

Good Things Happen_Season Three
Episode 1: Banking in the Modern Era
Guests: Brian Rathjen & Nick Koukoumelidis
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Jorian

When we think of banks and banking, traditional images may pop into our heads. Numbers, computer screens, currencies, volts, or even pinstripe suits, perhaps. What I've learned whilst hosting this podcast series is that banks come in all shapes and sizes, and that banking and finance is so much more creative, dynamic, human, and enabling than I may have previously thought. I've met all sorts of characters and personalities, few of which started out with a plan to work in finance, all of whom love what they do and the impact their work has. And today is no exception.

Brian Rathjen is president of Roberts Ryan, an institutional broker and dealer founded and managed by military veterans. And Nick Koukoumelidis is Chief Financial Officer of Citi's Institutional Clients Group. Brian has 34 colleagues at Roberts Ryan, whilst Nick has around 48,000 within the ICG, and over 200,000 at Citi. Two very different organizations. Let's find out what they have in common and what makes him different. Hello, my name is Jorian Murray, welcome to Good Things Happen, a podcast series designed to show us the human side of banking and finance. Welcome, Brian. Welcome, Nick. I always like to start with my guests to understand your stories. Brian, your ambitions as a child were somewhat different from what you do now. Please tell us your story.

Brian:

Yeah, my background, I kind of grew up in a patriotic family on Long Island and always wanted to. So I focused, when I was growing up, on getting into one of the service academies. I went to Annapolis. I kind of had a love of the sea, so I wanted to serve in the Navy. I was fortunate enough to get into the Naval Academy. I graduated in 1988 and served for six years in uniform. And I had a wonderful time. It was kind of the foundation of really the way that I think about serving others.

What I loved about the military was just a diverse background of people that I got to serve with. When you're in uniform, it really doesn't matter what your socioeconomic background is, what your race, religion is. It's just, can you be a part of a team that's got one common mission? And that's kind of what I did for my 20s, and then I got out and started my career on Wall Street. So that's kind of me in a nutshell. It's kind of always been a life about serving others first, and it's served me well in business. I think if you put yourself last you'd be surprised how well you can do.

Jorian

Brilliant. How about you, Nick? You were born in Athens, I know. Were you born with a calculator in your crib?

Nick

Not at all. I was born and raised right inside of Athens and in a family of bakers, so absolutely nothing to do with numbers. But I was fortunate enough to have a father and a mother that were very ambitious and somewhat out of the box thinkers. So they always, remember since very early in my childhood, I remember just dreaming big. And somewhat of a little bit of a luck, a little bit of an accident, I took my first ever plane ride to the United States 25 or so years ago. Then I landed in New York, went to college. I met an enormous amount of people. It's just incredible, incredible leaders along the way. And I landed at Citi in April of 2001, and since then I've had an amazing journey in the firm. So not exactly a straight line. It never is. But one thing that always fascinated me was to jump into the unknown, and risky situations, and solve problems, work with people, be in a position to do good and advance company shareholder in the broader communities that we operated in. So this has been an incredible journey.

Jorian

I love both your modesty. I'm going to tease out, I'm sure it wasn't all luck for either of you. I mentioned in the introduction that your organizations are two very different sizes. Brian, how do you describe your organization to the uninitiated?

Brian

So we're a full service broker dealer. We focus on three primary lines of business, debt capital markets, equity capital markets, and equity and fixed income and secondary trading. A lot of the same services that a Citi would offer, but much, much smaller. The one distinction that we have, there's 35 of us, is that we are owned by a service disabled veteran-owned group. So we fall into the minority status. So a lot of these corporations with their push for diversity are looking to do business with women-owned, minority-owned, and service-disabled-owned broker dealers. So first and foremost, we always lead with our capabilities. Our 35 personnel have an average of 25 years on Wall Street. I've been on Wall Street since 1996, and I would say I'm in the middle of the pack. There's folks that are maybe 10 years older than me that have been on Wall Street for 40 years.

So first and foremost, we like to provide our clients with a good experience. Our trade execution, for example, I've got six team members that have been trading, some of them for 30 years. And they come out of the big banks.. That's the history of some of these folks. About half of my folks are military veterans as well, like myself. So first and foremost, a good client service experience. Secondly, there's diversity.. And then third, we've got a social mission. And that's really what I talk about last, but for me and most of my team, it's what gets us out of bed. We've got a very philanthropic arm, and that's why we started the firm. We started the firm five years ago, or recapitalized the firm five years ago, with the idea of creating a financial engine to support the veteran community. So I guess in a nutshell we're a service-disabled veteran-owned broker dealer that provides their capital markets, equity capital markets, and equity trading.

