



From the Chief Development Officer

Understanding the Heart, Soul, and
Resilience of GWS



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Intro

When our firm parted ways with an insurance giant in 2019, we knew we had our work cut out for us. Our goal was to pave our way, so we could serve clients the way we knew was best — and, in the process, create a best-in-class financial services firm that remained boutique and highly personal.

I believe our firm is at that perfect point Today. We still maintain deep relationships with clients and are involved in all critical moments: weddings, deaths, funerals, and everything in between. Because we only serve 364 families, we know their circumstances like our own. We can dig deep into everything from their investments to cash management. Yet, we still maintain massive resources from both a human and technology standpoint. It's the perfect intersection of a high-touch client service model, with all the leading technology, specialization, and talent clients could expect from a larger firm.

To preserve this sweet spot of size and strategy, the GWS Leadership Team intentionally outlines our vision, mission, and plan for the firm each year. We leverage quarterly goals and incentive compensation (on top of above-market wages) to inspire our employees to perform at their very best for our clients. When it comes to advisor acquisitions and succession plans, we have all our resources in-house, so advisors can be confident they're leaving their clients in good hands. From specialized knowledge to in-house CFAs and marketing professionals, we don't need to outsource essential resources and departments. That gives us creative control and inspires confidence in our partners.

Independence Matters

Best of all, we are not beholden to any investment management, holding, or fund company. We want our trading tools and proprietary processes (and unique intellectual property) to drive our trading decisions. We'll use the best funds and holdings out there. We're not biased, and we don't have any unique or sketchy relationships that lie opaquely in the background. We are committed to genuinely putting the best things we can find in our clients' portfolios.

Clients can take confidence that their team is extremely educated and equipped to handle any growth and complexity. Each client gets a Lead Advisor with an advanced degree — J.D., CFA, MBA, or CFP — on their team and a Service Advisor who is a CFP or a candidate for the CFP CFA program. After all, planning is not just a piece of data analysis. It's the applied wisdom and critical thinking that comes with experience and education.

Our team has worked tirelessly over the last year to create this level of service for our clients. We heard from many prospective clients that their advisors were utterly silent during the pandemic or just preached hackneyed "stay the course" messaging (I'm sure you've been told to "ride the rollercoaster" at least several times). At GWS, on the other hand, we launched a Weekly Market Insights webinar, started publishing [weekly blog posts](#), and now even share live daily market updates (The Daily 3 X 3) on our firm's [YouTube page](#). It is of the utmost importance that our clients feel informed, secure, and cared for, especially during uncertain times.

"Today, our clients tell us that they believe we're the most communicative advisors out there, and that's not by accident. That's by design." - Dan Goeddel

Independence Matters

We follow plenty of communications from competitors, big banks, and Wall Street giants. At most, they give commentary on markets once a week. It's very watered down, broad, and not applicable to typical investors. At GWS, however, we try to take stances on issues and share how we plan to protect and ultimately grow clients' wealth. We do that at risk of offending clients but feel it is essential to be thorough and transparent, rather than playing it safe with comprehensive economic data that anyone can find. No matter who is in the White House and who controls the government, there will still be opportunities and threats to take advantage of and avoid for our clients' portfolios. Our goal is to take a clear stance and be thought leaders rather than run with the herd of investment thought followers.

For many of GWS's younger employees, 2020's market dip was their first real bear market. Many had weathered market corrections, but some were still in college or younger during the great recession or immediate aftermath. Fortunately, our people are tough, resilient, and quick to learn. Even in a challenging year, we surpassed our stretch goal (\$500 million in assets) to \$750 million AUM by the end of 2020.

Not only did we add \$223 million in new assets and 62 households in new client relationships, but the investment committee also knocked everyone's socks off. We also maintained 100% client retention in 2020 and received top marks (a score of 83 relative to the total industry score of 56) on our client-wide Net Promoter Score (NPS) surveys.

2021: The Rise and Fall of the Wall Street Titans

Then we got to this year. We had one of the craziest investment stories I've ever encountered — the same for John and even most seasoned investors. It was the [Wall Street Bets and retail investor mob](#) vs. the Wall Street Titans.

We'd already seen this "David and Goliath" story begin with a few holdings where retail was right and Wall Street was wrong (such as Tesla, and even more bizarre examples like Kodak and Hertz). But when the GameStop short squeeze happened, it was fascinating. Many of our team members were familiar with WallStreetBets on Reddit just for viewing memes and sharing within the company, being in the industry. We noticed they were getting more serious this year as the Fed was pumping in money. Retail investors were sitting at home with helicopter money investing (Essentially, the first step toward universal basic income).

