

## Kochis to step down as CEO of Aspiriant

But the innovator will return as chairman after taking a sabbatical

By **Charles Paikert**  
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Tim Kochis, who is credited with taking on Wall Street by proving the viability of the independent-advisory-firm model, will step down as chief executive of Aspiriant LLC on Nov. 1.

He plans to take a sabbatical and return five months later as chairman, but his departure will trigger promotions as the firm reconfigures its leadership.

Mr. Kochis will be succeeded by Rob Francais, 43, who has been the chief operating officer of the firm since it was formed in January 2008 when Kochis Fitz Tracy Fitzhugh & Gott Inc. of San Francisco merged with Quintile Wealth Management, which Mr. Francais co-founded in Los Angeles in 2002.

Tom Tracy, 50, a wealth management veteran at Aspiriant and Kochis Fitz, will become the firm's chief operating officer

Mr. Kochis, 63, will return to the firm May 1 as chairman — a new role, in which he will concentrate on business development, strategic initiatives, international outreach and serving senior clients.

"I'm going to try and make the best use of my talents," he said.

Mr. Kochis' stature after a 36-year career is virtually unmatched.

"Tim Kochis put the independent-advisory firm on the map as competition to the traditional Wall Street model," said Tim Welsh, president of Nexus Strategy LLC, a wealth management industry consultant.

“He was always an industry leader, and his persona and aura in Northern California was huge. Hands down, he was the guy,” Mr. Welsh said.

“Tim Kochis' name is synonymous with wealth management,” said Liz Nesvold, managing partner of Silver Lane Advisors LLC, a mergers-and-acquisitions consultant for advisory firms. “Those are very, very big shoes to fill.”

Mr. Francois, she said, is “very well-regarded” in the business.

Clearly, he will be in the spotlight as he takes over for Mr. Kochis and attempts to guide the firm, which has nearly \$4 billion in assets under management, into an era of what he expects to be “rapid growth.”

Beginning next year, Aspiriant will be looking at Atlanta, Chicago, Dallas, Seattle and the Northeast as potential markets for expansion beyond its San Francisco and Los Angeles offices, Mr. Francois said.

But “finding the right match with the people and clients we would be joining forces with will be the primary focus, rather than where they are located,” he said. Aspiriant envisions forming professional partnerships with those firms or advisory teams.

Nor will the growing firm be a “roll-up,” Mr. Kochis said.

“The motivation for a roll-up is a big payday, either by eventually going public or by being acquired by a larger entity,” he said.

“Neither of those endgames are what we have in mind. We want to become a larger version of ourselves,” Mr. Kochis said.

Although founders of advisory firms often sell out after stepping away from day-to-day responsibilities, he said, he is committed to staying.

“Tim is a man of his word,” Ms. Nesvold said.

But expanding Aspiriant nationally won't be easy, she warned.

“They were successful in combining two organizations by being very thoughtful and methodical,” Ms. Nesvold said. “While that doesn't necessarily create a blueprint for the future, it does give them valuable experience.”

Mr. Welsh thinks Aspiriant's growth strategy has a good chance of success.

“They took the famous founder's name off the door to rebrand themselves for the future; that was an important first step,” he said. “They're setting up a partnership model that should have the ability to recycle the equity in the firm, and geographically, they're going where the money is.”

After a career spanning almost four decades, Mr. Kochis remains notably optimistic about the future of wealth management, and independent firms in particular.

“Independent-wealth-advisory firms are best-equipped to deliver objectivity, comprehensiveness and integrity, and the demands for those services will continue to grow,” he said.

But the industry also faces challenges in areas such as developing talent, service offerings and pricing models, Mr. Kochis cautioned.

The wealth advisory business continues to face a chronic shortage of talent, he said. “There's a lot of new inventory on the market now, but the buyer has to beware, because it may not be the right talent,” Mr. Kochis warned.

Academic programs that offer advanced degrees in financial planning are critical for the future, he said.

“Today, everyone learns on the job. But we will see a larger number of people trained academically who then continue learning on the job than in the past,” Mr. Kochis said.

Advisory firms also need to charge additional fees for planning services, moving beyond simply charging clients a percentage of assets under management, he said.

Mr. Kochis described his coming sabbatical as a “long-postponed holiday” that will include travel to Africa and Asia, work with the Asia Foundation, painting and spending more time at his second home, in Santa Barbara, Calif.

In 2006, he received the inaugural Charles R. Schwab Impact Award. Mr. Kochis is also past chairman of the Financial Planning Standards Board and the board of governors of the Foundation for Financial Planning.

Looking ahead, he praised Mr. Francais' “entrepreneurial energy,” as well as his “passion for client service and staff development that will serve Aspiriant's clients and its people extremely well for many years to come.”

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