Jorian

Lovely. Nick, is it as easy for you to explain what the ICG does? It's a large and complicated organization. Tell us about it.

Nick

It is. But I think the best way... So it's super similar to what Brian just outlined, though think of that as, and sort of scale that up, in addition to banking services. But I think the easiest way to explain the Institutional Clients Group is through the lens of our clients. Because effectively, we offer our services, our service model, and our engagement model is pretty much anchored to what our clients do. So if you think about the clients that we serve, large corporates, and financial institutions, and insurers, and mutual funds, and investors, hedge funds, and private equities, and obviously, our commercial banking. So if you think about that through that lens, we help our clients run their businesses and advance their franchises. So in other words, you go from building bridges and tunnels, to running payments, obviously, through our TTS franchise. And working capital solutions and trade, very similar to what Brian outlined, both fixed income and our equities franchise. Settle those securities through our security services business, then go to the primary markets through our advisory M&A, our ECM, our equity and debt capital markets organization. So I think if you bring that in under the umbrella of the Institutional Clients Group, I think that's really the best way to describe the franchise.

Jorian

Cool. And Brian, it's no coincidence that I have you and Nick from Citi here today because your two organizations have a bond, as it were. Or maybe that's the wrong word, I shouldn't use it in a financial context, but you have an important relationship. Tell us about it.

Brian

Yeah, it's been amazing. There is a program that's run by the Small Business Administration called the Mentor-Protégé Program. And that is where big banks like Citigroup partner with a smaller bank and be a big brother/big sister, if you will. And that's something that Roberts & Ryan had approached Citigroup

back in 2019 to see if they would be our mentor. And we both applied together and were approved with the SBA. And what does that mean? Well, they provide us some mentorship. If we need some guidance on certain transactions, they're there for us. They've lent us balance sheet or given us comfort letters so that we could increase the size of the deals that we've been involved with.

Citigroup, it's funny, people think of this huge organization, but at the end of the day, it's really an organization made up of people. The business leaves every day down the elevators. And I've never met folks in a big organization that care so much about their community, about helping others, serving. And I had the opportunity to meet Jane Fraser and she really truly is the human CEO. I can't speak more enthusiastically about the great friendships and business relationships I developed over at Citi, and how welcome they've been to Roberts & Ryan.

Jorian

And Nick, I know from earlier conversations you've worked in Japan, you now work in New York, you've worked in the private bank, you've worked in all different parts of the business. And the theme I really wanted to talk about today was just, banks aren't all the same, but let's talk about culture. What Brian was just saying about Citi. I know Jane Fraser talks about a bank with a soul. Is that important to you? Has that been important to you? Is that why you've stayed with Citi? Or is it far more rational, the world of banking? Is it far more cut and thrust, and about numbers?

Nick

Yeah. No, that's a great question. Look, I think if you think about... Selfishly, I look at my own career and personally, the things that drive you is working with good people and diverse backgrounds. Having the opportunity to explore all different aspects of Citi being in a challenging environment that challenges the status quo and your own personal capabilities, so to speak. So if you think about all those ingredients that make it for an exciting career, I refer to Citi as a whole, not only within finance as the space that, obviously, I'm in. But more broadly, I refer to it as a playground, from a professional standpoint.

It just gives you the opportunity to work with incredibly, incredibly talented people, as you said. All the way from Tokyo, which was just an absolutely amazing experience, to London and then New York. So it's a multitude of the diversity of opinions, and cultures, and thoughts, and intelligence that this company brings that makes it just incredibly fun to be a part of. And that's why it has been just an enormous journey for me personally. I've stayed with the company for 22 years. I wish I had another 22, and hopefully I do, to continue to have fun and work with very, very talented professionals.

Jorian

Lovely. Brian, Roberts Ryan's mission is to provide great service, you've talked about that, and you've talked about your own personal dedication to service. But your mission also talks about, while doing good, you've touched a little bit on that. Give us some of the results of how you do good because when I first read about it and heard about it, I was mightily impressed. Bring to life how you help the veterans' community.

