

Fiducient Advisors, Nonprofit Investment Stewards Podcast

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Hello Fiducient! DiMeo Schneider's New Name and Other Important Updates – with Mike Goss and Bob DiMeo

[00:00:00] Welcome to Nonprofit Investment Stewards with Bob DiMeo and Devon Francis from DiMeo Schneider and Associates. Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment, foundation or retirement plan investments, this podcast exists to help stewards improve performance, reduce costs and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:28] Now onto the show. Hello and welcome back to the Nonprofit Investment Stewards podcast. I'm Bob DiMeo. As always, joined by co-host Devon Francis. Typically, I open the show by introducing a topic. Devon welcomes our guest, and then she and I conduct the interview. But today's episode is different. Devon will host the show solo and she'll actually be interviewing me and another longtime leader at the firm, Mike Goss.

[00:00:56] So Devon, let's turn the reins over to you. So Bob, this is a really exciting episode because we not only have the opportunity to share some exciting news.

[00:01:10] We are thrilled to announce that DiMeo Schneider is going to have a new name, Fiducient Advisors. The episode title may have been a bit of a spoiler, but still, it's exciting news to us. And I hope that you are enthusiastic about it as well. And in addition to sharing what will and won't change with regard to the name, we will also discuss other important updates, like the firm's growth through the pandemic, our position on diversity, equity, and inclusion, and some more topics.

[00:01:41] So first, let me set the stage. I will be interviewing both Bob DiMeo, the firm's longtime CEO, as well as Mike Goss, who is one of our managing partners. So, many years ago, Mike co-founded Fiduciary Investment Advisors, the Connecticut based firm that combined with DiMeo Schneider [00:02:00] just over a year ago. So, in the interest of full disclosure, I have known and worked with Mike in that Connecticut office for over 20 years.

[00:02:08] And I was first a college intern with the group, which eventually became Fiduciary Investment Advisors. And I used to work in the office in the mornings, and then I would babysit for Mike's daughter in the afternoons. And at the time, she was, I think, about six months old. It was Mike and Sandy's only child.

[00:02:27] Now she's 23, done with college. Mike has two other kids who are either done with, or wrapping up college. So, I feel really old, but Mike feels even older. So, we are so excited to have this conversation and happy to welcome you both. And especially Mike, welcome you as this is your first episode.

[00:02:50] Great. Thank you, Devon. I'm happy to be here. I'm feeling older after that story, but, thanks for sharing. All right. Great. So [00:03:00] let's talk first and foremost about the name, Fiducient Advisors. So, Bob, what changes or perhaps more importantly, what doesn't change with the new name? Yeah, Devon, this is really exciting.

[00:03:12] And I would say it's, and Mike will probably drill down a little bit more on what does change, but what I will say is everything important to the client does not change. What I mean by that, no change in leadership, no change in ownership, no change in the professionals serving a relationship, no change in the four main business lines.

[00:03:31] Retirement plans, endowment foundation/nonprofit, the financial institutions, and private wealth practice, all of that remains the same. We continue to be extremely focused on being, putting the client's

interests first and really being client centric in our approach. So really nothing, I would say, at the sort of core changes.

[00:03:55] So I think maybe the elephant in the room or what most listeners might be [00:04:00] wondering right now is okay, we're going from DiMeo Schneider to Fiducient Advisors. So, Bob, does that tell us anything about your plans? That's a good question. It should probably only tell you that I'm open-minded and I have a growth minded strategy.

[00:04:15] It's funny. I didn't even really think about it because it's a rebrand here and the question came up, Bob, does that mean you're retiring? And not at all. I've said for a while. And I keep saying, and probably someday I'm going to have to change it, but I say, Oh, I've got a good 10 years in me. And you know, we'll see what this crazy world brings at us, but is it 15 years?

[00:04:34] Five years? 10 years? I don't know, but I am super engaged and excited. Great. And do you see any downside to the new name? I think the only downside, well, aside from maybe my mother, my Italian mother being a little disappointed with the name change, but outside of that, the only downside I see is just a little sort of wonkiness in terms of introducing the name and wait, was [00:05:00] that DiMeo Schneider?

