

# Recruiting: Let them have pie

By: Andy Holloway

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**Charlie Spiring** knows it takes a unique combination of products, talents and benefits to attract and retain the best customers. So when the ingredient that separated his independent full-service investment firm from the competition was the toughest to find and keep — great employees — he made sure his recipe had something in it for them, too: ownership.

Branded in such a way that the firm attracts the best and the brightest, Winnipeg-based **Wellington West Holdings Inc.** is more than holding its own against the country's biggest firms and banks, and growing faster than many other boutique investment companies. That's because brokers, along with their clients, are coming in droves. In just five years, Wellington West has jumped from 112 employees to 567. Its 2007 revenue of \$134 million represented a 746% leap from \$15.8 million in 2002, putting the company in 80th spot on this year's PROFIT 100. While those numbers are a far cry from RBC's \$22.5 billion in annual sales or even Canaccord Capital's \$757 million, it's enough to position Wellington West as a scrappy little competitor not afraid to take on the financial services giants.

"In our industry, the banks dominate 70% of the business, and they don't let you become owners of the brokerage division, which is the high-profit division," says chairman and CEO Spiring, who worked for a large brokerage firm before starting Wellington West in 1993 because he wanted to be more than just another number. "Our staff have incredibly successful clientele, and they've enjoyed a tremendous amount of success already in creating their own wealth," he says. "But what they are not experiencing in large institutions is a feeling of ownership, entrepreneurialism, culture, independence and autonomy. Employee ownership has been a great attraction to get the right people to come here."

Every employee at Wellington West is offered a share of the company. Some, such as those in sales and corporate finance, can buy into the employee share ownership program when they join; lower-level staff have to wait up to 12 months until they can participate. The result? About 88% of the company's employees now own a chunk, with Spiring owning 28% and his staff holding another 70%. Share ownership is also Wellington West's biggest recruiting tactic. Visit its website and the first thing you'll see is the statement: "We remember

that it's better to be an owner than to be owned," plus a slide show of happy employees. That's remarkable in an industry in which marketing messages are consumer-focused and obsess over historical ROIs and annual MERs. And prospects are taking the bait: in April, for instance, the firm lured respected stock analysts Steve Parsons from MGI Securities and Paolo Lostritto from Scotia Capital.

Having a good corporate culture is often given the pshaw treatment. But it shouldn't be ignored in industries such as financial services, in which a company's success is completely dependent on employees' individual skills and personalities. "When the advisor moves from one institution to another, or to a firm like ours, the clients move," says Spiring. "They've bought into the unique relationship, not the institution." It stands to reason that if your employees own a piece of your company, they're less likely to leave and, therefore, your customers are less likely to leave, too.

Still, having hundreds of "owners" puts additional pressure on Wellington West's management to be as clear as possible about whether its goals and policies are being met. To that end, the company discloses sales numbers daily, conducts complete accounting quarterly and publicly releases an annual report even though the company is private. And employees are consistently reminded of the company's strategies. For instance, brokers can access as much information as they want about clients and the company's operations on a single, custom-built software platform called One Wellington.

But Wellington West management doesn't rely only on technology to communicate with its employees. Recently, Spiring sent company president Kish Kapoor (a long-time industry veteran who was lured out of semi-retirement in 2007) to each of the 31 cities Wellington West has a physical presence in to conduct three- to four-hour town-hall meetings. There, employees were guaranteed an answer to any question, even hard ones. "If you have great leadership, and I think we're really strong on that front, people will fall in behind," says Spiring. "We encourage people to poke needles in our eyes, because we don't think anything will surprise us."

But employee ownership isn't the only thing Wellington West has going for it; the firm has won several awards for operational

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## Recruiting: Let them have pie (continued)

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excellence, including being named Canada's second-best workplace this year in an annual survey conducted by HR consultancy Hewitt Associates of Toronto. "They're a maverick in their industry, in the sense that many of their competitors are owned by the big banks now," says Neil Crawford, a principal of Hewitt and the leader of its Best Employers in Canada study. "There is a very strong culture there around beating the big boys." In Hewitt's survey, Wellington West scored extremely well in areas such as senior leadership, career opportunities and work processes.

Wellington's recruitment ads ask: "How would you like to work for one of the 50 Best Employers in Canada?" But Spiring has a bigger goal in mind. He wants Wellington West to be the largest non-bank financial player in the country. With so many good people already on board, the company has been able to expand its team of partners to include an award-winning capital markets group, a cross-country network of financial planners and a growing asset-management division. Wellington West still has a way to go before catching up with Canaccord Capital, currently the biggest competitor to the banks, but it's gaining. Proof that a lot of little guys combined can win, even against giants.