Brian

Sure. So let me just start out with a little framework. The country's been at war for over 20 years. We just pulled out of Afghanistan. We've deployed three million men and women overseas in combat. Three million. There's folks suffering from PTS, they're not getting proper equipment, not getting proper treatment. Our role is to fill that gap. How do we do that? One of the organizations we support is called Boulder Crest Retreat. We have 37 acres in Bluemont, Virginia. We have 130 acres in Sonoita, Arizona. We take six to eight combat veterans at a time and put them through seven weeks, 75 hours of curriculum, to give them the tools to deal with PTS.

Jorian

And you fund this from your profits, tell us about the scale of what you're contributing, and also what your ambitions are, because I know you have a particular ambition to get to in terms of supporting the veterans' community in terms of dollars.

Brian

So this is going to make me look not so much as a good businessman because it's a very disproportionate amount, so I'll give an example. Two years ago we only did about \$9 million of revenue. We had two million of profit and we donated \$528,000. Donated over 25% of our profit. Last year because of the equity capital markets being off a little bit, we actually lost money on an operating basis, and still donated \$500,000. We've donated \$1.7 million in the last four years, and this has handicapped our growth a little bit. But because the 1.7 million that we've given back to the veterans, we could use on our balance sheet to help us grow. But what I love about my firm is and my team, to date, our philanthropy has outpaced our bonuses to our people. Our people, for the most part, are underpaid right now. But the vision is to grow this to a \$50 million a year company and donate \$5 million a year back to the veteran causes.

Jorian

Amazing. Nick, you used the phrase doing good. Brian has used it. I guess this is why Mike Corbat, back in the day, and now Jane and Paco, support Roberts & Ryan. Talk to me about you as... You're a member of the leadership team of ICG, but also, obviously, you're a member of staff at Citi. This sense of Citi serving organizations like Roberts & Ryan, and helping society as a whole, is this important to you?

Nick

Yeah, look, I think one of the most significant transformations that we've experienced over the last few decades, I'd say, in the banking sector is... Actually, it's twofold. One is inside of the company and then the other one is the way we engage with clients. But on the second piece, is the realization that reaching inside the communities with our clients, or countries, communities, regions, is actually an incredibly profitable proposition because it pays quite a lot of dividends in the long run. And it also allows the institution, as I mentioned, to engage with particular corridors of businesses or communities, rather, that you don't necessarily have the opportunity or the means to reach. Such as this example with Brian and the team.

There's other examples. One that comes to mind is the Bridge by Citi, which is our engagement with small and mid-sized companies, we did that through Walmart to engage with some 10,000 or so of their vendors. So I think that is really the crux of it because to the extent that allows us to reach and engage and do business if you in places that we really don't have the capability to do so. Some of our most important clients are, and even if you take a step back, some of our most important clients are other financial institutions. So it's interesting cause when you think about the banking industry, you would think that small or big institutions, they're all competing for the same part.

And to some extent, that's true. But really what is not very well known is the fact that we collaborate and we work very well together, both for our benefit of those communities and the countries that we serve, but also for the benefit of our shareholders. And I think that is really the big transformation that has taken place over the past, I'd say at least two, three decades, where you realize that it's not about finding necessarily the next opportunity. But it's finding the next opportunity with their purpose, that actually yields quite a lot of benefits, both for the institution and your shareholders, but also for, obviously, the clients and the communities that we serve.

Jorian

I'm interested in this notion of collaboration, because you're right, I kind of think of banks as being an incredibly competitive industry. Brian, tell us more about the relationship with Citi. I sense it's a symbiotic relationship, but tell us about it from your side of literally, how do they help you? You touched on an example earlier, but maybe you have some more.

Brian

Yeah, just to compliment what Nicholas was saying. I've seen it in action, what Citi has done. For example, after the George Floyd incident, they donated a billion dollars and they put that into underserved communities. Let me talk about a couple of individuals at Citi, like Harold Butler who served in the army and is now within the Citigroup organization, reaching out and being a liaison

between Roberts & Ryan, Citigroup, the community banks. I was at a summit last week that Colin Ryan put together, he works at Citigroup. And he's working with Blair Washington to do an outreach to community banks. And it's good business, but it's also helping these underserved communities from maybe some poorer neighborhoods. And by Citi supporting them, it increased the outreach that Citi's got to other communities where they don't have a presence. So it is a symbiotic relationship for sure. The community banks benefit, Citi benefits, and obviously, the communities benefit. So I think Citi, from what I've seen, is really out on the forefront of lifting while they climb, and I think it's a beautiful culture.

Jorian

I guess collaboration is also good for society, isn't it, Nick? Two of the words I hear most in and around the bank are risk and control, but for banks working together, that's got to be good for stability and economies.