[00:05:00] So that's why we're trying to really communicate this exciting change to our clients and friends of the firm. And Mike turning to you, can you tell us what does the name Fiducient mean? That's a great question. First of all, Fiducient is a made-up name. We created it. We own it. We used a national branding firm to help us, and I'll get into that in a little bit, but we can define it since we own it.

[00:05:27] And so a Fiducient is a trusted advisor committed to helping clients prosper. That's the definition. We think it relays the trust that people put in us as fiduciaries, whether it's stewards of their non-profit pools, fiduciaries to their 401k plans, overseeing their family wealth, or again, being a fiduciary to defined benefit.

[00:05:51] So, you know, Bob mentioned everything important stays the same. So, with so much remaining the same, what does change and [00:06:00] why did we decide to introduce this new name? Again, another great question. So obviously, DiMeo had created a tremendous brand over the years, so we didn't take this decision lightly.

[00:06:11] We hired an outside national branding firm. As I mentioned, we did a lot of survey work with associates, partners, third parties. And through that work, we, few things became apparent. First, the DiMeo Schneider and associates name was a mouthful. It was confusing to some people in the marketplace. You know, some people ask, where we a law firm?

[00:06:32] Where we an accounting firm? Or another type of professional service firm. So, we wanted a name that was clearly described that we are an investment, in the investment business. And also, that we acknowledge our role as fiduciary. So, Fiducient Advisors accomplish that. The other thing that came through and I think this is you'll see a change in our materials, our logo, they'll be more modern, more current.

[00:06:55] But if four key tenants kept emerging from all these conversations [00:07:00] with our associates, partners and trusted advisors. And the first was, we were disciplined in our approach to fiduciary governance. Second one, we were strategic in terms of our investment philosophy. We're empathetic to our clients and we're principled in our values.

[00:07:19] And it wasn't by accident that these themes kept emerging because it is core to our culture. We've never really woven those four themes into our branding, into our message, into our materials. So, I think, hopefully you'll see that come through in the new materials. That's great. Well, I know that I'm really excited about the new name.

[00:07:36] I love that it articulates what we do in the industry. So, and I know that a lot of my colleagues feel the same way. So hopefully our listeners are enthusiastic. I wanted to take a bit of a different line of questioning and talk about, so, in my introduction, I made reference to Fiduciary Investment Advisors, the Connecticut based firm that integrated into DiMeo just over [00:08:00] a year ago.

[00:08:01] And I wanted to talk about that integration and perhaps Bob, to start us off, maybe you can provide a brief recap of the two organizations that did combine forces and why we did that. Certainly. So, it's interesting, Mike and I have known each other for over 20 years and Mark Wetzel, who was president of Fiduciary Investment Advisors.

[00:08:23] And as president of DiMeo Schneider, Mark and I have known each other 30 years and worked way back in the day, back at Kidder Peabody. So, it's interesting that we've had this relationship for years, not only between individuals at the firms, but the firms themselves as you're well aware, Devon, really being very collaborative on benchmark studies and many other initiatives, I guess it's no surprise that we had such a great fit.

[00:08:50] Because we use the same CRMs prior to the combination, same performance evaluation systems. And it's just been a, uh, a terrific fit from [00:09:00] both a culture as well as sort of an investment and a business mindset. Part of the reason for the combination is folks know that scale matters when it comes to things like investments in technology, and we can go on and on there and the ability to serve a client and serve a client well, in terms of systems and technology related to those systems.

[00:09:24] However, take something like research, where we have close to 50 folks involved in our research efforts. And let's say, private investment is being evaluated. We could easily pour 50 or a hundred hours or more into the diligence and assessment of an investment, part of blessing it and recommending it to clients.

[00:09:46] Well, if you think about that work covering roughly double the number of investment consultants and double the number of clients, that all matters. And at the end of the day, we think produces better outcomes for clients. So, Mike, where [00:10:00] things stand regarding the integration? And would you say that it's been more or less difficult to integrate during pandemic?

[00:10:10] If you ask me that question before we went into a global pandemic, I would have said it's going to be very, very difficult and I'm not going to kid you and say everything's easy, but I will say one of the silver linings of the pandemic from an integration standpoint is we're not spending times on planes, trains, and automobiles.

[00:10:27] We've used technology to communicate effectively, whether it's at the executive committee level or through the different business councils. So, what I would say the actual integration was sped up by six to nine months ahead of schedule because we're all working from home. And this new brand rollout is a good example, right?

