

aRIA Releases Whitepaper Designed to Propel Registered Investment Advisor Growth to New Heights

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- The paper, entitled "Elevating the Next Generation of Registered Investment Advisors", identifies deficiencies in how RIAs are planning for the future and ways that they can get on a better track

- Owners need to prove to both recruits and current employees that they are personally invested in the company's growth

The Alliance for Registered Investment Advisors (aRIA), has released a white paper entitled "Elevating the Next Generation of Your Business", identifying the ways in which RIAs fail to address the long-term future of their firms, and the top 10 tips and tricks they can use to correct course.

The whitepaper points out that owners of RIAs, many of whom are nearing retirement, haven't done enough to plan for the future of their businesses. aRIA says that this failure is because many founding partners are less interested in building a business and more interested in being operators of their practices. This type of thinking can be damaging to the long-term viability of the firm. It can cause current employees to leave, and prevent firms from attracting the type of talent that keeps them relevant.

"Business continuity is one of the biggest challenges facing our industry today," said John Furey, Founder of Advisor Growth Strategies, author of the white paper, and an aRIA founding member. "The unwillingness of many RIA owners to invest in both keeping top employees and recruiting new ones is deeply troubling. Most are not willing to risk short term economic outcomes for long term benefit."

Amongst other insights, the paper encourages firm leaders to consider carefully the following questions:

- 1.How can a firm attract top talent?
- 2.Why will human capital be increasingly critical to a firm's success?
- 3.How can win/win compensation designs be created?

4.How can a firm best establish successful career paths for professionals?

5.How are the best firms introducing ownership to key contributors?

6.What is the next generation of talent looking for and how can a firm build an employee value proposition?

In order to survive RIAs need to constantly refresh their talent base, which aRIA suggests attaining via a "farm team". RIAs need to have proficient networking operations, since they lack the brand, internal recruiting capabilities, and/or vetting systems that large institutions have. An RIA needs to be able to identify what its needs are in the short and long term, and be ready to pull the trigger on an applicant at any moment.

Just as important as acquiring new employees is retaining the key employees that a firm already has. aRIA says the best way to do this is by creating a vision for a company to demonstrate how a firm is going to grow, via a business plan. This will build alignment with employees, owners, and clients. If owners do not have a business plan, they should be asking themselves: Why not? How can the contributions of my team be maximized if members don't know how everybody fits in the big picture? Do I risk losing great contributors if they feel they do not have a career path?

Finally, aRIA recommends that firm owners look toward innovative compensation models to ensure that employees stay on board. These models can be a mixture of benefits, cash compensation, personal rewards or equity. Creating compensation that is based on merit, not experience, tenure, background, or potential, will incent employees to elevate performance, versus remaining in the status quo, and make them feel like they have an active role in the company's growth.

"In 2011, we knew that we needed additional help to achieve our vision. We laid out a ten-year plan and provided opportunities and results based on a compensation system and opportunities for equity ownership. This mind-set really helped the business transform and helped me solve for a variety of challenges we were facing -- business continuity, succession, and maybe over reliance on my personal contribution," said Ron Carson, Founder and CEO of Carson Wealth and aRIA board member.

To read the whitepaper in its entirety, which outlines what firms need to do to provide for their futures via talent retention and acquisition, please visit:
<http://www.allianceforrias.com/leadership/>

For media inquiries, please contact aria@ficommpartners.com.

About the Alliance for Registered Investment Advisors

aRIA, the Alliance for Registered Investment Advisors, is a think tank study group composed of six elite RIA firms that collectively manage more than \$30B in client assets, and Advisor Growth Strategies, a leading consulting firm serving the wealth management industry. The group offers insight for advisors considering ways to enhance their firms' enterprise value. On the Web at: www.allianceforriias.com

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