

# GAMA

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BUILDING LEADERS IN THE FINANCIAL SERVICES INDUSTRY



# THRIVING IN BLUE OCEANS

Frank Scalese is the 2019–2020 president of the GAMA International board of directors

BY ROBERT BITTNER

Growing up on Long Island, New York, Frank Scalese wanted to be a professional athlete. “I love hockey,” he says. “And I wanted to be a New York Islander.” At the time, it didn’t seem unreasonable. Sports was a solid fit for an athletic young man with a talent for leadership. “I was always the captain of the team,” he recalls. “I was always interested in finding ways to help other people become better.”

But a career in professional hockey was not to be. Instead, his passion for inspiring others to be the best — combined with his natural inclination toward entrepreneurship — eventually led Scalese to take his game from the ice to the “ocean.”

Today, as the managing partner at Blue Ocean Wealth Solutions (a member of the MassMutual Financial Group), Scalese captains a team committed to success, leading those around him by his own example.

## BEGINNING IN THE BOILER ROOM

For Scalese, success was never a given. “I’m the oldest of five — three boys and two girls,” he says. “Mom was a homemaker, and Dad was an engineer for Con Ed who then went to work for the Board of Education. We didn’t have a lot of money. It wasn’t easy.

“My dad could be difficult,” he adds. “But he made me the man I turned out to be in terms of my work ethic and my attitude toward responsibility and loyalty. It’s because of his example that work has always been important to me.”

After high school, Scalese attended Pace University in Manhattan, studying for a career in accounting. But he realized by his junior year that those constricting columns of









numbers were not for him. He wanted the freedom to create a career as expansive as his dreams.

Impressed by the “hotshot” Long Island stockbrokers he met during a Pace job fair, Scalse ended up taking a position with their firm after graduation.

The job was not what he expected.

“I spent two to three months just making phone calls — 900 to 1,000 dials a day — for more established brokers. The movie *Boiler Room* was essentially my firm. But they weren’t doing things the right way,” he says.

That is something of an understatement. “One day, about 20 people got taken away in handcuffs,” he recalls.

One of his co-workers moved on to MetLife. When a new position opened up, he remembered Scalse. “He called me, said he was impressed with me and thought I could be successful there,” he recounts. “I wasn’t really sure the job was for me, but I knew it was an opportunity. So, I took it. Once I started in May 1990, I never really looked back.”

Instead, Scalse is more focused on looking forward, at the possibilities that come with hard work, team support and effective leadership.

**“If you bring in great people — people better than you — it’s only going to make you more successful.”**

“There was a manager there, a military guy, who was kind of a tyrant,” Scalse recalls. “Watching him, I mostly learned what not to do as a leader. But I did notice this one strength he had: He recognized his own shortcomings and surrounded himself with great people who excelled in those areas. Most managers would surround themselves with people they thought were inferior, because they’re insecure. He taught me that if you bring in great people — people better than you — it’s only going to make you more successful.”

Promised the running of his own firm, Scalse returned to MetLife in 2001. He got his firm in 2005.

#### WISE WORDS

Other than being inspired by his father’s work ethic, Scalse says, “I’m not one of those people who can point to someone who put their arm around me to help me along in my career. My greatest mentors have been the books I’ve read and the people who wrote them, who wrote about being better leaders. I eat, drink and sleep reading.”

As a testament to his passion for books — a passion that seems to be shared by everyone in the Blue Ocean offices — Scalse notes that his firm has seven conference rooms, each named for a book that changed the lives of his team. Blue Ocean’s office might be the only one in the country with *Who Moved My Cheese?* or *The Oz Principle* meeting rooms.

Even the firm’s name comes from a book, one that has transformed both Scalse’s approach to financial services and his approach to life: *Blue Ocean Strategy* by W. Chan Kim and Renée Mauborgne, published by Harvard Business Review Press.

#### NAVIGATING THE WATERS

The crux of *Blue Ocean Strategy* is that market success is found in “blue oceans,” those areas where competition is limited and you have the freedom to make your own way and stand out from the crowd, while avoiding the predator-filled “red oceans,” where everyone is competing constantly for the same clients with essentially similar products.

