

# Financial Planning

## Movers & Shakers 2006

These eight professionals are shaping the future of your industry.

By the Staff of Financial Planning

January 1, 2006- Every year, we turn to you, the readers of Financial Planning, to select the individuals who have contributed the most to your profession and are effectively shaping its future. As always, you came through-with choices that speak to the challenges as well as the promise of the planning profession.

On these pages, you'll learn about the practices and projects taken on by your choices: planners James Barnash, Michael Kitces, Richie Lee, Kyra Morris and Lou Stanasolovich; and associated professionals Mitch Anthony, Joel Bruckenstein and Sarah Ball Teslik. They are your advocates, coaches, role models. As you might expect, they have a lot to say. We hope they inspire you as you start the New Year.

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Financial Planning Association

## Jim Barnash

President, Financial Planning  
Association. Managing Director,  
Chicago Regional Planning Group of  
Lincoln Financial Advisors

**AGE:** 51

**YEARS AS PLANNER:** 28

**DESIGNATION:** CFP

**WEB SITE:** [www.fpa.org](http://www.fpa.org),

[www.lfg.com](http://www.lfg.com)

**FIRST JOB:** Equitable Life Assurance  
(now AXA)

**BEST DECISION AS PLANNER:**  
Joining the local board of the ICFPA.

**WORST MISSTEP AS A PLANNER:**  
I'm still waiting for that to happen.

**FAVORITE PLACE TO RELAX:** My

backyard with a cigar and my dog.

**RECENT READ:** *The Heart of  
Mentoring: Ten Proven Principles for  
Developing People to Their Fullest  
Potential* by Robert Tamasy and  
David A. Stoddard

**ROLE MODEL:** Jim Morris, my  
supervisor

Jim Barnash would be quick to say that human nature rejects change. He would know-as president of the FPA, he has patiently encouraged his planners to revise how they think about the planning profession. "It's very slow," Barnash says of a new mentoring initiative he helped launch with the goal of attracting and grooming new planners. "The process is finding disciples and mentoring one person at a time. Right now-although people are excited-some of the hesitance is a little fear." Yet Barnash is hardly frustrated. Instead, he displays the rare leadership combination of innovative vision and an adept hand. "I'm very pleased. I have five different mentoring relationships and they will be very deep and have strength."

Patient though he is, Barnash minces few words when he describes how and where the planning profession needs to grow. "We have a financial services industry, but we don't have a financial planning industry," he says plainly. "Building an industry that supports a profession is crucial."

Carefully grooming future planners, according to Barnash, is a great way to start. In addition to mentoring new planners, Barnash says the industry's approach to interns needs substantial revision. "There is less of the entrepreneurial spirit in younger people today. They're saying, Plug me in right away." Industry evolution will be slow to come while planners as a whole learn better practice management and, like the accounting industry before them, begin to define career tracks. "Most planners are a lot like other professionals," Barnash says. "They're good at what they do, they're passionate about what they do, but they're not good business people. From a business perspective, if you understand how to use those around you to leverage yourself, you will be much more successful."

If Barnash's constituency finds his vision compelling-his inaugural speech about mentoring continues to garner praise-it appears that Barnash's humble persona has made his vision all the more possible. Asked to explain his effectiveness, Barnash deflects praise and says simply, "Leadership is something that people are always looking for." When asked about the numerous accolades-notoriety that he calls "embarrassing"-Barnash keeps his eye on humility. "I try to live a servant-leader's life, which means being more interested in your needs than my needs...and people are drawn to that."

It's not hard to imagine why.

#### SIDEBAR: JIM BARNASH

President, Financial Planning Association. Managing Director, Chicago Regional Planning Group of Lincoln Financial Advisors

Age: 51

Years As Planner: 28

Designation: CFP

Web Site: [www.fpa.org](http://www.fpa.org), [www.lfg.com](http://www.lfg.com)

First Job: Equitable Life Assurance (now AXA)

Best Decision As Planner: Joining the local board of the ICFPA.

Worst Misstep As A Planner: I'm still waiting for that to happen.

Favorite Place to Relax: My backyard with a cigar and my dog.