Still, the GameStop short squeeze controversy was just fascinating. > 100% of the market cap was short. It didn't even seem like that should be possible. We heard from clients with outside trading accounts (we call them "play accounts") on T.D. Ameritrade, Schwab, RobinHood, etc. that their trading was immediately limited with different capital requirements and the numbers of shares they could buy and sell. It was clear that more was at play behind the scenes.

Our GWS Investment Committee believes this is a broader symptom of so much money and liquidity sloshing around in the system. It will be interesting to see what regulatory action, if any, comes out of this.

A Line in the Sand

At the end of the day, when it comes down to Wall Street and large institutional players vs. retail investors, we at GWS are mainly on the side of the retail investors and the families we serve.

We work hard every day to protect and grow the hard-earned money for the families we serve, period. Whether they are retired or still very active, successful business executives or owners, they count on us to look out for them and those that rely most on them. That is where our heart and our passion are at the end of the day. We share personal loyalty for our clients and look out for them. I don't know how many times we've seen clients with investment portfolios, annuities, and insurance products that made no sense for their situation and goals. We help them unwind those, undo the damage and get to a better state as soon as possible. We always try to do things the right way — for example, not charging a management fee on cash in hub accounts to provide retirees insulation. We also don't charge management fees on other brokerage accounts.

All our services are inclusive. We're doing this as value providers, not because we're trying to make the absolute most amount of money we can off these families. We try to benchmark our fees and make sure we're on the low side of average and providing tremendous value. We also don't shy away from sharing performance net fees like many advisors. In everything we do, we take radical transparency (our app is an excellent example of that in practice).

Again, we produce daily and weekly content on our YouTube page and blog to help inform and educate our clients and the public alike. We want to be the signal through the noise that helps them determine what headlines are worth paying attention to and what that means for their portfolios.

Let's Just Talk: Getting to Know our Clients

We hold our Midwestern values — including honesty, hard work, and kindness — close to our hearts at GWS. We don't believe in trying to intimidate or prove ourselves to clients through the jargon. We take special care to train all our new employees in using real words for our client meetings as if they were talking to a family member (I think of my mother). Every client has the right to understand and learn, know what they have in their portfolio, how their plan is working, and what we're doing for them to help them work toward their goals and financial dreams.

Another reason we find it so important to get to know clients. We can get a sense of their individual investor biases, so we understand working against them. Then, we can help them become aware of that and provide coaching to ensure we're getting to a good outcome.

For example, we have some clients with action bias. Whenever a significant event happens, they feel the immediate urge to take some action — any action — even if it doesn't make sense for their situation. On the other hand, we have some clients with an overconfidence bias. They'll say, "Why do we need a hub account for retirement?" "You're so good at investing," "or "I'd rather keep it in the market." In those cases, we must reign clients back in and show them their bias, reminding them they need to stay insulated against unpredictable market conditions.

Another bias we often see is overconfidence in clients' company stock. The tendency translates to a significant overconcentration in that stock. Clients never think their company is the one that is going to get disrupted. But as we learned last year, entire industries can disappear overnight by no fault of their own. No sector or business is truly immune. These are the risks we bring to our clients and work hard to mitigate based on their circumstances.

Where We're Headed Next

Our highly credentialed team is continually working for the continual improvement of our firm. We like to say that if everyone improves 1% every day, the compounded effects of that growth are limitless. So, where to?

Toward the top of our list is an effort to democratize Family Office services. In our industry, these types of services (intergenerational wealth management, bill pay services, tax planning, etc.) are reserved for families with \$50 million or more. We want to continue to bring down that threshold. Many incredible services are being provided to ultra-high net worth (UHNW) individuals who want to be aggressive in giving to others. That desire to provide above-and-beyond value speaks to the heart of our firm. When we see needs a client has, we want to be part of the solution.

Next, we are preparing for a way to address the imminent new money regime. Our long-term investment thesis states that while the U.S. dollar is the reserve currency of the world, that is coming into question. It will ultimately need to be addressed in one way or another; Modern Monetary Theory can simply not be implemented successfully in the long term. First, we had the gold standard, then Keynesian, then Modern Monetary Theory. What will the money regime be next?

We hope you'll join us in our journey as we continue to fight ruthlessly on behalf of our clients and their families in 2021. Thank you for your time!

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