[00:10:48] To roll out a new brand seamlessly all from home is just one example of how we've effectively integrated all the different business units from retirement to endowment [00:11:00] foundation to the wealth office. So really, we're operating as one firm today. It's been about a year since the integration took place almost to the day, in April 1st is our merger announcement.

[00:11:13] And rolling out this new brand, Fiducient Advisors, is sort of a nice one-year anniversary to memorialize that. Yeah, that's great. I think the timing is perfect. So, Bob, how does firm leadership view growth and why is growth important to us? So, folks have heard me say many times and leadership at the firm embraces this, that growth is not optional.

[00:11:36] In other words, we must grow. But it's often for a reason that isn't readily apparent. So sometimes you have that sort of approach and folks say, Oh, the partners just want to stuff extra nickels into their pockets and just make more money. And it's not that at all. We believe that growth is absolutely mandatory because

truly it's the only way to attract, retain, reward, [00:12:00] stimulate the amazing colleagues and professionals that make the firm what it is.

[00:12:03] So we need to have the ability to have someone who's challenged and really engaged and working on something today. If we're not growing, they can't stretch professionally.

[00:12:15] And we just have had a, really, a wonderful history, both organizations then together as one, a wonderful history of sort of stretching professionals, seeing them grow, seeing them grow up in the organization. And that's why growth is so important. And so let's shift focus and talk about diversity, equity and inclusion.

[00:12:35] And I think actually embarking upon that topic with the growth mindset, I think is really relevant and important. So, this is a crucial topic at the firm. It's one that we are approaching in a very serious manner. So, Bob, can you provide the listeners with kind of a summary of the firm's position and its responsibilities regarding DEI, diversity, equity and inclusion?

[00:12:58] Oh, happy to, Devon. And as you [00:13:00] know, this is top of mind and that's really a great thing. It's top of mind in the business community and beyond today. And I will tell you, it's really something that in our hearts and in our minds, we've always come at this from the right place. But we realized some number of years ago that.

[00:13:18] You know, just having the right heart and mindset around this is not enough. So, we elevated our intentionality and just to be completely candid, we continue to and need to continue to elevate our intentionality around this. So, we attempt to weave what we call three pillars of DEI into our fabric. And the first is our internal culture and colleagues.

[00:13:41] The second is our investment analysis and the influence we have. And then the third is our efforts and our outreach. And so, if we talk about that first, what's going on internally with our culture and our colleagues, we all can, and we all must do better, but I will say I am very proud of the progress that we've made and are [00:14:00] making. We're in a traditionally male dominated business.

[00:14:03] Very few minorities, but we're really pleased that over the past couple of years, nearly half of our hires have been women and/or diverse professionals, really great trajectory, good portion of our leadership team. We really focus on this. I'll get a little bit more into that later with trainings and really creating awareness around this in terms of the way we treat folks and all of that.

[00:14:25] And so that first pillar, internal culture in colleagues, is sort of where we're at and where we hope to be going. Another one, which is really crucial and starts to really expand the potential impact that we can have is the investment analysis and influence we're doing.

[00:14:49] And maybe I'll ask Mike to just jump in on that. Thanks Bob. As we sat together as an executive team and a management team, we want it to be very intentional as [00:15:00] Bob mentioned internally, but we sat down and said, you know, what can we do externally from the investment management industry? And we advise as many of you know, well over \$200 billion of assets.

[00:15:13] So we meet with managers and get called on by money managers from really all over the world. So, really, this has become a ~~big, big~~ focus on our, from our manager research team on diversity considerations, when we interview money managers and our questions are not limited to, but some of the things, our team, you know, the team, how has the team constructed the thought process, language, culture, gender, race, ownership, really trying to get a good handle on how these managers are working within the constructs of DEI.

[00:15:48] And now we're not just going to ask the question once. We're going to continue to ask that questions throughout due diligence, track the progress. We think this can create change. Another thing we've

just done recently is [00:16:00] we're one of the pioneer members of the Institutional Investment Diversity Cooperative.

[00:16:05] And this is a very new organization in the industry dedicated to diversity and asset management. So again, trying to be very intentional and use our assets and our cloud to help create positive change. Yeah, that's great, Mike. And so, if we say our first pillar is internal culture and colleagues and the second being the investment analysis we do and the influence we could potentially have. The third, then, I'll put in the category of efforts in outreach.