Recent Read: *The Heart of Mentoring: Ten Proven Principles for Developing People to Their Fullest Potential* by Robert Tamasy and David A. Stoddard

Role Model: Jim Morris, my supervisor

#### Michael Kitces

<p>Director of Financial Planning at Pinnacle Advisory Group Columbia, Md. <b>AGE:</b> 28 <b>YEARS AS PLANNER:</b> 6 <b>DESIGNATIONS:</b> MSFS, CFP, CLU, ChFC, RHU, REBC, CASL, CWPP. He is a CFA candidate and studying for a Master's degree in Taxation.</p>	<p><b>WEB SITE:</b> <a href="http://www.pinnacleadvisory.com">www.pinnacleadvisory.com</a> <b>FIRST JOB:</b> Cashier at a Roy Rogers <b>WORST MISSTEP AS A PLANNER:</b> Taking a job as an insurance agent. I'm not capable of prospecting, so that was the wrong road for me. <b>FAVORITE PLACE TO RELAX:</b> Three or four independent coffee houses that have free wireless Internet access.</p>	<p><b>RECENT READ:</b> <i>Against the Gods</i> by Peter Bernstein; <i>The Perfect Board</i> by Clavin Clemons <b>ROLE MODEL:</b> In no particular order: Bob Veres, Elizabeth Jetton and Harold Evensky. They're folks who think original thoughts, gather information and then disseminate it to the community in ways that are useful.</p>
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If you want to know what the next generation of planners will look like, Michael Kitces is your go-to guy. At only 28, he is director of financial planning at Pinnacle Advisers, an active member of the FPA, a writer for trade and peer-reviewed journals and a speaker at numerous conferences. More importantly, as co-founder of NextGen, a community of younger planners, he is dedicated to both transferring the wisdom, tradition and integrity from the pioneers of the profession and redefining how this always-evolving business will look in the future.

"We're still struggling to provide information on getting started in this career," he says. "We're struggling even more with people in the situation I'm in right now, who have four to 10 years of experience. What are you supposed to be doing? What are your responsibilities and compensation? Where do you go from here?"

He stresses the need to help people who are inventing their jobs as they go, learning about scale and job tiers and how to move through them. "It's an issue that's critical to getting and retaining qualified folks in this profession," he says. "If they start in financial planning, I want them to stay here. I participate in the discussion- and I participate in the pains first-hand of planners with practices that are building scale and creating staff."

Kitces went from college straight into the insurance business. While it wasn't a good fit, he learned a lot about sales and communicating with clients, which he says has made him a better planner: "There are ways to deliver messages and make clients accept and understand what you need to do and get them to a place where they can take action. You don't want to make them feel that they screwed up. That doesn't take them where they need to be."

He points out that while the older generation started out selling products and later got involved in planning as a way to offer more to clients, the younger generation started as planners but don't automatically know how to sell their skills. "People may have planning knowledge, but may not know how to convince someone to pay for it," he says. "That will be a challenge as the first generation of financial planners gets ready to retire."

Director of Financial Planning at Pinnacle Advisory Group  
Columbia, Md.

Age: 28

Years As Planner: 6

Designations: MSFS, CFP, CLU, ChFC, RHU, REBC, CASL, CWPP.

He is a CFA candidate and studying for a Master's degree in Taxation.

Web Site: [www.pinnacleadvisory.com](http://www.pinnacleadvisory.com)

First Job: Cashier at a Roy Rogers

Worst Misstep As A Planner: Taking a job as an insurance agent. I'm not capable of prospecting, so that was the wrong road for me.

Favorite Place to Relax: Three or four independent coffee houses that have free wireless Internet access.

Recent Read: Against the Gods by Peter Bernstein; The Perfect Board by Clavin Clemons

Role Model: In no particular order: Bob Veres, Elizabeth Jetton and Harold Evensky. They're folks who think original thoughts, gather information and then disseminate it to the community in ways that are useful.

Richard Lee Jr.

President, Lee Financial Dallas <b>YEAR FIRM FOUNDED:</b> 1975 <b>AGE:</b> 58 <b>YEARS AS PLANNER:</b> 34 <b>DESIGNATIONS:</b> CFA, CFP <b>WEB SITE:</b> <a href="http://www.leefin.com">www.leefin.com</a> <b>FIRST JOB:</b> Infantry patrol leader in Vietnam, first cavalry division	<b>WORST MISSTEP AS A PLANNER:</b> Not taking into account as much as I should have the changes that I saw coming in the 80s, when oil prices and the tax laws changed. In Texas, it was a complete depression; all but one major bank went broke. We survived because we structured investments to cover the downside, but it still wasn't as good as	it could have been. <b>FAVORITE PLACE TO RELAX:</b> Skiing at Snowbird <b>RECENT READ:</b> Radical Evolution by Joel Garreau <b>ROLE MODEL:</b> Charlie Munger: "He's a model for our profession, of how to train people and have a philosophical approach to problem solving."
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Richie Lee went to work for one of the first financial planning firms before the profession was even founded; he was one of the first graduates of the College of Financial Planning in 1972. And he is still a pioneer, forging a new frontier in the concept of human capital-developing people's wealth-earning potential as well as adding incremental returns to their portfolios.

