

RIABiz

*Exceptional Values,
Exceptional Practices.*



Dan Skiles: It doesn't matter from a passion standpoint whether the RIA has \$50 million or \$2 million

[How Schwab's top tech executive for RIAs ended up with a fledgling competitor](#)

Dan Skiles makes conscious decision to stop his 'Up in the Air' life and discovers the joys of being an entrepreneur

Monday 1/11/10 by Brooke Southall

Dan Skiles' departure from Schwab Advisor Services was decided on one ordinary work night, early in 2009. He was working late in his offices in Denver. After all, there was much to do in his job as head of technology for the huge custodian.

A few miles away at home, Dan's wife asked one of the couple's two children to set the table. Assuming his father was away, the child set three places, leaving Skiles out. He had assumed Skiles was at a Marriott or Holiday Inn. After all, he often was.

Skiles heard about the incident later.

"My wife told me the story: the standard setting was three placemats," he says.

Innocent action

The innocent action of a child altered the destiny of two RIA asset custodians – the largest one and (virtually) the smallest one in the market.

Skiles had been with Schwab since 2002 and he had long overseen Schwab's technical interfaces with its 5,500 or more RIAs. A key player at Schwab, he had also been put in charge of Schwab Performance Technologies, the company's Raleigh, N.C.-based subsidiary, which makes the industry's second-leading portfolio management system.

Last spring, he took that experience to Shareholders Service Group of San Diego – a custodian that [though it declines to specify its assets] likely has fewer of them than Schwab attracts in a good month. For that matter, many of Schwab’s RIAs have substantially more assets.

Skiles admits that leaving the San Francisco-based broker was “an incredibly difficult decision.” He considers many of the advisors he consistently worked with in his job to have been true friends. He was a trusted advisor to leaders at Schwab like Charles Goldman [now with Fidelity] and Bernie Clark, and he maintains close personal ties with some executives.

And though one of his major motivations for leaving the big corporate job was to cut down on travel, Skiles allows that he misses some of his old Up-In-The-Air life. The executive loves the energy associated with breezing through airports and seeing new people and places, he says.

Entrepreneurial atmosphere

But – for the most part – Skiles couldn’t be happier with his new San Diego-based life. Though working with big advisors on a big stage is gratifying, he has realized a new satisfaction working in an entrepreneurial atmosphere with the kind of emerging advisors that make SSG’s clientele.

“It doesn’t matter from a passion standpoint whether the RIA has \$50 million or \$2 million,” he says. “I think I’m beginning to understand what advisors feel” as a fellow entrepreneur.

Skiles says his career at Schwab had also run a natural course. “We had already accomplished a lot at Schwab,” he says. “I didn’t leave anything that was undone.”

[In private conversations that I’ve had with people at Schwab, they express admiration for Skiles’ family-centric decision.]

Though Skiles’ leap from the Schwab aircraft carrier to the SSG raft seems out of the blue, it’s a move that has actually been simmering since 2002.

He had worked closely with SSG CEO Peter Mangan from 1994 to 2000 at the old Jack White [and for another couple years at TD Waterhouse when it acquired San Diego-based Jack White.]

Leaned harder

Right from the start, Mangan quietly wooed Skiles to become a partner in the start-up venture. He leaned harder on him in the last year as it became apparent that SSG was reaching a tipping point of growth and that it needed to make a move to deepen its executive talent.

Skiles took a cut in pay [and travel budget] but he received an equity stake [that he and Mangan declined to specify] and the kinds of new challenges that he finds rejuvenating. He also had good luck selling his Denver home in just two weeks.

Since coming to SSG, a custodian that serves more than 500 RIA practices, Skiles has been assigned some relatively mundane tasks. He has also taken on more core managerial tasks than were in his purview at Schwab.

“He’s not just a tech guy,” says Mangan. “He’s a terrific manager. We have a 30-year plan for him.”

Skiles took on the prosaic task of overseeing the replacement of SSG’s phone system – vital because the fast-growing company needed greater scale. It was also necessary to engineer the system to make employees working from home seem virtually office-bound to customers.

On a loftier technology level, Skiles has been charged with implementing and optimizing SSG’s use of Pershing’s NetX360, the tech platform that it private labels for trade execution on behalf of its clients. SSG has been operating Pershing’s old system, NetXPro, which it is phasing out.

Skiles has spent days at Pershing headquarters in Jersey City familiarizing himself with his former rival’s system as well as hosting Pershing technicians in San Diego.

The excitement for Skiles is that, when he finds shortcomings in Pershing’s early-days system, he’s able to engineer in-house enhancements for SSG customers.

Once basic technology wrinkles are ironed out at SSG, Skiles plans to immerse himself in the task of promoting and managing his firm’s growth. SSG is adding an RIA each day on average. See [A small RIA custodian in San Diego faces a new challenge: accelerating growth](#)

His tasks will include developing a marketing strategy, setting prices, making hires and finding additional space for his company, he adds.

Footnote

Skiles gave Schwab six weeks of notice and his employer took him up on the full allotment of time, he says. This long farewell meant that Skiles had to hop a flight that final Friday from Denver to San Diego to make his starting date on Monday. It all happened just the way the way Skiles likes it – he hit the ground running in a new city.

His family has joined in San Diego. At their new home, there are usually four placemats set for dinner.