Nick

Yeah, no, absolutely. And I mentioned before, the collaboration is incredibly important to us because there's also this community amongst financial institution as to how we'll work together and what we deliver to the broader world economy, given that we're operating in more than a hundred countries around the world. So the best example that comes to mind is, think about access. Or let's say having a financial institution, they have a particular client need, or a particular government requires some type of project, could be funding, it could be anything.

And we work together with a financial institution with their client to give them access through our infrastructure, through our platform, to do what they need to do. And as I mentioned, I think these particular transactions, which we do by the thousands, that Citi's well versed in that space, particularly with our transaction services business. It gives us the opportunity to not only help the client, help the country, help the fellow, so to speak, financial institution, but also make money in the process. So it's sort of the best of it all. And these are really the opportunities that we thrive in and that we pursue very deliberately, not only here in the United States, obviously, but also beyond our borders.

Jorian

Brian, are you optimistic about where we stand today and where your organization stands today and how you're going to get to that 50 million target?

Brian

Well, you have to be an optimist to be an entrepreneur, so I'm an eternal optimist. My glass is filled to the brim and someone's standing behind me to fill it up. So I am an optimist about the future. I do have some concerns about society a little bit. I think if the more people get educated and realize our time on earth is very finite, and I think if people were a little less selfish and thought of others first, I think they'll be happier. I went to four funerals recently in the last six months, and nobody talked about titles, or possessions, or career, they talked about family, friends, impact on society. And I think if we could get more people thinking that way, I think we're all going to be better off. But yes, I'm very optimistic about the growth. I've got a great team, we're very focused, we're very mission driven.

We need to get to 50 million so we could donate the five million. And I'm just very excited. I'm very optimistic about it, yes. We're working hard every day. There's going to be challenges. But with our military background and the way we've been trained to analyze, adapt, and overcome, I know that we're going to get there. Failure is not an option. And I'm very excited about working with Citigroup, they've been a tremendous partner and we're just kind of starting it out. My goal with this mentor protégé program is to graduate from it and leave this spot for the next up and coming person. So hopefully in a couple of years we'll get to the point where we could turn our protégé slot, which is very coveted, over to the next Roberts & Ryan, and let them grow. We don't want to be kind of a minority little brother forever, so we need to really expedite this and move on to the next-

Jorian

So what's necessary for you to get your wings and fly the nest of protégé?

Brian

I think some of it's just time and rank, if you will, when you're just starting out. We bought the firm from Dan Roberts who was aging out of the business. He had started Roberts & Ryan in 1987. And when you're the new kid on the block, you kind of have to establish yourself. I was equated to making cotton candy. If you ever made cotton candy as a kid, you take the stick around the first couple of laps and you don't come up with too much. But you keep doing the same thing, you keep working with integrity, providing good service, building a reputation. As you keep doing that, you grow a business. And I think that as long as my team stays focused on getting up each and every day and providing a good client service, we will get there. I think we could probably do a better job at Roberts & Ryan within the halls of Citigroup.

You talked about a symbiotic relationship. In the beginning, it was a little parasitic, quite frankly, because we're just the new kid on the block. But I think as the more that we're out there and the more that we get to interface with senior folks like Nick, Alyssa Steinberg, the treasurer, has been fantastic. That woman is bent over backwards to help us. Tyler Dickson, Jim O'Donnell, Ed Skyler. There are tremendous people in there, and over time, getting to know more folks over at Citi, and getting to see what impact we could have together on, not only the veteran community, but underprivileged folks as well. So I think it's just a little bit of time. Maybe grow the team a little bit so that we can have more reach. But no, we will. I look forward to being back on your show and telling you that we donated \$5 million in a particular year.

Jorian

I look forward to that too. Nick, what are the ambitions of ICG? How does an organization your size grow? Or is it not just about growth?

Nick

Look, I will pick on where Brian left. By the way, I love the fact that you're quoting... These are all my friends and I'm just incredibly proud of, not only them, but also the broader leadership team. And I'll be remiss if I didn't mention that, because I've seen the shift in culture and the transition of Citi's culture over the past two decades. But particularly now, with Jane, and Mark, and others, there's this good feel, feeling good and fulfilled across the firm. And it feels that there is a purpose, there is a mission. The company and its entirety are over 250,000 or so employees, are marching towards the same direction. So there is quite a lot of positive momentum. Don't get me wrong, there is a mountain of work and there's a mountain that we need to overcome. But nevertheless, I think it's the positivity, it's the culture that I think it's the most significant catalyst for the years to come.