"Helping clients manage their human capital can be as important as managing their money," he says.

It may have been Lee's early experience in financial planning that created his client niche of mostly independent business owners. When he started practicing, most people were lifers at corporations that took care of their income, health and retirement needs. So Lee's business naturally developed out of the "nichier" parts of the market, small-business owners and doctors, where clients were free agents.

Starting his business during the 1973 to 1974 bear market quickly led Lee to be an independent thinker about how to protect and develop his clients' potential. For example, about seven years ago, one of Lee's clients, a successful veterinarian in Colorado, didn't want to continue working much longer. "We felt the portfolio he had was inadequate for what wanted to accomplish," he says. "But we saw some significant changes that were going to go on in the veterinary market that could make the difference."

His team's research showed that aging baby boomers were big pet owners who were willing to spend on pet care. Vets could ride that trend by offering services more like those for humans. He encouraged his client to convert his practice into a hospital, complete with ancillary services like surgery and MRI machines. "We gave him the information he needed to change the way he thought about what he was doing," says Lee. The result: His income increased three-fold, and he's sold parts of his business for more than \$1 million.

"Making 1% or 2% more than the market on his portfolio wasn't going to change how he lived, but doubling or tripling the amount he could harvest from his human capital made all the difference in the world," explains Lee. "It's something he can control and knows more about than the workings of a portfolio, where we would have had to take enormous risk to make that kind of change."

President, Lee Financial  
Dallas

Year Firm Founded: 1975

Age: 58

Years As Planner: 34

Designations: CFA, CFP

Web Site: [www.leefin.com](http://www.leefin.com)

First Job: Infantry patrol leader in Vietnam, first cavalry division

Worst Misstep As A Planner: Not taking into account as much as I should have the changes that I saw coming in the 80s, when oil prices and the tax laws changed. In Texas, it was a complete depression; all but one major bank went broke. We survived because we structured investments to cover the downside, but it still wasn't as good as it could have been.

Favorite Place to Relax: Skiing at Snowbird

Recent Read: Radical Evolution by Joel Garreau

Role Model: Charlie Munger: "He's a model for our profession, of how to train people and have a philosophical approach to problem solving."

## Kyra Morris

President and founder, Morris Financial Concepts, Charleston, S.C.

**AGE:** 48

**YEAR FIRM FOUNDED:** 1987

**YEARS AS PLANNER:** 22

**DESIGNATIONS:** CFP, Enrolled Agent

**WEB SITE:** [www.mfcplanners.com](http://www.mfcplanners.com)

**FIRST JOB:** Waitress at a diner

**BEST DECISION AS A PLANNER:**

Very early on, chose to run a business based on her values and beliefs rather than making the most money.

**WORST MISSTEP AS A PLANNER:** Hiring the wrong staff and not coming to grips with it quickly enough.

**FAVORITE PLACE TO RELAX:** Gold Lake, Colo. "It's an environment that hollers about health, taking care of

yourself, loving the world around you."

**RECENT READ:** *The Highest Goal: The Secret That Sustains You in Every Moment* by Michael Ray

**ROLE MODEL:** Cheryl Holland, CFP:

"She can do strong analysis yet her caring for people shows; and she's figured out how to put the right staff together and bring out the best in people."

Kyra Morris' passion for planning takes her beyond her practice-far beyond. When we got hold of her, she was fresh off the plane from London, where she's putting together an international version of the residency program she resurrected for the FPA in 1998. She's given workshops in Hong Kong; she's a member of the team developing an international standard for financial planning. And what strikes her profoundly, as she globe-trots in support of the industry, is that while the political and other controlling issues may vary around the world, the people issues remain the same.

