

Creative Community:

Pandemic-Proofing: Communication & Finances

Conversation with Alex Swainsbury
Swainsbury Wealth Management

TJ

Alex, thanks for doing this. Will you tell me a little bit about yourself?

Alex

I came to the US in 2007, originally on a golf scholarship, and I finished my four-year degree. During that process, I started an internship and completed that internship when I graduated, and then I joined the firm that I'm associated with today, Northwestern Mutual, and have had various roles within that firm since 2009. Most recently, I was the managing director here in Wichita, and kind of had two overarching responsibilities with the firm: to run the firm and develop new talent within the firm ... and also continue working for clients and with clients. And what I realized after close to five years of doing that was [that] I love working with clients. And so at the back end of last year, I transitioned and branded Swainsbury Wealth Management. And so I've been doing that 11 years. It's really my passion. And that's what we do today.

TJ

Based on that timeline, that kind of means that you stepped in right as Lehman Brothers was collapsing in 2008. Like, in the middle of your internship, wasn't it?

Alex

Yeah, it was and you know, at 20 - I had just turned 21 - I was such a newbie to real life that looking back on it now, everything was theory. You know, I was a kind of a blank canvas, candidly. And really it was my job to apply myself fully with whatever was in front of me. It just so happened to be in 2009. So this time around, it's been very gratifying to be managing client relationships through it ... It's just been obviously challenging, and there's a lot of heightened uncertainty and emotion around it. But it's been fantastic, actually. And we can unpack that a little bit more, but it's been very, very positive.

TJ

That's awesome. So tell me, just to back up a little bit, tell me a little bit about like, what your typical day was a month and a half ago, two months ago, before things kind of shifted the way they have.

Alex

Yeah, so I'd like to think that I knew this was going to happen. No one did, right? I did know this: I did know that over the last, my goodness, at least from 2009 onwards, digital technology has been advancing at such a rapid pace. Margins are getting much, much, much, much smaller. Time for people to set aside to deal with what we help them deal with has been greatly compressed. And I've been seeing this right. I've been seeing this on clients that I've grown with have gone from having some time to where now they've got families, and now they've got more demand in their career and they've got more things pulling at them. So our whole perspective has been, how do we have maximum impact on shortened amount of time? Well, over the last at least two years, I've started to integrate virtual meetings, yes, with people out of-state, but what started to occur, let's just use an attorney, that attorney would have to stop what they were doing, get in that car or get down the elevator, get in that car, drive across town, park, enter our building, sit in the lobby, have the meeting. Well, if the relationships established and they're in there so inclined, they can literally be where they are, you know, do as much as they can to avoid distractions, and literally right there and then engage virtually [and] have the meeting. They've just saved a lot of time. So we've seen this kind of evolving appreciation for doing virtual meetings. And so it's been

ironic because the beginning of this year, what was really historically 100% of in-person meetings had slowly become more digital. And so as this all unfolded, for us fortunately, it's been very, it's kind of affirmed, there's real avenue here to do digital virtual meetings. Not to say without, without speed bumps, certainly on new client engagement, because they don't have that just yet. And so, that's been some of the evolution that we've lived through.

TJ

So you guys were kind of almost positioned like a lot of folks who kind of had to, all of a sudden, "I gotta get a webcam. I gotta get a mic." Like they weren't set up for anything like, "What's Zoom?", trying to figure out how to how to log in, how to get things to work, how to make the time. You guys were already kind of ahead of the curve a little bit, and really just had all of your clients now have to follow suit.

Alex

Yeah, what was once an option, they realize that it's now the method - certainly for this quarantine period. But yes, we tried two or three different web conferencing softwares. You know, I would say the art of having multiple documents, keeping the meeting flowing and editing the document as you're moving through the meeting, sending follow up documents... we have built our process, it's now just where maybe a smaller percentage of meetings were done that way. Literally, to your point overnight. It's like, that's our new normal.