[00:16:33] So efforts would be things like these internal trainings, where we have done a good number of sensitivity trainings and learning about conscious and unconscious bias and all of these sorts of things. We've created a women's resource group. We actually use a wonderful organization called The Mom Project in terms of some of the hiring that we have done. A lot of board participation, a lot of volunteer work [00:17:00] that our colleagues are doing.

[00:17:01] And one thing I am absolutely just so proud of the entire organization about last summer, and some of you're aware of this, but last summer, I was thinking, boy, what are these rising college seniors going to do when they're asked kind of right now, their senior year. Hey, what did you do summer of 2020?

[00:17:22] And you know, the response would largely be, well, I sat on my couch because there were no internships and there was no work. So DiMeo Schneider sort of grabbed the reins on this. And we created something called the Inturn, T U R N, Inturnship. I'll make a long story short, but what we ultimately ended up doing was graduating a hundred young adults in this program.

[00:17:44] And this program included 12 different modules, things like private equity and equities and human resources and marketing and compliance, pretty much all the facets of [00:18:00] our firm. So, 12 different modules. Each and every individual had their own mentor in the program. And the feedback was absolutely tremendous.

[00:18:09] So for us to be able to graduate a hundred rising seniors and some recent college grads, because they were in the same tough boat, if you will. And about three quarters of the participants were minorities and a hundred percent of the participants had no job and no internship. This is something, it was just heartwarming to me to see how really engaged our entire firm became in this important matter.

[00:18:37] So we'll continue to keep an eye and try to progress in terms of the three pillars on this very important DEI front. And then I think maybe the last thing that I'll mention is that we believe there are two reasons why every organization should be embracing diversity, equity and inclusion initiatives.

[00:18:57] One, it's just the right thing. And I [00:19:00] think most of the listeners would agree with that. But two, we really believe that it creates better outcomes. And so, if you're in a burning building, you don't need to form a diverse committee and figure out how to run out the door. Whomever knows the building best, you just give direction.

[00:19:15] But if you're into sort of long-term strategy and really trying to make change, we are absolutely convinced that having a diverse group of opinions and ideas and engagement and so on really does produce better outcomes. Yeah, absolutely. And I would just say from my own personal perspective, as a woman in a male dominated field, I'm so happy that we, as a firm are paying attention to this.

[00:19:40] And I think it does go back to those two reasons that it's the right thing to do, but also that it will have better outcomes for the firm. And I think so much of it goes back to both of your comments about kind of relative improvement. So, figuring out where we currently are and then getting better.

[00:19:57] So, will we be at a [00:20:00] 50% diverse employee base next year? Will 50% of the managers and that we invest in be diverse managers next year? Probably not for taking steps every single year on a consistent basis to get better. I think that'll be just really good for everyone. So, I'm excited about it. And then the last thing that I'll ask, uh, with regard to DEI, Mike, in December, you hosted a DEI webinar with a really fantastic panel of folks.

[00:20:31] What are some of the key takeaways from that webinar? Thanks Devon. Yeah, that panel was fantastic. And I actually learned a lot. We hosted it with the Ford Foundation and Fairview Capital, very great diverse venture capital manager. So, there was two key takeaways and we've touched on both of them today, various ways, but the first is intentionality and the second is commitment for the long haul and I'll address both.

[00:20:55] So intentionality, the takeaway I got from it, and, and [00:21:00] Bob has touched on this in his previous comments. You have to be so intentional it won't happen organically. What do I mean by that? You can have all the right intentions to hire a diverse workforce. But in our industry, which is dominated by white males.

[00:21:14] If you just sit and wait for the diverse resumes to come, they will not come. So, we've done I think a good job as a senior leadership team of seeking out organizations where we can find more diversity, more diverse resumes and people with diverse talent. So that's one. Commitment for the long haul, I'll tell a little anecdote.

[00:21:34] I was speaking with the CIO of a university, very bright CIO with a tremendous track record. And I was asking her about how they find diverse candidates as well as diverse managers. And her point was that you really need to find people not just for the vice president of human resources or the CFO. And obviously those are key and critical positions but her overall point was they're going to make [00:22:00] far less than the person actually managing the portfolio, managing the hedge fund.

