

Why Ron Carson brought Steve Lockshin onto his team and how Betterment fits into their plans

by Brooke Southall

Brooke's Note: Ron Carson and Steve Lockshin share two big existential risks. One is that the past exploits of the serially successful, and still young, RIA entrepreneurs may burn so brightly that no bonfire they ignite will be visible against that backdrop. Another apparent concern is the threat of missing out on a crucial component of the financial advisory business — its delivery, with online help, to the mass of humanity. Each has a start-up venture or two seeded but Carson and Lockshin seem to sense that it is going to take some unknowable ingredients to pull it off. Amid that abyss, neither one found it very difficult to team up and to openly discuss teaming up with upstart Betterment — a company whose young chief has a [knack for raising a few hackles](#). But Betterment's chief, Jon Stein, is also apparently savvy about which advisors not to cross.

At first, the four other members of Ron Carson's executive committee weren't certain that they had heard correctly.

His fellow board members that oversee Carson Wealth Management, [Peak Advisor Alliance](#) and Carson Institutional Alliance wondered whether the founder and chief executive of Carson Wealth Management Group Inc. could be serious about bringing Steve Lockshin to their inner sanctum.

But they understood that their advisor-facing group of Omaha, Neb.-based companies had much to learn from the man who founded Convergent Wealth Advisors LLC, which currently has nearly \$10 billion of advised assets and [Fortigent, LLC](#), the unit of [LPL Financial](#) that manages \$70 billion of assets. See: [An LPL-ified Fortigent bursts back on the scene with new software, new pricing and a surge of growth](#).

"There was a concern early on from the executive committee [about showing] an industry leader what we do," Carson says.

But they also realized that information flows both ways in these circumstances and Carson was able to convince his committee peers that what separated the two aspirational entrepreneurs was far less than what they might gain from each other's perspective and counsel — or even losing a round or two on the gridiron of business.



Steve Lockshin says of Betterment: It will be an end-to-end solution once you insert the human part.

Big ocean

“I hope we do compete,” Carson says. “If I don’t get a client and he does, my hat is off to him.”

It doesn’t hurt that Carson and Lockshin have been part of a small study group for five years together.

The pairing makes plenty of sense given the parallels of the men’s careers and their philosophical orientation, according to **John Furey**, principal of **Advisor Growth Strategies, LLC** of Phoenix.

“I think they view the private-wealth world as a big ocean and don’t worry about competition with each other. They are both leading entrepreneurs in the space, in addition to being top advisors. This makes great sense for Carson Wealth, as Steve provide ideas on-the-business as well as in-the-business, given he’s a top advisor himself.”

Thoughtful reinvention

Carson has set a goal for his company of winning the accounts of a million end-investors with a combined \$50 billion of assets. The average account in that scenario is \$50,000. See: [Ron Carson launches roll-up/TAMP-like venture with Envestnet, TD Ameritrade and Advizent as puzzle pieces.](#)

To do that, Carson knows he will have to undertake a considerable process of reinvention that places a premium on thinking.

“How do we deliver what young professionals want?” he asks. To address that question, Carson will be showing a video of a panel of young investors at the TD Ameritrade conference later this week in Orlando, Fla. The comments made by the panelists give a sense of the kinds of problems he is trying to solve, he adds.

Brains and brawn

What gives Lockshin a particular appeal is that he acts on — and has had success in — bringing his ideas to life and economic viability, says Carson.

Carson also acknowledges Lockshin’s two enviable head starts in serving the mass-market investor: Lockshin founded [independence.com](#) to some success and he is also a stakeholder

in Betterment.com — one of a handful of notable online advisors. See: [Betterment's Jon Stein talks human-RIA competition but breathes fire about fellow online RIAs.](#)



Ron Carson keeps his friends close and his fellow alpha dogs —Warren Buffet, right — closer.

The key, Lockshin says, is “utilizing technology to create massive efficiency in an advisory practice by wrapping everything from online sign-up, [i.e. no paperwork] to super cost-effective execution and rebalancing, to reporting and billing. It will be an end-to-end solution once you insert the human part.”

Lockshin sold Los Angeles-based Convergent to City National Bank of Beverly Hills, Calif. in 2007 and continued to serve as its chief executive. Last May, he took another step back — into the chairman’s role.

“I’m anxious to try more entrepreneurial ventures than Convergent or CNB may be willing to try.”

Sixth, seventh or eighth act

In the next few weeks, Lockshin will roll out what he describes as a pure fiduciary business that is focused on advice first, while outsourcing the more commoditized investment management services. See: [Why a reputation of shadiness persists in the financial advisory industry.](#)

Carson became a fan of Betterment because of two careful acts of due diligence.

“I have an account at Betterment and I met [Betterment CEO Jon Stein] in Las Vegas [at the MarketCounsel Summit]. There are pieces [of Betterment and Carson Wealth] that could fit together,” he says. See: [Betterment's Jon Stein talks human-RIA competition but breathes fire about fellow online RIAs.](#)

Breaking, good

The willingness to continuously embrace the chaos of new ventures and ideas and people derives from something Carson’s chief mentor always told him.

“My dad always said, if it’s not broken, break it.”

At 75, Carson's father, also named Ron, is still a row-crop farmer in Omaha tilling 5,000 acres. The two men never used junior and senior as addenda to their names. See: [How Omaha is emerging as the RIA business' center of gravity.](#)

"He was Big Ron and I was Little Ron, but now I'm [physically] bigger than he is," the son says.

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