TJ

And I think that's the challenge for a lot of us is trying to figure out like, How do we work? You know, even us as a digital agency, the challenge we've had is a huge part of our internal experience, you know, not even necessarily client-facing, but our internal processes were to talk to the person at the desk next to you, you know, to have those conversations, you know, to when we're trying to brainstorm on something, to sit at the big table, and, you know, have everybody around it all at once. And all of a sudden to have to shift all of those meetings has made it as has been a challenge. We've adapted and we've learned, but it's definitely something that is hard to replace exactly. Virtual meeting isn't exactly the same. It's great for being more efficient, I think, but it doesn't necessarily help build that relationship that you're hoping to build. And so I think that even goes to the what you're talking about with a new client. It's hard to build a relationship without some face-to-face.

Alex

I was working with my consultant. And I was doing phone calls, just literally over the phone. And he said, for the reasons that you just mentioned, [that] we communicate so much by our body language, our expression, and suddenly engaging a new client, extending the invitation to do a virtual meaning to do a webcam meeting for them to experience you and for you to experience them. Build that chemistry that you're referring to, right? It's certainly not the same thing as in-person. But it's certainly better than the telephone.

TJ

I think it lets you see that people are real people too. You and I both have young kids at home like I am just, I'm hoping that nobody breaks into my office in the middle of this. You'd end up like that BBC gentleman who has kids marching in, poor wife scrambling trying to get them out. You know, that's a that's a huge part of our life. But I think everybody kind of recognizes, like, we're all figuring this out. Like, we're all learning, we're growing. And I don't think you lose your ability to communicate and to speak and especially in your industry to be the expert that you are just because you have kids in the house. I think most people recognize that and that's part of what helps build that relationship.

Alex

Yeah, I think so. At least I've found that everyone's in this together. There's not one person that has this figured out or day-to-day. I mean, generally speaking across the board, everyone is working through this together. So it has brought people I think closer to that and given more grace and more authenticity to using a study. You're just where you're at doing the best you can.

TJ

Absolutely like, I don't know, that I've ever had somebody asked me in my working life, "How do you feel about coming to work?" Like, do you feel safe? But those are questions that people are asking now, and having real conversations around. And I do think at the end of the day, it's a benefit for us all to be able to acknowledge some of the anxiety that's tied up in this like, some of the fear that's connected to what it's really the unknown. I think that makes it scary. It's not necessarily the fear of the virus itself. It's fear of like, what's going to happen in all of this.

Alex

Yeah, it's real.

TJ

A somebody who kind of sits at that, that cornerstone of your clients in the market and what that looks like, what would you as somebody who's a professional in that field, want to tell the community want to talk about you know, what are you what do you advise your clients when it comes to the market right now?

Alex

Yeah, I think I think what this is proven is that fundamentals are key. Fundamentals taking a long term approach to anything is going to serve us well. People that have been caught up in bad market trends, short term outlooks are the ones right now they're really hurting because they may have had a short-term forecast that they were anticipating in February, and then literally from top to bottom, everything falls out which blows up that short-term forecast, and what were they really holding onto? And to go back to an earlier comment, what's been immensely gratifying for me is everything that we do, our forecast is always intermediate and long-term. Always built off fundamentals. and particularly in the world of investing We really speak about what is your tolerance for loss? Most people in the space that I'm in, what's your maximum return? Like, what can we get you? Right? Where we really have always flipped that and said, "Okay, if we're really going to be in your corner and apply prudence to the way that we help you manage your funds, particularly when we invest, what is your tolerance for downside?" Because I know that people don't make bad decisions when they're feeling really good about what their money is doing. Yeah, it's like, it's when it goes down. It's like, ah, like, I wasn't expecting that. So we build portfolios, we manage their funds, always with that in mind, and then we help manage their expectations. And on the front end, we have that discussion of in order to get excess returns over the long term, are you okay with this journey? Because if you're not, let's not take as much risk If you are, then you're in the in the right spot. So what's been immensely gratifying is you only know how good of an advisor you are when an unforeseen event like this is presented, right? And we've had we oversee about 225 families in 19 states, so the US, and we haven't had one client, truly, we've not had one client, pull money out. In fact, we've had the opposite where they're saying, "Alex, isn't this the time, you know, buy low, sell high? And isn't this the time that we need to put money to work that we might have available and stockpile for times like this." And so it's been very gratifying for us to have seen the way that we advise hold up to something that we could have never seen, never predicted.