The concept fascinates Scalse.

“There’s so much competition in our industry,” he acknowledges. “There are thousands and thousands of agents in just the New York area alone. So, as I read and thought about the lessons in the book, it struck me that you have to find your own blue ocean, the place where there are few players in your market space and you have the greatest opportunity to stand out and be successful.

“Since I read that book, everything has been about ‘blue ocean,’” he says. “Even my license plate says ‘BLU OCN.’”



Scalse, center, and his wife, Diana, at a reception during LAMP '19

#### THE POWER OF GREAT PEOPLE

Scalse was eager to lead his own firm. But it did not appear he would have that opportunity at MetLife. He left the company in 1996.

His time at MetLife was not without rewards, though: “I met my wife, Diana, at MetLife,” he says. “She has been absolutely vital to my success, accompanying me as we moved from firm to firm over the years. Today, we have three children between us and a 5-year-old grandson.”

In addition, Diana is a top advisor at Blue Ocean.

Scalse moved briefly to New York Life Insurance Co. There, he learned an important lesson in leadership from an unlikely teacher.

## FROM THE FIELD

"It's very easy to speak to Frank's strengths. His No. 1 strength is his ability to relate with people. He also is visionary and selfless in his leadership style. Additionally, Frank is a true team builder. He has a genuine and sincere interest in building people up and supporting them so they can accomplish and even surpass their goals."

— **Robert Baccigalupi**, Retired General Agent, Genworth Financial

"When you hear Frank Scalese's name, 'Blue Ocean leader' or '3-4-5' automatically come to mind. However, it's the three T's that make Frank the quintessential leader he is: *trust, tact and transparency*. He has the ability to earn the trust of everyone he leads; the courage to always shoot straight, no matter the topic of conversation; and a gift for making you feel like you're the only person in the room. I continue to learn from Frank, both as a leader and as a human being."

— **Mark Bonnett**, Founder and President, CorePath Wealth Partners

"Frank is an inspiring leader who has constantly given back to our industry through his dedicated commitment to the GAMA Foundation and GAMA International. He is a visionary leader who is not afraid to challenge today's leaders to think differently about how to lead in the future. I feel honored to serve with him on the GAMA International board."

— **Paul Dodd**, Managing Partner, Northwestern Mutual

"Frank is one of the most authentic and principled leaders I've ever worked with. He is quick to take a stand for what's right, and just as quick to extend himself in service when anyone needs assistance. Frank represents the very best our industry has to offer. I am grateful for his friendship and leadership over the years."

— **Kelly Kidwell**, CEO, Pacific Advisors



Diana and Frank Scalese

"I've had the privilege of serving with Frank on the GAMA board the past several years. Everyone should be so lucky as to have someone like Frank in their life. He has the unique ability to make each person he meets feel known and cared for. Love you, Frank. GAMA is fortunate to have you at the helm."

— **J. Christopher Noonan**, Regional Executive Vice President, AXA

For Scalese, it just makes sense that his firm is called Blue Ocean as well. "That book changed my life," he adds. "And, as a firm, we are in the business of changing people's lives."

While that might sound like a pat business cliché, for Scalese, the sentiment fundamentally reflects the way he thinks about financial services.

"I'm proud of what this business can do for people," he says. "Here's an example from my own life: My dad was not happy when I told him I wasn't going to be an accountant. He thought I was abandoning a solid career. So, he didn't want to buy any insurance from me when I started in the industry. But, in time, he eventually came around and ended up buying a small life insurance policy."

"My dad died in July 1996," he adds. "That's when I really understood the impact this business could have on someone's life. Because of that little bit of insurance, he left enough money for my mother to stay in her house and put my youngest brother through college. That was significant."



From left, Mark Bonnett, CorePath Wealth Partners; Scalese; and Bonnie Godsman, GAMA International

Something he didn't want to do turned out to be the best thing he could have done for his family."