These "people issues" are the guiding principle around which Morris builds her practice and her work for the FPA. The frustrations she encountered when she first began her practice taught her that the plan itself was only the beginning. "When I first got started, helping people with budgets was a big issue," she says. "I'd give them all the rules but they weren't doing the budget. Why? People issues were getting in the way. We have to identify with the people we're working with, their goals and dreams, but also their fears-not only the good stuff. That's how you understand what may or may not help people change."

In the residency program Morris devised, newly minted planners-who are about to sit for the CFP exam or have just done so-face people issues head-on. During the weeklong course, they team up with established planners to work on mock plans. The mentoring planners act as partners of a pseudo-firm and the residents act as associates. The first day, they meet a couple-prospective clients. The partners do the initial interview, but, Morris says, "participants have no background on the people. They have to listen and pay attention and learn who these people are."

In the two subsequent cases that make up the training, the residents take on the initial interview and engagement process as well as preparing the plan. "The big message of the program is not how to do a financial plan," Morris explains. "We expect their tech skills to be pretty good. We're helping them transition from the tech data to the being data. That's what takes planning to the next level."

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Age: 48

Year Firm Founded: 1987

Years As Planner: 22

Designations: CFP, Enrolled Agent

Web Site: [www.mfcplanners.com](http://www.mfcplanners.com)

First Job: Waitress at a diner

Best Decision as Planner: Very early on, chose to run a business based on her values and beliefs rather than making the most money.

Worst Misstep As A Planner: Hiring the wrong staff and not coming to grips with it quickly enough.

Favorite Place to Relax: Gold Lake, Colo. "It's an environment that hollers about health, taking care of yourself, loving the world around you."

Recent Read: The Highest Goal: The Secret That Sustains You in Every Moment by Michael Ray

Role Model: Cheryl Holland, CFP: "She can do strong analysis yet her caring for people shows; and she's figured out how to put the right staff together and bring out the best in people."

## Lou Stanasolovich

President and founder, Legend Financial Advisors, Pittsburgh <b>AGE:</b> 48 <b>YEARS AS PLANNER:</b> 24 <b>DESIGNATION:</b> CFP <b>WEB SITE:</b> <a href="http://www.legend-financial.com">www.legend-financial.com</a>	<b>FIRST JOB:</b> Cost analyst at U.S. Steel <b>BEST DECISION AS PLANNER:</b> Founding Legend Financial Advisors <b>WORST MISSTEP AS A PLANNER:</b> Selling limited partnerships that I didn't really understand. <b>FAVORITE PLACE TO RELAX:</b> Out in	my backyard with the kids. <b>RECENT READ:</b> <i>Topgrading: How Leading Companies Win by Hiring, Coaching, and Keeping the Best People</i> by Bradford D. Smart <b>ROLE MODEL:</b> I don't really have one.
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Ask Lou Stanasolovich how to build a small empire, and he will produce a surprisingly simple answer: It's all in the details. "We always try to analyze our process," Stanasolovich says, adding matter-of-factly, "We track our time down to three-minute increments." And with 30 employees to track on top of his own client list, that's no small task. But Stanasolovich's attention to detail reveals a trait hard to find elsewhere in the planning community: true business talent. His penchant for business-management techniques has made Legend Financial one of the nation's preeminent planning practices. "A lot of it just has to do with pushing myself and my team here at Legend to be the best at what we do," he says-as if it were only that simple.

Stanasolovich has cooked up the rare combination of superior management policies and hiring employees who fit those policies best. The company follows management guru Jack Stack's radical "open book" management style, creating a workplace with clear employee policies (no personal use of email or Internet, for example), daily bottom-up feedback meetings, frequent staff updates on the company's financial picture and even total disclosure of every employee's salary. Think it works? The results are undeniable. According to an independent employee survey, Legend Financial consistently ranks as one of Pittsburgh's very best places to work. Moreover, in the October 2004 issue of *Fortune Small Business*, Stanasolovich was named among "America's Best Bosses."

A key example of the Stanasolovich method is that Legend Financial hires almost no planners who have been trained at other firms. So where does the company find its talent? "We've created our own minor leagues," the boss says. Echoing other top business minds in the planning world, Stanasolovich is unequivocal about the value of paid interns-and hires them in droves. "We expect to have 16 to 18 within the month. We hire only college sophomores and juniors and we spend 150 to 200 hours training them. By the time they graduate, they're real team players." The firm typically has room to permanently hire only one or two of these interns each year, but the rest have no trouble finding positions at other industry-leading operations. "I think that's really saying something," he says.

