



**T***o our dear clients,  
our friends, our family:*

Another year, another year-end (very non-financial) letter. Many of you may be sick of hearing from me. I had been writing about four large-scale missives per year, including an annual economic outlook. I traded those in for a weekly column that I write for the BerkshireEdge.com, called "Capital Ideas," and a bi-monthly column for the Berkshire Eagle, called

"Mind Your Business."

"Capital Ideas" is about all the things that touch your money – investments,

the economy, politics, financial planning. "Mind Your Business" is geared toward competitive business owners who want to stay ahead of others in their space. You can find those articles when I post them to my LinkedIn page. But you're probably better off going to BerkshireMM.com and signing up to get our weekly e-mail, BMM Insights, which gives you the summation of our original content for the week, as well as links to the full articles. You don't have to be a client to benefit from it. Nate had someone he never met walk up to him on Thanksgiving Eve and thank him for

the advice on refinancing their student loan, moving from a ten percent variable to a four percent fixed rate.

It was a great year for Berkshire Money Management. I am proud that BMM is leading the industry in delivering more services than other wealth management firms. Peter believes the most valuable

benefit our clients have received are the millions of dollars, actual and potential, we've saved them by helping reduce their estate taxes. I say it's been the comprehensive reporting we discuss with clients regarding what our steps are to make sure they don't run out of money in retirement and, instead, can use their portfolio to fund their needs and

wants. But it's hard to measure the benefit of dollars versus the value of peace of mind. Perhaps it's a tie?

More services offered has meant more people deciding to use BMM. I estimate that, depending on the complexity of the clients' finances, BMM can take on about 150 new clients before we need to hire anyone else (we have six client-facing financial advisors, and seven more of us running the show). New clients translated to record revenue in 2019. Admittedly, though, not record profits, but that's by design. It was part of our strategic planning (which we recently

updated just about a week prior to writing this letter). Once upon a time an industry thought leader told

me that BMM was making too much profit. And he was right, so we consciously hired the baddest dudes and dudettes we could find and added the most important services and we've continued to grow. For example, I've only found one other wealth management firm in the nation that includes estate planning as part of their services, and that

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firm is one of the largest in the nation. And even that firm didn't include all the other stuff BMM does, such as investing and financial planning (well, everyone does that; some just do it better than others), Social Security and Medicare filing, college funding solutions, reverse mortgage and insurance advice, and business value growth and exit planning.

We are even starting a separate company for business services, such as increasing the value of the firm and preparing the company for sale. I won't get into it too much until we're ready to launch, but it has a lot to do with helping our business owner clients. It turns out that we have a lot of clients who are nurses and a lot of clients who are business owners. As a business owner myself, and as a person who has started and sold another business (I also wrote a book on helping business owners build value in their company), this new company is a natural extension of what we do to help BMM grow, as well as the organic response to the conversations I have with other business owners, and the work we've done with the Berkshire County Business Confidence Index. In addition to three certified business growth specialists on payroll (myself, Lauren, and Peter), we partner with others that have handled billion-dollar companies.

One of the most important things I did this year, in terms of operational management, was strengthen our succession plan. I am only 46 years old and in good health. But I need to make sure you and my BMM co-workers and, of course, my bride, are all protected should aliens abduct me. In this business I see far too many 60-something advisors who proudly claim they'll work until they die, yet with no plan in place of how their people will be taken care of. In all industries I see too many businesses owners (and it's always the guys) who tell their spouses, "don't worry, baby, you're going to be all set." And they're not. Even if they are,

they're not, because his wife has no idea what in the world "all set" looks like post-alien abduction, including the confusing and difficult first few months. I won't bore you with the details, but I can retire on Mars whenever the time feels right, and everyone truly will be all set. Retirement is still 18 years and one month away, but in less than a decade we'll be too big a firm for it to make sense that we have a single owner, me. I did shop BMM around for a partner or a minority stake owner with a buy-sell agreement, but I think we're just too big right now for our little rural area. I'd prefer to keep it all local, but if you're a business owner, you know how it is. Hardly a week goes by where you don't get a call from some private equity firm looking to snatch you up. However, I'm hoping to find a more local solution. Not that it ultimately matters. If I'm being intellectually honest about it, it doesn't matter much at all; it's just hard to think of letting go of my baby and the goofy, but cutting edge, culture of BMM getting absorbed into a more corporate feel. But, like I said, I'm not ready to retire yet. I mean, yeah, I'd like to get through my DVR list (I haven't even seen any of the latest episodes of this season's Walking Dead!). But after that, I'd get bored. You're stuck with me a while longer.

Last year we had a real fun holiday



***Here's a picture of me dragging Rescue Randy toward the finish line.***

# ***We do try to help the community, where and when we can.***

party at the Berkshire Museum among the Festival of the Trees. In the past, everyone at BMM and their significant other got \$1,000 to go shopping for others during the day then we met up and compared our booty. In 2018 everyone and their partners took the money and went out to play Secret Santa, and it was a big hit. This year the holiday party will be at our office and it'll be more focused on, well, I can't exactly say because it's a secret and this letter will be circulated before the party. But for gifts, everyone at BMM got \$2,500 and the task was to spend it on their loved ones. In all instances the rule was to buy local at bricks-and-mortar stores. Not that I'm anti-online shopping, but it's our local economic stimulus gift to the community (and to my fellow BMM'ers, of course).