The firm's commitment to "changing people's lives" doesn't end with the company's outreach to its clients. It also has shaped Blue Ocean's internal culture.

"I still wake up every day with a passion to change people's lives," Scalse says. "Only now, those people are the team, the Blue Ocean family. 'Changing lives' now means creating a culture of support here, making people feel valued."

At Blue Ocean, that approach is exemplified in two key ways. According to Scalse, "First, we operate on four principles: 1) being a nice person; 2) being on time and respecting others' time; 3) finishing what you start; and 4) doing what you say you're going to do. This is the way we operate around here. It's also the way Diana and I have raised our children. If you can live your life by those four values, you'll be a productive human being and you'll make a difference in the world.

"Second, we use a mantra that we call 'three-four-five,'" he says.

Scalse explains: "I grew up in a big Italian household. At home with family members, there are three powerful sentences we can say to each other: 'I love you' (three words), 'I believe in you' (four words) and 'I am proud of you' (five words). Well, we brought that culture to the office."

## ANYTHING CAN BE BEAT

While Blue Ocean's team supports multiple charities, both local and international, the biggest corporate focus is on leukemia/lymphoma — for a very personal reason.

"When my son, John, was 8 years old, we found out he had leukemia," Scalse says. "He had a tumor from his neck to his waist."

Scalse was traveling when he got the call. He immediately took an overnight flight and arrived at the hospital at two in the morning. "I'm naturally a positive person," he says. "I'm also competitive, believing *anything* can be beat. So, when the oncologist told us John had a chance, that's all I needed to hear.

"The next several years were hell, with chemo, radiation," he says. "It's indescribable. But children are strong."

John fully recovered and went on to play college sports and become an accountant.

The experience had a profound and lasting effect on his father. "The doctors were able to save my son's life thanks to all of the research that has been done," Scalse says. "Today, around 93 percent of children with leukemia/lymphoma survive. My goal is for us to raise enough money to get that number to 100 percent."

In 2018, Blue Ocean raised \$25,000 for the Leukemia & Lymphoma Society. It was the fourth-highest corporate fundraising team on Long Island.

## "I still wake up every day with a passion to change people's lives."

It is not unusual for passing colleagues to share the shorthand, "three-four-five," in the Blue Ocean hallways or include the phrase "3-4-5" in an email as a way to encourage and support one another.

"I know that, at first, some men, especially, might be uncomfortable with this kind of language," Scalse says. "But I've heard co-workers say these things to one another. I've seen how it can lift people up."

That nurturing approach has led a number of those at Blue Ocean to encourage family members to join the firm. "We have about 10 instances in the firm where family members have brought sons, daughters, siblings into the business," Scalse says, and that includes his daughter, Erika.

### FROM LEADER TO PRESIDENT

For a driven, financial-services entrepreneur with a passion for leadership, serving as president of GAMA International's board of directors might seem like an obvious entry on the bucket list. Scalse says that is not the case.

"In all honesty, becoming GAMA president is not something I was seeking," he admits. "But, years ago, I decided that this business has done so much for me that I wanted to give back. I also have the utmost respect for Bonnie Godsmen, who is an incredible leader. I wanted to get involved in GAMA to give back wherever I can and to be around the people in the industry whom I respect."

When it comes to platforms or sweeping agendas, Scalse points out that the GAMA International presidency doesn't really function like that. "Past presidents and future presidents — we've all met and agreed that we would support each other's agendas," he says. "We're an extension of each other. The focus is on moving the organization forward."

Of course, that doesn't mean he won't be bringing his own unique outlook and goals to the job. "I want to do as much as I can to encourage a high-performance culture throughout the GAMA membership," Scalse says. "I believe that having a commitment to high performance — making that fundamental to your firm's culture — is really the key to having long-term success in this industry."

He also believes this is a critical time for the industry. "I think we're at a fork in the road," he says. "My mission, my vision, is to guide and direct everyone to go in the right direction. To continue to help them find their own blue oceans. And to help consumers understand we are vital to changing their lives for success." ❖

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