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BY SOUTHWORTH DEVELOPMENT

THE UNCOMMON MAN: JOE DEITCH

DARREN CLARKE’S ABACO CLUB

SCOTLAND’S WHISKY WARRIORS

THE HIGH SIDE CLASSIC BOATS
MASTER OF THE MULTIPLIER EFFECT

JOE DEITCH, founder and chairman of Commonwealth Financial Network, is a modern-day renaissance rebel who doesn’t believe in living a linear existence. Whether leading the country’s top financial advisors, launching charitable initiatives, helping produce Broadway shows or gracefully tackling the back nine at Southworth Development’s clubs, this self-made maverick knows a thing or two about a thing or two...

BY HEIDI MITCHELL
“Doesn’t everyone have an interesting backstory?” asks Commonwealth Financial Network founder and chairman Joe Deitch. We’ve just a few miles from the train station, and we’ve already covered the challenges of growing up on the wrong side of the tracks in Boston as the son of a mechanic and a homemaker; the benefits of meditation, therapy, and “retiring” at age 20; and how living in St. Croix after college was seminal in forming his life view. To say Deitch, 66, has led a non-traditional life—that he has “an interesting backstory”—is an understatement.

This, after all, is a man who tested into Boston’s top (and oldest) public school in the 7th grade and then enrolled in the Wharton School at the University of Pennsylvania because he’d read an article in Time magazine proclaiming it the best business school in the country. By sophomore year, though, he’d decided that an undergraduate business concentration wasn’t for him, and that life was short. So he did the logical thing: He “retired.”

He never took another required course and focused instead on what appealed to him. He also convinced the school that his self-assembled curriculum of economics, philosophy, political science, religion, and history classes constituted a cross-disciplinary International Relations degree.

A typical trajectory was never in Deitch’s cards. After graduating Penn in 1972, he wished his friends good luck as they marched off to graduate school or corporate jobs and made his way to Cape Cod. There he paid homage to The Endless Summer—a movie that follows surfers around the world in search of the perfect wave—and set other plans in motion. “I love the summer—it’s a state of mind,” he says. Not surprisingly, Joe decided to extend his summer and “expand the dream” by following the warm sunshine south.

He borrowed some money from his sister and bought a one-way ticket to St. Croix, a tropical island where his American citizenship would allow him to work. There, his first job had him in charge of the beach shack at a resort. “On my first day, I learned to snorkel; on my second day, I was teaching snorkeling. On my third day, I learned to sail; on my fourth day, I was teaching sailing,” he recalls as we make our way in his Maserati Quattroporte to his Commonwealth office just outside of Boston.

“In retrospect, I was taking the road less traveled,” he says. “Like most young people, I thought I could do anything. Unfortunately, as people grow older and get pigeonholed and run down by life, they can lose that confidence and enthusiasm. I’ve always tried to nurture it. Success is a function of passion, purpose, and people. If we embrace something that speaks to our purpose—it acknowledges and honors who we are. Then, if you add people who share that same passion, it’s the trifecta, the Holy Grail.”

A BETTER MOUSETRAP

After spending a year and a half on St. Croix, he returned to Boston. “I came home and thought: I have no capital, no professional training, but I can sell. So I ended up selling insurance… which is a whole other story.” That quickly evolved to pension and estate planning, investment management, and, ultimately, financial planning, which tied it all together. He launched his own financial planning firm, the Cambridge Group, at age 28. It was during the growth of this first business that a prescient seed had been planted: Detch saw that demanding advisors like him were not being well served by investment brokerage firms. He envisioned doing it better. So after just two years
I was young, dumb, inexperienced, and underfunded. It was the perfect combination of clueless—otherwise I might never have done it,” Joe says with a smile. “We offered a better mousetrap. We appealed to financial advisors like myself and helped them grow. Word got around.” And it got around fast.

Commonwealth doubled in size every year for its first five years, earning a spot on Inc. magazine’s “Fastest Growing Companies” list for three years running, from 1985-1987.

BACK TO SCHOOL

But then the tide turned. “When I started Commonwealth in 1979, the market and the financial services industry were on their way up,” he explains. “Then there was a big tax law change in ‘86 and a disastrous stock market crash in ‘87 and the world went upside down. Individuals and institutions were going out of business left and right. Commonwealth was always going to be a problem was me, and that the success of my organization was a function of how good I was. It turned out there was a lot I was missing. It was time to go back to school.”