TJ

Actually, I love the way you phrased it even like the what's your tolerance for loss? Because you often hear people talk about "What's your tolerance for risk?" as though that risk is something in and of itself. But really what you're asking is, "What is your tolerance for loss?" Like what is your top? How much could you stand to lose and not lose your head? I think that's a great way to think about I hadn't even I don't know that I've ever heard anybody phrase it that way. But it gives such a different perspective for when you're making choices. It's not just a question of, you know, "What's the risk here?" It's the question of "Am I willing to lose a little bit in order to win long term?"

Alex

You got it. Because that's what it is, right? When the client looks at their account, or when you look at your account and you see a retirement account take a nosedive. You're not assessing it as "Oh, this is a theory." This is just, you know, numbers on a page. No, that's money that I've saved, I've tucked away, I've not spent today

and done the house, or I've not done these things in the short-term. That number is real when it comes crashing down. And we really do speak about that on the front-end to have a real perspective for when it does happen, because it's going to happen. When, we don't know. But it is going to happen. And it's going to happen. The longer our investment time horizon, the more it's gonna happen. And how have we positioned ourselves for when that does happen?

TJ

Yeah, actually I'm so interested in this idea because, like, is there is there have you have you seen folks who are almost using this as a personal exercise for growth on like, okay, I said I was this tolerant for loss. And now I'm going to learn how to really be this tolerant for loss like I think we can deceive ourselves. Have you seen that some of you be able to kind of coach some of your clients through that? Talk not to me about that.

Alex

Yeah, absolutely. We'll get a text or a phone call, like, "I need to talk." or, "Can we can we schedule a time?" And our first question is "How are you feeling?" Right? And they're able to share freely ... just wherever it goes. And, we're empathetic towards it. This is real stuff that we're talking about. And our intent there is to then, you know, I always use the analogy "At the end of the day, our job is to help you remember what 110 outside feels like, when there's snow on the ground and you've got frostbite." It's to help them move beyond the moment that they're in. ... It's completely a psychological exercise. And, I think, you know, what this is teaching us is only humans can do this, you know, to say that it isn't a factor is not true. But I think what this is helping consumers realize, is that robots won't be able to help you keep your cool when you really are feeling some some pressure, right? When you really are feeling some like "Okay I've have an algorithm that's helping move my portfolio, but beyond that, like I just need someone that's gonna listen, affirm, counsel me, advise me help me think beyond where I am, and do some of that personal management." And we always say, that's why institutions who manage money will always outperform retail. Hundred to one. When my wife is convicted on something, and she really wants it, you know, there's a dynamic at work there where at some point I'm going to go "Okay" to keep that peace in the marriage. But in an institution, you've got a board, right? You have eight people making a decision, if it's that big, and there's checks and balances, and that emotion is very much removed, or at least it should be removed from, from the decision making.

