

Boston Business Journal

Best Midsize Place To Work

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Joseph Deitch, Chairman and CEO
of Commonwealth Financial Network

What's it take to be the best?
This company knows.

Commonwealth Financial Network brokers good will in the workplace

Investment in its people and a focus on a strong culture put firm atop list

BY EDWARD MASON
JOURNAL STAFF

Commonwealth Financial Network, an independent broker-dealer in Waltham, has carefully cultivated an environment its nearly 300 employees love.

A company that serves independent financial advisers, Commonwealth has focused on giving its employees opportunities to grow professionally while emphasizing activities that forge a team spirit. As a result, Commonwealth was named Boston Business Journal's top-ranking place to work in 2005 among Massachusetts companies with 101-500 employees.

The company mirrors the philosophy of its founder, Joseph Deitch, who started the company in 1979. A 29-year-old financial adviser at the time, Deitch thought he could run his own business and do it better than those he had worked for.

"The plan shouldn't have worked, but it did," says Deitch, who pronounces his name "Dye-tch."

Deitch built Commonwealth on four pillars: service, profitability, fun and individual development.

As for the first two, Commonwealth has made itself into the second-largest privately held independent broker-dealer in the country. It serves about 1,000 entrepreneurial financial advisers who work on their own (not affiliated with a major wire-house, such as Merrill Lynch & Co. Inc.) or with smaller brokerages.

The company offers independent advisers everything a large brokerage does except a roof over their heads. It clears stock and bond purchases and sales, and offers independent research on corporate securities. Commonwealth has a Web product that advisers label with their own brand name. It counsels financial advisers on marketing and advertising plans, strategies for business growth, and public relations. Commonwealth even helps with human resources, advising its clients on everything from hiring to training to firing. While the privately held company doesn't

disclose profits, it reported revenue of \$265 million in 2004.

But Commonwealth would not be where it is without a fierce commitment to the two other pillars: fun and individual development.

"We are only as strong as our people," Deitch says. "If we make our people stronger, we're stronger."

People investment

An eight-time broker-dealer of the year honoree by trade publication Investment Adviser, Commonwealth has won loyalty by providing employees with opportunities for professional development. Managers are trained to be mentors, for instance. All employees get the tools they need to succeed. Deitch is always asking what more can the company do for its employees.

"They're willing to spend the money so people can get their jobs done," says Kate Creagh, vice president of human resources at Commonwealth.

Perhaps most important, there is room to grow. Bene Ness, a project management consultant, joined Commonwealth's practice management department straight out of college in 2001. Over time, Ness — who was introduced to Commonwealth as an intern — gradually rose in her department until becoming a consultant, advising clients on personnel decisions.

"You can make your own career path here," Ness says. A ton of people here have stories like that."

Growth opportunities exist because top management knows everyone in the company and takes an interest in what everyone, from intern to executive, does. "What's so good here is that it's not stuck up," Ness says. "You see Joe Deitch in the hallway, and he knows everyone. He knew me as an intern." Fun is a critical adjunct to individual development. Commonwealth emphasizes fun because it's a young office — Creagh estimates the average age at about 28 to 30 — where friendships are made. People who like one another work well together.

So Commonwealth works at making its employees friends. Twice a year, the company buys 100 tickets to Red Sox games. It sends its San Diego employees to Chargers football games. In May, Commonwealth rented a movie theater in Boston's Fenway neighborhood so its employees could catch the new Star Wars flick.

Having fun, by itself, doesn't make



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COMMONWEALTH FINANCIAL NETWORK will leave a job open if it can't find the right match, says Kate Creagh, VP of human resources.

Commonwealth a good place to work. The company places importance on hiring people who fit the culture. Creagh recalls that at her first performance review, Deitch asked her for a list of the people she hired during her first year — that's how she was judged. "Commonwealth will leave a job open if it can't find the right match," Creagh says.

"We talk a lot about hiring," she continues. "We focus the vast majority of our energy on hiring the right person. It makes everything a lot easier."

Deitch attributed his focus on building relationships to his Dorchester upbringing. "For me, it was very important to feel part of a supportive environment," Deitch said. "That has been a driving force in my life."

Asked what about Commonwealth he's most proud of, Deitch says it's the people he surrounds himself with. "It's the quality of people we've attracted," Deitch says, "and the fact that they've decided to make this place their home."

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