

Practice Profiles

Where Are They Now? Three Planners Discuss Changes Since 2004

In the conclusion of our two-part update, NAPFA members Marjorie Fox, Steve Weydert, and Carolyn McClanahan speak about their firms' evolutions since 2004 and how they have weathered the recession.

Marjorie Fox
Fox, Joss & Yankee
Profiled: June 2004



Few advisors who have been profiled in the *Advisor* have had a more tumultuous past five years than Marjorie L. Fox. When she was interviewed in June 2004, Fox was a partner with Don

Rembert and Joe D'Orazio in the successful firm Rembert, D'Orazio & Fox.

That partnership ended in December 2004, when Joe D'Orazio left to start a new firm. Then Fox left with two associates, Daniel D. Joss and Jon P. Yankee, to form Fox, Joss & Yankee in early 2006. As Fox, Joss & Yankee grew, including serving people who had been clients at Rembert, D'Orazio & Fox, relations between the new firm and the old one grew acrimonious. It wasn't until April 2007 that everything was resolved.

Yet, Fox didn't let the past delay her march into the future. Today, Fox, Joss & Yankee, based in Reston, VA, has about 200 clients and manages over \$200 million. "We want to be a model firm, as well as to grow," she said. "When I think about the things that I mentioned in the 2004 profile, I see that they are still challenges [in the

new firm], but we are handling them in our unique ways at this firm."

In 2004, Fox mentioned three priorities: improving technical expertise, attracting and retaining clients, and building infrastructure. "My career at Rembert, D'Orazio & Fox went from working to a large extent on the technical side to having to attract and retain clients. But I didn't have to build infrastructure," she says. "At Fox, Joss & Yankee, fortunately, we have two other principals who are great at many of those functions."

Fox, Joss & Yankee largely divides executive responsibilities by task. Yankee runs the financial side of the firm and also handles human resources issues, including an internship program. Joss is the operations expert and the firm's chief compliance officer. Investments are managed by a committee. "I couldn't have chosen better people to work with," says Fox.

In some ways, the firm has benefited from making a fresh start in 2006. "When it came to building our infrastructure, we had a clean slate. For example, it was no problem for us to go paperless because we had no paper!" Fox says.

The firm hired Joel Bruckenstein, a NAPFA member and co-founder of a technology consulting firm for financial advisors, to help it select hardware and software. The firm uses Junxure for client relations management, which Fox says, "we couldn't live without." Document management is handled through CEO Image's Executive Assistant, and investment management is done through Portfolio Center (formerly Centerpiece). When it chose office space, the firm was

able to build-out a suite that included a secure room for its server.

While the infrastructure was ripe for an overhaul, the firm has not changed its investment philosophy from that which Fox espoused in the past. "We build highly diversified portfolios, using a wide variety of asset classes," she says. "It's based on Roger Gibson's work."

Fox invited Gibson to make a presentation to her clients in April 2009. "The timing was kind of strange, because I'd arranged it in the middle of 2008, but then the market fell," she says. "In January 2009, I called up Roger and said, 'Don't tell me that you've gone to all-cash.' Of course, he hadn't."

The firm's diversified models outperformed the S&P 500 benchmark during the downturn. Bonds and managed futures did well, though the firm's equity classes were down commensurate with the S&P 500. Diversification paid dividends this spring when the market began to rebound, and it proved again to Fox that timing the market is not the way to go. "That's the problem with those who are timing the market: You may get out at a good time, but you have to figure out when to get back in, too," says Fox.

While handling the recession, Fox, Joss & Yankee has not lost sight of its long-term mission. In mid-2006, the firm hired Mark Tibergien and Moss Adams to help it make the leap to a model practice. The partners have begun implementing this vision by focusing on important aspects of practice management: forming a client advisory board; recruiting, hiring, and retaining high-quality team members; documenting the