TJ

Absolutely. I think the challenge is, we think that the world is all figured out. ... I've had a couple of conversations over the last couple of weeks like, "Hey, if you're going to start something, like if you're an entrepreneur, now is a great time to get started because there is a great leveling here." There's going to be some open spaces, you know, there's going to be some businesses that don't make it on the other side of this. And there's going to be opportunities if you're willing to take the risk and you're willing to jump in and see what can happen. And I think the challenge is like, we can often look and think, oh, the whole world's figured out, but it's been laid bare; it's not. Some of the smartest folks in the world are the logistics managers for Walmart and Target. And you know, they did not prepare to have enough toilet paper in stock. You know, they've done the forecast, they've done this work to make sure that their supply chain is nimble and robust, but a shock like this rocked everybody. And it's exactly what you said that human beings being able to use their wisdom, wit, level-headedness to make decisions inside of those parameters that are going to help people to thrive and win. So where did you get that? Like, you kind of jumped into this industry early on. You've done this your whole career now, like, where did you learn that kind of courage? You know, that kind of insight, that kind of empathy? Where did that come from for you?

Alex

Naturally I'm conservative. So I think initially, it's what do I believe? Right? And I've always looked at life from an inside-out perspective. And so, if I'm conservative, if I'm more logical in my reasoning, I want to associate or align myself with other people, other philosophies that are that way, too. That would be generally what got me in there, and at 20 years old, I think I was fortunate and really blessed to have the experiences that I did to really build that within me, you know? And then the more you read, the more you research. Let's just

use for example, Warren Buffett. He is known globally for being just the poster child of a fundamental approach to making decisions. When no one else has cash available to buy things at a discount, Warren Buffett has cash well positioned to buy things. Well, that means kind of tapering off these highs that everyone else is riding and going "Okay, at some future point there will be a crash and a correction. I want to be positioned to be able to capitalize on that," so you have to go against the grain a little bit, and I'm teaching it every single day. An analogy that we use is like the three dimensions of a prudent investor. The first level is every investor, the first layer to them, would be that they're seeking growth, right? They're saying, "Instead of parking money in my checking account, I want to put it to work." The second dimension of a savvy investor is the one that says, "Okay, I'm wanting to invest, but I'm also gonna, I'm aware that I'm going to see a downside and it's during that time that I'm not going to sell right, I'm rewarded with excess returns over the long term because I can manage myself when there's a decline." The third layer of a savvy investor is what we call the Warren Buffett Rule where you stockpile dry powder, or cash or conservative positions, that when discounts arrive, that you can you have access, right? And some people buy into that, but some people don't. And our positioning is, if we educate on that we're gonna uncover very quickly, if there a place for that, or is there not? If there is, then we're going to help them build it. So over their lifetime they can. So I think I was I realized I'm conservative. I put myself in a position and environment that also lives those values. And I'm teaching it every day.

TJ

That's awesome. And I love that idea of like, aligning yourself with a community of people. You know, it sounds like, especially Northwestern [Mutual], has really been a home for you for a good chunk of your career, to find that community, that network of people that align with kind of your temperament and the things that you value, that has helped you to grow. Have you seen other folks in your team adapting to this position as well? Has everybody been able to kind of pivot to this distributed work environment, this kind of virtual work environment that we've all kind of jumped into?

Alex

Yeah, that's a good question. I mean, for my direct team, yes. You know, the people that helped me every day and work with me and support Swainsbury Wealth Management every day. I would say yes. I would say other advisors, I think it's whether they were digitally integrated on the front-end of this. If they heavily relied on in-person meetings, then this has been hugely disruptive to them. Or at least, they've got to adapt it very, very quickly. But if you at some level had some digital integration, and we're using those tools, a little bit like we were, it's probably not been too disruptive. The big thing that I'm working on right now is making sure that our new client engagement remains where it was before this dislocation. So, you know, it's not without trial, we're still working on that.

TJ

Even still working on that, like that's, that's part of how you got to be in this kind of "ahead of the ball" a little bit position, you know, ahead of the curve a little bit in the sense of like, it sounds like you were already refining your processes before there was a great disruption. And you were only trying to adjust on the fly, but you were actually always trying to improve and by always trying to improve, you happen to find some things that have those new tools already, kind of some familiarity with them to just into this new environment.

