck When I was getting a nice healthy paycheck from a broker dealer every other week that was very difficult So I think you need to make sure you give yourself enough runway Make sure you have enough savings to get bridge your way through the first three years. The second thing is you don't have to say yes to everyone.

You don't have to say yes to everyone. I felt like especially in that first, you know for me, it was about four months between when I decided we're doing this and basically started working with you guys to help us register to when we were actually registered. A lot of downtime, right?

Especially when you're used to working 40, 50, 60 hours a week and you're, spinning your wheels in your work life. And then you go to doing that, to doing nothing. That was challenging for me. And so I started to explore some things. I'm like, ah, this marketing thing or that marketing thing, or do I need Morningstar?

Do I need this particular piece of software? And I started to look at, let me, we'll try this and see if it works. We'll try that and see if it works. And a lot of it was just wasted time spending money, right and it seemed like in that those first few months everybody had their hand out there was a new marketing guru that could help you get new clients, right?

There's a lead generation company out there I've already named a couple of them. They all just have their hands in your pocket and It's an easy way to spend some of that three year money quickly that you don't need to spend. That you don't need to spend. So I think you just got to be very careful about who's putting their hand in your pocket You And who's asking for your credit card number?

**Maddy Roche:** Really good advice, Jamie. Thank you. Like many of our advisors that we have on XY Radio and within the XYPN community, you live a really full life and the business is only one part of it. And so I'd love for you to spend the last few minutes of our interview talking a bit about what running your own firm has allowed you to do personally that you wouldn't have ever been able to dream of had you stayed at Fidelity.

**Jamie Lima:** I think it opened myself up to the opportunity to do some other things, right? And the first is I launched another company, a sister company to Woodson Wealth Management called Allegiant Divorce Solutions last summer. And that's where we've been doing a lot of our divorce financial planning work.

I'm a CDFA®, so I have a passion for this type of work and should have done it 10 years ago, but I hindsight is 20/20. But I love this type of work, it's very fulfilling. It's a little bit stressful, but it's very fulfilling. And it allowed me the opportunity to be able to do that. Which would not be an opportunity that I would have working full time for a wirehouse.

I wanted to do this work 10 years ago after I got my CFP® designation. I was still in the frame of mind of continuing to, I was already in study mode so to speak and I thought this would be a great designation. I could help a lot of people let me see if they'll you know support me in doing that and they did not support me in doing that And it was more of okay kid go back to your office and go make some more phone calls.

**Maddy Roche:** Mm.

**Jamie Lima:** That was the response I got. So once the firm was in a position where I felt I could take a little bit of time and dedicate myself to that designation,

I did it. And it's been great, we work with people in similar fashion all over the country and in a lot of different states now, which is awesome. It's also put me in a position where starting next year, maybe sooner, my wife and I are going to RV the country for a year to two and get ourselves out of California and maybe find a different place where we can, we can settle down for the remaining years of our lives. We're not old by any stretch. I don't think I feel old some days, but we're not there yet. But, we'll potentially settle down somewhere else outside of California. We've both been in California for almost 30 years 25 for me and almost 30 for her, and we've never really seen other parts of the country.

We've never been to Bozeman, beautiful Bozeman. We've never been there. So we're going to see you guys and with the work that we do, because it is all virtual. There's no reason why I can't do it. So we might as well take advantage of it now while we can. And I could not do that if I was working in an office every day, Monday through Friday for another firm.

It's given me some, pretty cool experiences for sure.

**Maddy Roche:** Yeah, absolutely. Before we wrap up, I would love to ask you about your divorce planning work, and why it's a separate business and how you manage that and where you see it going for you long term.

**Jamie Lima:** I set up as a separate business mainly for, I was a little concerned about the compliance of it. Secondly, I was concerned about the fact that some of our records can be subpoenaed for Court, and I really didn't want that information being to client contact management information being mixed in with Woodson Wealth Management client information and then having all that information subject to subpoena if something, if they were to come to that so by creating a separate company totally separate firm, separate outfit,

it allows me to make sure we keep you know, there is a there's a veil so to speak between the two. Where I see it going forward, I have added another I added another CDFA® as an advisor on the team similar setup to what we did with Woodson in a revenue share fashion and I see us being a team of maybe three to five CDFA® with a couple support people just helping people navigate the financial nuances of divorce. What I've found so far is that this is also a good source of ongoing opportunity for Woodson. Because when the divorce is settled and the case is closed, people need help. People need help. And not to be sexist, but 99 percent of the people that we work with are women. Who are mainly stay at home moms who haven't have never mind balancing the checkbook. They've never looked at investment account statements.

They don't understand the 401k plan They don't understand their husband had stock options and now they're trying to navigate all that stuff. It's a natural transition to continue to work with us after we've already been working with them for 6 to 12 months on their divorce case. And they know we're there to help and we add value to naturally transition over to Woodson and let us help them moving forward, you know for traditional retirement planning and wealth management needs. So I think it's going to be you know, if we can get the engine running, we're doing a pretty good job so far we have about 20 cases we're working on right now and I feel like if we can get keep the momentum



going it's going to be a great opportunity not only you know for the company itself, but also future opportunities for Woodson.

**Maddy Roche:** Well said, Jamie. We are so lucky to have had this hour, for you to share some of your wisdom and, best practices and your perspective and boy, this side of the industry is so lucky to have you doing this work and, employing and empowering other advisors to do it too. I just can't thank you enough for your time.

Any last words of wisdom for our listeners, Jamie?

**Jamie Lima:** I think it would be going back to some of the tips that we gave the people that are if you're just starting off and you're thinking that this is the path you want to go. I say you just need to just take the leap of faith and do it. Because there's so many other benefits to doing this work and doing it yourself the way that you want to do it and owning your own destiny versus putting that on somebody else's shoulders and going along for the ride. And if you can just get through those first three years. That's the biggest thing so I think if there's anybody out there that wants to, I'm an ambassador for XYPN I'm happy to talk to anybody that wants to talk it through, I'm an open book. So if anybody you want call text email, whatever you need I'm here to help but I think last words of wisdom would be just do it and figure it out as you go.

**Maddy Roche:** Great advice. And we'll need another podcast, Jamie, to talk about how many extra hours of the day you have that other people can't seem to find because you, certainly are a busy man and are more than abundant and generous with your time. cheers to you, Jamie. I still look forward to having you back on the podcast in a few years to hear how, Woodson continues to grow and you continue to flourish.

So thank you so much listeners. It's always great to have you here. We'll see you in just a few weeks. Thank you, Jamie.

**Jamie Lima:** Thanks