I'll also say that, similar to Brian, for us, if you sort of pivot from culture into how we think about clients, it's all about client experience. And I know it might sound odd to hear that from a CFO to say that I almost put profit, and revenue, and all those good numbers off to the side, because our sole focus or a very significant piece of our focus these days is around client experience, client engagement. How do we conduct business? And risk and controls and their entire transformation effort in the firm is playing a very significant role in, not only secure Citi as an institution, but secure our client's assets and be a lot more robust.

But again, if you think about client experience, the way we engage with clients, the way we onboard them, the way we do business, the speed of execution, all those pieces that create this aura. What clients believe they get, the value that we generate for them, and the sentiment that we create while we transact, it's one very critical component of the pieces that we're really focused on as a leadership team. Because we do believe, you put those two together and we believe that the rest will come. We will grow the franchise, and yes, we'll tap into different wallets and deeper into those wallets, whether you're talking about investment banking, or trading, or transaction services, or whatnot. But it almost doesn't matter, as long as we properly engage, but we create a good, strong client experience, I think the rest will be just a natural progression of the franchise.

Jorian

Brian, if someone is listening almost by accident to this who may never have contemplated a job on Wall Street or the equivalence of Wall Street all around the world, I think they might be surprised that the words that are being used are a lot of emotive words. It's about humanity, and experience, and connection, and culture, and values. So what would you say to somebody who might not have been thinking about the world of banking and finance as a place where they can make a personal impact and a bigger impact?

Brian

Yeah, that's a great question, thank you for asking that. Look, I think Wall Street, a lot of times it gets a bad moniker, that it's just about men and women getting up every day chasing the almighty dollar, and that's really not the case. We're providing service... If you don't have capital markets, you can't have growth. If you have a small company, if you don't have a bank like Citigroup to help you finance the growth of your firm, where are you going to be? And I think that if you're a young person and you want to make an impact on the world, the financial sector's a great place to do that. To help bank folks, or lend money to entrepreneurs, or business people, or homeowners. If we don't have the capital markets, it's kind of the oil that runs the machine. So I think you can have a tremendous impact and you could do well while doing good.

I think it's a very exciting industry to be in. And if we didn't have capital markets, that would be an issue for the growth of the thing. At the end of the day, we're just trying to give everybody in the world an opportunity to grow and create some wealth, and I think this is a very exciting industry. I would caution them to pick a sector that's not going to get... There is technology that's wiping out jobs, but that's also creating jobs, so you have to really pick a spot that you think you can have a nice career at. But I think Wall Street is not just about making personal money. It's not. It's about helping other people lift themselves up, and I think it's an exciting thing. There's some really bright people, and there's some really caring people. Again, go down to 388 Greenwich. That place is buzzing with enthusiastic, smart people who care. And I think it's a great career path, I'm very glad that I'm in finance.

Jorian

For those who don't know where 388 is, it's where Nick goes to work most days. It's the headquarters of Citi. And Nick, same question to you. What would you say to somebody who is half thinking about banking, but is not sure that it's a place where they would get some personal fulfillment?

Nick

Well, I couldn't agree more with what Brian just outlined. It gives you the opportunity to be heard, do a lot of good through any business, through any function, whether you're in compliance, or in finance, or you're in the front office, you're in TTS, or investment banking. And as I said before, you build bridges, or tunnels, or you fund shipment, or you fund payments and payrolls, and all kinds of different things. But also professionally, as I mentioned in the very beginning, it's somewhat of a playground for me. It gives you the opportunity to go at any place around the world. And a lot of the banks have operations outside of the United States, but also even within the country.

So it gives you the opportunity to grow professionally, meet an enormous amount of incredible, super diverse, super intelligent, super exciting people that you can learn from. And also, do quite a lot of good while in the process of personally growing and growing with your clients, growing within the communities that we operate in. So for me, it's a super exciting time to join the industry, and frankly, I wish I would've started now because I think it's sort of a very different space. And banks, like we said before, and broadly, financial institutions, are a lot more in tune with anything that's happening socially, economically, politically, and the like. So it is a pretty good industry, an enormous path for growth professionally and socially. So just very, very cool experience to be in it.

Jorian

Well, brilliant. As the minute ticks to the top of the hour, I fear we've run out of time. I've really enjoyed the enthusiasm that's jumping off of this Zoom screen. Thank you, Brian, thank you, Nick, for coming to talk to me today. I've really, really enjoyed it.

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