Deitch enrolled in Harvard Business School’s OPM Program (Owner/President Management Program), and then leveraged the skills honed there to rescue his ailing company. “I was desperately trying to learn the skills honed there to rescue his ailing company. “I was desperately trying to learn the skills honed there to rescue his ailing company.”

Today, Commonwealth is the largest privately owned independent brokerage firm in the country, with over $1 billion under management and over $1 billion in annual revenues. While touring the Boston office where 700 employees work (there’s also a San Diego office), the sense of quality and community needs to be nurturing. It only makes sense! If you focus passionately on quality and have a supportive community where everyone thrives, you’re going to attract, cultivate, and keep the best people—and they in turn will attract, delight and retain your clients.”

“Commonwealth’s DNA: QUALITY + COMMUNITY,” Deitch and his team turned the company around and have never looked back. Along the way, he refined the powerful DNA that is Commonwealth and gave it a laser focus on two key things: quality and community. “We’re passionate about the pursuit of quality in every single thing that we do,” he says. “Whatever department you’re in, we want it to be the best in the industry. And since we all spend more time at work than anywhere else, the environment and community needs to be nurturing. It only makes sense! If you focus passionately on quality and have a supportive community where everyone thrives, you’re going to attract, cultivate, and keep the best people—and they in turn will attract, delight and retain your clients.”

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CAMP DEITCH
His playful Cape Cod summer home hosts festive gatherings of family and friends.

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Deitch has numerous hobbies, many of which involve the water. But he’s always loved art and entertainment, especially when it can magically communicate passion and bestow wisdom. After the death of his wife, Robbie, a brilliant psychologist who died in 2006 after a three-year battle with ovarian cancer, he created a theatrical production company with his son, Matt. Full House Productions started with a small $15,000 investment in an Angela Lansbury play on Broadway and went on to co-produce a dozen shows, including the Tony-Award-winning smash Porgy & Bess. Though they concluded their Broadway run in 2012, Deitch still works with Matt on a number of projects, and they both continue to honor Robbie’s spirit and legacy.

GIVING BACK
In this vein, charitable giving has always been foremost in his thoughts. In addition to Commonwealth Cares, the charitable arm of Commonwealth Financial, and Southworth’s work with Jack Nicklaus to fund numerous children’s charities, Deitch has worked closely with Boston Latin School, creating the Deitch Leadership Institute there. “These kids are so smart and have so much horsepower, I want to help them leverage their abilities and teach them about leadership,” he says. “The more you understand leadership, the more you can apply it to everything you do.”

SOUTHWORTH DEVELOPMENT: FOSTERING FUN + COMMUNITY
“Having a profound impact for good is very important to me in all of our endeavors. We really want to make the world a better place,” he says. That is certainly what has happened at Southworth Development. A longtime close friend of David Southworth, Deitch joined the company in 2006 as chairman and partner. The two met through their sons (who went to grade school together), and today they are creating high-end sporting communities which are welcoming safe havens for individuals and families alike. “I love spending time at our clubs, but I don’t really golf much,” Joe admits. “My friends make the joke that someone suggested I buy some clubs and I misunderstood them.”

MAKING DREAMS COME TRUE
In all earnestness, his role at Southworth Development has been a natural progression. Deitch saw in David Southworth the same qualities that have been key to his own success. “When I started working with David, his vision for Southworth mirrored ours at Commonwealth—quality and community. At Southworth, we literally build and nurture communities, which is very exciting to me.” The formula—Southworth Development’s winning strategy—is straightforward. “We truly care, and we are incredibly good at making people happy, and helping them to realize their dreams. In a sense, we’re helping them to retire now.”

As we return to the train station, I think about how Deitch’s employees and friends must be inspired by this modern-day Renaissance man who exudes good vibes, brushes off negativity, and embraces life to the fullest—whether he’s learning to sail in St. Croix or launching a billion-dollar business. “To me, it all seems very logical,” he says. “I think of myself as a bit of an explorer, an entrepreneurial journeyman. When you have clarity about where you’re going and why, everything is a lesson to learn and enjoy, and an opportunity to evolve. Plus, he adds, “We get to make real people joyous. That, in turn, creates profitable ventures, in every sense of the word. How cool is that? And how lucky am I?”