Alex

Candidly, it was probably just a conglomerate of things, but I just realized that we use our smartphones more than we ever used. We're more digital than we've ever used. Like, I don't think I'm any sort of thought leader. I think I just realized, you know, that's the future. Do I want to be left behind and obsolete, or do I want to go through some pain of learning before it's absolutely a necessity. And I just maybe started that a little bit sooner. The thought of being left behind was way more scary to me than the trial phase.

TJ

I will say that even goes to what you're talking about of like, but when you're investing, you're trying to save a little bit back and you're trying to make sure that you're prepared. That's hard, especially when we've had, you know, I mean, I don't even know how many quarters we had of, you know, unprecedented growth in the market, it's hard to say like, "I'm just going to leave some money on the sidelines. I'm not going to participate in that," because that's painful, and it's the same thing you're talking about. Here's that same principle like if I endured a little bit of pain of adapting of growing of trying new things now, it's going to give me the resources, the relationships, and the skills to adapt when I need to. It's the same exact same principle of like a little bit of pain now will help could help position me to win down the road. That's awesome, man. Just out of curiosity, what's one thing you would love to see in our community locally here in Wichita, but even nationally, globally, on the other side of this pandemic. What's something you expect to see and something you hope to see?

Alex

You know, I believe one of the greatest gifts that we've been given in our generation is access to information. I also believe that one of the greatest curses that we've been given as a generation is access to information. It's like this pull and push the whole time because we can access anything we want anytime. And, you know, let's use Web MD. Every doctor, while it's a good resource, they don't want people going in and self-prescribing, or self-diagnosing the condition that they've got. It's very harmful to them. They want them to go and get the medical attention they need to do a thorough diagnostic to them be able to prescribe a follow through. So it's my hope that during this time period, that we all take a step back. And I think we've been forced to look at our own lives and go, "What is it that I really appreciate and admire? Was my life full of 'busy'?" Taking just a little bit of introspection and I would say that in the professional world that I'm in, I think what it's absolutely affirmed is, is our beliefs as a household are our beliefs solid during good times and bad times? Is the way that we are approaching things going to allow us to have a high level of probability of favorable outcomes? And so that would be that would be my hope locally and nationally is you know, just looking out, look back and go "Okay, is my belief system tight?" You know, because that to me, beliefs drive our actions, our actions drive our outcomes. And if our belief system is healthy, well then the actions we take over whatever time period short, short term or intermediate term, unfortunately, aren't going to deliver the outcomes that we ultimately want.

TJ

I think that's super wise the idea, because I do think some of us think we believe things, but our actions point to the fact that we don't.

Alex

We build some skill and are more malleable to like, "No, let's honor that." Let's really, regardless of the stimulus, regardless of the circumstance, let's hold on to that principle, to that truth. And let's not let's not waver in the face of adversity because we know that this is going to be good for us, for our families, for our relationships, for our finances, whatever, you know, into the future.

TJ

And that's awesome. I just appreciate you talking that through, you know, my kids and I talk a lot about like that short-term discomfort can ultimately give us long-term benefits. And we're trying to think through, you know, what does that look like? How do we how do we build that kind of grit into our personality? And, what I hadn't considered an element to walk away from this really thinking through is, how can we do that as a family unit? Not just individually, but how can we, as a family unit, build that into it? And I think it's a conversation Our team will probably get to have and has had some, like, how can how can we be nimble? How can we be malleable to different situations? How can we endure some short-term discomfort for that long-term benefit? I appreciate the time. I appreciate you jumping in here with us. It's awesome. If somebody wants to get ahold of you, if they want to learn more about you learn more about what you do. Is there you know, maybe we want to work with you. They're talking to you and they love what you're hearing, or what you're saying. What's the best way to get ahold of you? How can they follow up with you?

Alex

Our office line is 316-266-5080. So they can reach our office line from 8-5, Monday-Friday. Our website, so my website is alexmswainsbury.com. And then LinkedIn is another method.

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