Talk to industry insiders like Stanasolovich and one hears the same message time and again. "In order for this industry to grow as a profession, we need to be run professionally like a business," he says.

President and founder, Legend Financial Advisors,  
Pittsburgh

Age: 48

Years As Planner: 24

Designation: CFP

Web Site: [www.legend-financial.com](http://www.legend-financial.com)

First Job: Cost analyst at U.S. Steel

Best Decision as Planner: Founding Legend Financial Advisors

Worst Misstep As A Planner: Selling limited partnerships that I didn't really understand.

Favorite Place to Relax: Out in my backyard with the kids.

Recent Read: *Topgrading: How Leading Companies Win by Hiring, Coaching, and Keeping the Best People* by Bradford D. Smart

Role Model: I don't really have one.

## Mitch Anthony

Advisor Insights, Rochester Minn.  
**AGE:** 51  
**STARTED ADVISOR INSIGHTS:**  
1998  
**WEB SITE:**  
[www.mitchanthony.com](http://www.mitchanthony.com)

One of the most influential coaches and speakers addressing planners today is not himself a financial guy. He has no CFP, no licenses to sell securities. Instead, the author of *The New Retirementality* styles himself a "fiscal philosopher" who is trying to take the fact-oriented, analytic nature of financial planning and drag it, as he says, "from the left brain to the right"-the domain of context, intuition and relationships. Understanding the client, says Mitch Anthony, is the most important part of the planning relationship-because it puts goal-setting, wealth management, risk management and all the technical elements of a plan in the proper context. "You can create a plan that's six inches thick, but doesn't ever get read because it doesn't reflect what the client's life is about," he observes.

Anthony believes that baby boomers will transform retirement, just as they've transformed every other life stage. "If you remove the artificial finish line of retirement, what does that change? Everything. If it isn't about quitting, how about living rich instead of just dying rich?" Have you talked to your clients about that?

Advisor Insights, Rochester Minn.  
Age: 51  
Started Advisor Insights: 1998  
Website: [www.mitchanthony.com](http://www.mitchanthony.com)

## Joel Bruckenstein

Writer, virtual office consultant  
and fee-only planner  
**AGE:** 49  
**DESIGNATIONS:** CFP, CFS,  
CMFC  
**WEB SITE:**  
[www.joelbruckenstein.com](http://www.joelbruckenstein.com)

There was nothing particularly planned about Joel Bruckenstein's moves from foreign-exchange trader to planner to tech guru. He was working on Wall Street in the 80s when he began helping his co-workers manage their 401(k)s. Bruckenstein got his CFP and gradually transitioned to his own practice, Global Financial Advisors. Soon after, he branched into writing and realized that there was a niche to be filled: explaining technology to planners. In 2003, he founded Virtual Office News, a publication he owns with partner Dave Drucker. "As a planner, I can put this information in perspective for advisers and that's unique," he says.

Technology is just a practice management tool, he says. "Usually people start with a problem-say, they're not satisfied with their CRM software-but what they really need to do is to look at is their workflow." But, "cutting-edge advisers who have embraced technology have a better business and lifestyle than those who don't," he adds. "There's still a lot of work to be done."

Writer, virtual office consultant and fee-only planner  
Age: 49  
Designations: CFP, CFS, CMFC  
Website: [www.joelbruckenstein.com](http://www.joelbruckenstein.com)

## Sarah Teslik



Until just over one year ago, Sarah Ball Teslik didn't have any idea what the letters CFP stood for. But since last November, when she became CEO of the CFP Board, the industry knows exactly who Teslik is. She's controversial, she takes no prisoners and she knows exactly where she wants to take the planning industry. "If we don't make this a profession in the next 20 years," she says frankly, "we should all get other jobs."

To start, Teslik took a radical new approach to the Board's advertising by targeting the public at large. Moreover, Teslik knows exactly what she wants to tell John Q. Public. "The world has become financially complicated, and that's why you need financial planning-even if your parents didn't," she says.

She is convinced that encouraging planners to serve a broader group-people outside the nation's wealthiest 5%-is crucial to industry growth. And Teslik intends to be on the forefront of that trend."We have to show people that their lives will be materially improved" by hiring a planner, she says, candidly adding, "You won't get there with the old models."

CEO, Certified Financial Planner Board of Standards  
Age: 52  
Designations: Law degree, Georgetown University  
Website: [www.cfpboard.org](http://www.cfpboard.org)

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