



From the Desk of Tom Sedoric

Straight Talk with Tom Sedoric

Jim Rothenberg and the Multiplier Effect

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THE
SEDORIC GROUP

of Wells Fargo Advisors

One New Hampshire Avenue, Suite 100
Portsmouth, New Hampshire 03801

800-422-1030

www.thesedoricgroup.com



Jim Rothenberg

A picture of Jim Rothenberg has hung proudly in my office for many years. I considered Rothenberg as one of my earliest mentors in a distant way – we met five times in 30 years. His recent death at the age of 69 was not only stunning for family, friends, and admirers, but it was a great loss for a profession and institutions needing sage advice and leadership during turbulent times.

I admired Rothenberg, the longtime chairman of the Capital Group and former Harvard University treasurer, as I have many of those who mentored me in my career – and whose pictures also grace my office wall. More than three decades ago, Jim took a polite interest in a young advisor who had an education and a passion about doing what was right. He was smart, sharp, and thoughtful in a quiet, understated way. Jim defined the word “stewardship”.

I was impressed with how Jim invested in people and their intellectual capital in much the same way he advocated for innovative processes that helped his firm become a better steward of their clients’ money. At the time I was a “new” guy, but I knew I could learn a lot from Jim. I suggested to his colleagues that I would be honored to speak with Jim again but didn’t have high expectations. Though it did not happen often, meetings were arranged in Cambridge and emails exchanged amid very busy schedules. Each conversation was enlightening and inspiring – and had less to do with the nuts and bolts of our investment outlooks and everything to do with how to foster the best human capital for our clients.

When I think of Jim Rothenberg, I consider the immense talent and wisdom fused into one person.

He cast a giant canopy in our profession and guided Harvard University through multiple risks - yet he rarely trumpeted his own horn. That is a common character thread in noble people and mentors – and some of the best leaders. They went about their business with fierce determination to serve their clients’ and society’s best interests while not seeking the limelight. Their successes were tied to outcomes, not accolades.



As with many professions and occupations, it is often the unsung work that proves most profound and long-lasting. Such virtues are rarely celebrated. The media tsunami, social and otherwise, that is fertile ground for a constant cast of Andy Warhol-created characters vying for their 15 minutes of fame doesn't offer much time for a deep breath and reflection. The candidacy of Donald Trump is one of the more stunning mutations of playing to the cameras and social media to make one stand out from a loud crowd.

Contrast that of Mr. Trump to the disciplined and thoughtful "radical transparency" approach of Ray Dalio, the founder of Bridgewater Associates. Dalio, another successful manager, wrote a book titled "Principles" that will be read, debated and interpreted by his employees – all in a quest to find the right "truth" to best conduct their business.

"At Bridgewater, our overriding objective is excellence, or more precisely, constant improvement," Dalio wrote. "Above all else, we want to find out what is true, and figure out how best to deal with it. We value independent thinking and innovation, recognizing that independent thinking generates disagreement and innovation requires making mistakes. To foster this thinking and innovation, we maintain an environment of radical openness, even though that honesty can be difficult and uncomfortable."

What Dalio advocates doesn't translate easily into catchy headlines or sound bites. Like meditation, the rewards are more subtle and allow one to appreciate the delicate balance of life and work.

Navy fighter pilot Capt. Charlie Plumb tells an amazing story of meeting the man who packed his parachute; a parachute that worked when Plumb was shot down over Vietnam. The meeting took place years later after Plumb had spent six years as a P.O.W. Not surprisingly, Plumb was dumfounded and grateful to a former sailor whose good work and competence helped Plumb survive. In his book "I'm No Hero," Plumb wrote about his parachute epiphany:

"How's your parachute packing coming along? Who looks to you for strength in times of need? And perhaps, more importantly, who are the special people in your life who provide you the encouragement you need when the chips are down? Perhaps it's time right now to give those people a call and thank them for packing your chute."

We may not fully appreciate the multiplier effect and expertise that people like Jim Rothenberg can have on the lives of those they touch both personally and professionally. It's not unlike the quiet power of compound interest - it keeps adding up. I know how much the influence of Jim Rothenberg had on me and the families I serve. Jim knew who packed his parachute.



Tom Sedoric is a nationally recognized wealth manager and Managing Director-Investments of The Sedoric Group of Wells Fargo Advisors in Portsmouth, (603) 430-8000 and www.thesedoricgroup.com. Statistical information has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. The views expressed by Sedoric are his own and do not necessarily reflect the opinion of Wells Fargo Advisors or its affiliates. Wells Fargo Advisors, LLC, Member SIPC, is a registered broker-dealer and a separate non-bank affiliate of Wells Fargo & Company. 0915-01197