We do try to help the community, where and when we can. That included hosting at our 12,500-square-foot renovated mansion, the Model Farm, events for our nurses, and for the Berkshire Humane Society. Also, we invited in 1Berkshire to update our local leaders on our region's economic plans, and we partnered with the Associated Industries of Massachusetts to both host and participate in a live panel discussion on hiring practices. I've got to admit, by far the most fun event at BMM was sponsoring the 3M Scott Firefighter Challenge for the Pittsfield, MA fire department. Not only did we BMM'ers (Zack, Johnny, my wife Stacey, Nichole, and me) play in their big show, to promote it we had Live 95.9 broadcasting from our offices for a miniature version of the obstacle course. We didn't win (the CrossFit guys kicked all our behinds), but it was a blast! We had so much fun training with CrossFit Pittsfield

that Stacey and I stuck with it. Unfortunately, Stacey has had a long-time nagging shoulder injury and will have had rotator cuff surgery by the time you read this. But she'll heal up soon and we'll be doing partner WODs (workout of the day) soon.

***Here are some highlights from the rest of the team (in their own words, but in a mix of third- and first-person usage):***

- **Nate:** Summer 2019 included trips to Atlantic city and a few weekends in Boston, all of which was a blast and I even came back a few pounds lighter... I mean my wallet was lighter anyways. For 2020 I'm praying for snow (snowmobiling is my drug of choice) and come spring I'll be on the hunt for my first house!



- **Zack**, along with a few of his friends, backpacked through Zion National Park, Bryce Canyon and other areas this

past September, saying it was the “trip of a lifetime!” Zack also purchased a motorcycle and sidecar for him and his sidekick, Dexter.

• **Nichole** had quite a year. Her son Lucian just got his driver’s permit (good times, good times), and her daughter Anna is now in her first year at Clark University. Both mother and daughter will be representing the Berkshire Boxing Club (where Nichole is a coach) in an upcoming competition. They will NOT be fighting each other, which is “a huge relief” for mama! “She would kick my ass,” Nichole says.

• **Barbara:** On July 5th I decided to begin a ‘sugar free’ journey. No small feat for a chocoholic like me! I’m happy to say I am still on that journey and feeling healthier than ever.

• **Scott** continued his volunteer work with the meals ministry at his church. This service delivers meals to local seniors and they just love seeing his daughter Abbey who always greets them at the door with lunch and a smile.

• **Johnny:** I was able to get a lot of projects completed this summer around the house. Instead of hiring someone, I was able to build a stone retaining wall on my property that was in serious need of repair. It was heavy, exhausting work. But after it was done, I felt a great sense of pride that I was able to complete the project on my own. Sweat equity!!!

• **Jayne:** I am proud that I survived, relatively intact, albeit tired, after a year of both working full time and keeping my 2-year-old son and 1-year-old daughter happy and healthy (for the most part!), without the extra support of family and friends nearby. Goals for next year include making

mom friends in Berkshire County! I am also happy that I earned my Investment Adviser Certified Compliance Professional designation, and that I continue to strengthen BMM’s compliance program, with the goal of protecting our clients, every day I have the privilege of coming to work.

- **Peter:** Sheila and I went to Italy in May. We visited Pico which is the village Sheila’s mom grew up in and met family there for the first time. Also, I just completed a course through Yale University on The Science of Wellness.
- **Joanne:** My Trip to Disney World with my sister and brother-in-law was wonderful. We had great weather and a great time. Also, great to meet up with my friend who works at Universal Studios.
- **Lauren:** I moved into my first “real” apartment with my boyfriend, Brian, and our pup, Penelope (miss you, Mom & Dad!). At BMM, I moved into my unbelievable new office, as well as gaining a few certifications and traveling the country getting educated – even visiting the West Coast for the first time.
- **Jamie:** I was able to spend some time with my BFF from Ohio. We have not seen each other in twenty years, and this was the first time she was able to meet Erin, my daughter. Plus, I was in Boston and I had only been there one other time, so it was nice to walk around and see the sights.
- **Bill:** I received the Certified Senior Advisor (CSA) from Society of Certified Senior Advisors
- **Allen:** I rode my Peloton bike less in 2019 than I did in 2018, but I did a whole lot more CrossFit. And I saw “Avengers: Endgame”

**You just continue to have a happy holiday season, enjoy your family and friends, keep being awesome, and let us handle the rest!**



three times, including opening night and the next day. I'm a total Marvel geek!

BMM's big goal for 2020 is to, if we need to, avoid the stock market disaster associated with a coming recession. If we're lucky, we can just skip that 2020 goal altogether and push it off to a later year. But, it's my job to worry about that stuff. You just continue to have a happy holiday season, enjoy your family and friends, keep being awesome, and let us handle the rest.

*Yours Truly, on behalf of Team BMM,*

*Allen Harris*

**Allen Harris**  
CEO, CIO of Berkshire Money Management



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