[00:22:06] But our main point was we need to breed a younger, diverse talent for the future that you can't create this overnight, that it really needs to start throughout the country at a young level and create the environment so that as these people grow and get experienced and mature, we will have a very deep and diverse pool, but that could take 15, 20 years.

[00:22:30] And she was really passionate about it. And I think again, so that's a commitment for the long haul. It's not good enough to just be intentional for a year or two. It has to be consistent throughout the industry for the long haul. Yep. That's great. I totally agree. So, as we do on all of our episodes, I would like to close with some personal insights from both of you.

[00:22:52] So you can, I'll pose two questions to you and you can feel free to answer either question or you can answer both of them. [00:23:00] So question number one, what is something that excites you about the business going forward? And then question number two, when we emerge from the pandemic, which is, I think in our very near future, which is exciting, what is something that you are particularly looking forward to doing?

[00:23:17] So, Mike, I'll start with you. I am very excited about our new name, Fiducient Advisors, as well as our new materials and new logo. It's exciting and I can't wait to roll it out. In terms of what I'm looking forward to once I get my second vaccine, I'm really looking forward to going out to dinner. As we started the conversation, my kids are older and out of the house.

[00:23:39] So I am an empty nester and my wife and I usually would go out a couple of times a week and we've missed that. So, we're looking forward to that. And finally, travel. We have a trip to Yellowstone and Glacier National Park planned for later this summer when hopefully we're fully vaccinated and the world is a little more open.

[00:23:56] So those are my top two things. Excellent. And Bob, [00:24:00] what about you? So, on the business front, I would say that right for all the tragedy and heartache with the pandemic, there have been numerous silver linings professionally. And I think this flexibility in terms of some work-life balance, if we can call it that, sometimes it's blurry, but I think folks really appreciate something about this new work environment.

[00:24:25] And yet at the same time, pre-pandemic, there really was a lot of good to being in the office and being with people and the spontaneous ideas and discussions and the building of culture. So, I'm excited. Don't have the model completely figured out, but the executive team spending a good amount of time on this.

[00:24:43] But how can we take, what was the best of pre-pandemic in terms of the workplace and sort of work approach and combine that with the best of what we've experienced over the past year or so? And that excites me. I think we're going to come out the better for it. I really am excited about that. [00:25:00] And on the personal side, I'd have to sort of side with Mike, I think breaking of bread, going to dinner with my fam, my wife, my kids, family, and friends.

[00:25:09] I just want to, and what do you always do again? We're Italian. You hug each other before and after. I look forward to that. Absolutely, hugging and eating will be top of my to-do list. Well, this has been a lot of fun. And Mike, first and foremost, I want to sincerely thank you for not only being on the show, but also for everything that you do for the firm.

[00:25:31] I really value our relationship that we've had over the past 20 years and look forward to the next 20. Well, thank you, Devon. I've enjoyed being on the show and you do such a great job on this show, but more importantly, at the firm as a key partner and one of the key people in our endowment foundation track.

[00:25:51] Thanks. And Bob, this is a very exciting new chapter in the firm that you co-founded more than 25 years ago. So, thanks for being [00:26:00] willing to relinquish the name for the better of the firm and, uh, and for sharing your perspective with us today. Uh, Devon, it's been fun and it's been fun to do this with you and with Mike.

[00:26:10] It really is, it's fun to march forward with our 180 plus colleagues and our 180 plus very talented colleagues. So, this is an exciting time. That's great. So, to our listeners, we included a link to the DEI Webinar that we referenced in the show notes. And you can absolutely reach out to me, to Bob or to Mike on LinkedIn.

[00:26:31] So me, Devon Francis, Bob DiMeo, and Mike Goss. And please visit our website for more on today's topic and other topics that you might be interested in learning more about. So, Bob, do you want to take us home and close this out? Oh, sure. Happy to. Thank you, Devon. It's been great. So, to all you good stewards, thanks so much for investing time to help your nonprofits prosper.

[00:26:54] We'll connect with you soon on the next episode. Thank you for listening to the [00:27:00] Nonprofit Investment Stewards podcast. Click the subscribe button below to be notified of new episodes and visit dimeoschneider.com for more information. The information covered and posted represents the views and opinions of the guests and does not necessarily represent the views or opinions of DiMeo Schneider and Associates.

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