Fresh Advice

Piton's Unique Metric for Celebrating Clients
(the Growth Leaders in Wealth Management podcast interview)



"I've been doing this show for 29 episodes now, with firms running a few hundred million dollars and firms running more than a trillion. I have not come across another firm that does this," says Meg Carpenter, referring to Piton Wealth, when she interviewed Piton CEO Michelle Clary for Ficomm's Growth Leaders in Wealth Management podcast. The unique activity she refers to is a business metric called "Assets Under Distribution" (AUD). While the Fresh Advice team has written briefly about AUD before (July 2024), this interview is a great opportunity to get an expanded perspective on Piton's unique standards, so this issue features excerpts from that interview. In it, AUD refers to the money distributed to clients. (Clients make **con**-tributions to retirement accounts, but the reverse process of receiving the money is called a **dis**-tribution.)

What is the core value in Assets under Distribution?

Meg Carpenter: You were talking about Assets Under Distribution. But what was it about that concept that you just had so much confidence that "This is really what I'm going build my business around"? Where did it stem from? Where did it come from? Why is it so important to you?

Michelle Clary: At its core, it's the reality that, as a person, I believe that we are stewarding assets that we've been given and blessed with, and the extension of us working with clients is at a different level, a level with more responsibility. We are helping our clients steward their money. From that perspective, it's important that we never run the risk of thinking about it as our money: it's our clients' money that we're privileged to help them steward. I also have tremendous confidence that, when we act coming from the right place, when we act making sure that we're seeking to be responsible stewards for our clients, we are going to be blessed in many ways and our practice has grown because of it.

AUD confronts a conflict of interest.

Meg Carpenter: So this is very core to your values as a business, your mission as a business. Clients might not realize the conflict of interest that exists in the industry, that if I withdraw assets from my account, that my advisor gets paid less and there is an inherent conflict there. And I love that you're not doing it for marketing purposes, because that's really the best marketing, when it's so aligned to who you are authentically. But how does it impact firm growth positively?

Michelle Clary: On one hand, I don't think that the clients fully take in why it's important that we do this as a practice. But what they do understand is that, when the time comes, there are some really important opportunities for them from an estate tax planning perspective. When their adult children are in a position where gifts are meaningful and matter to them, and the determination is made that our clients don't need that money to fund their life goals, that's when it lands with the client. And they do recognize that we are comprehensively in this for the right reasons. When the community sees some incredibly generous gifts that are being given to local charitable organizations, everybody sees that, and again, it shouldn't be done for the purpose of marketing, but it does demonstrate a tremendous example, mostly on behalf of the client that is executing that gift, but we are just so privileged to be a part of it.

AUD spurs growth to support the next generation

Meg Carpenter: One of the things that the [wealth management] industry is challenged with is developing relationships with the second generation of clients. Everyone in the industry has heard all of the asset managers, and all the custodians, and all of the thought leaders, talk about the "great wealth transfer" and the trillions that are going to transition between generations. And I think the industry is quite confused, often, in how they talk about it, but for you and Piton Wealth, I know that you have this concept of celebrating wealth and accomplishments in life, and thinking about what people want to do with their wealth. So tell me how this concept helps you to develop meaningful relationships with the next generation of clients.

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Michelle Clary: I think this effort is also organic and germane to just having a personal relationship with our clients. Because when we're talking about their estate plan, we're talking about not just their objectives of family legacy, but inevitably their kids and their grandkids start to come into those conversations. When we have the opportunity to share with their adult kids (that are maybe power of attorneys or executors of their estate), they're brought into the conversations very organically. And often, not always, and that's okay, but often we end up developing a professional relationship with engagements with those adult children and the grandkids.

What was the particular moment that led to implementing AUD?

Michelle Clary: You know, Meg, one of the epiphanies that I had in terms of Assets Under Distribution, it was actually reinforced by a board meeting that I was in. I serve on the board of Thrivent Charitable, and I remember distinctly seeing Mandy Tuong, the CEO of Thrivent Charitable, and her team put metrics up on the screen where they were exuberantly celebrating the grants that left the organization. And so remembering that, what was clicking in my mind is, "Hey, this is not any different than what we do as a practice!" We manage our clients' assets. Thrivent Charitable manages gifts that have been given to their donor-advised funds. And then ultimately the celebration happens when those dollars are granted to their charitable organizations. And so what occurred to me is, we're no different. We're managing our clients' money, and what should be celebrated is the opportunities that they have to execute their goals, to gift money to charity, to gift money to their family. That was a really important moment of understanding for me.

Meg Carpenter: That was kind of like an "A-ha!" moment for you, of this concept of Assets Under Distribution and that it needs to really be celebrated, tracked, professionalized in your business.

Michelle Clary: Yes, yes. Yeah, absolutely. And it really has done a lot to change the philosophy of the way that we serve clients.

Use QR code to view or listen to the entire episode

Thank you!

The Piton team will be back with more Fresh Advice in December! It will spotlight more of Piton Wealth's unique work with clients. Watch for it!!

QUIZ

Assets Under Distribution refers to funds that go to

a. clients
b. financial advisors
c. the federal government
d. the SEC

CAN YOU FIND the HIDDEN PITON?

ANSWER: a. – You can see the piton on page 1 first paragraph, last sentence.

A piton is a tool which mountain climbers use to secure a hold and climb higher than they could have otherwise. That is why we are Piton Wealth, to advise clients to help them climb to ever higher goals. Comprehensive financial planning is the dedicated tool that the Piton team uses to help clients achieve those goals. The ultimate goal is a fulfilling and generous life. The Piton team hopes to see you as part of that life at one of Piton's community events, or any of the many life-affirming events in our communities, and we would love to talk to you about a plan, so please reach out to us when you want to find out about a potential Navigated Journey for you and your loved ones.

If you are interested in Piton Wealth's services, call (509) 582-0570 or visit pitonwealth.com/schedule/

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