

Finding Your Ideal Independent Broker/Dealer

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Finding the Right Independent Broker/Dealer for You

When it comes to the health and well being of your practice, few decisions have a greater impact on your business than choosing your independent broker/dealer. Yet making your way through the many available options, evaluating benefits, weighing potential downsides and determining what life will *really* be like with a new broker/dealer can be overwhelming.

Your Vision

Before you begin your search, take time to consider the attributes *you* need in an independent broker/dealer. If you're new to the independent model, keep an open mind – you may find that services you think you can't live without are not *missing* at an independent broker/dealer – they are simply delivered a la carte rather than as part of an all-encompassing package. This flexibility allows you to pay only for the services you need and use, and to receive those services when they suit your practice.

Rather than focusing on what your practice has used or needed in the past, step back and consider where you would like your practice to be in three to five years. When you have your vision firmly in mind – and on paper – consider the support you will need to achieve your ideal practice.

Culture, Reputation and Financial Stability

Big or small; east coast, west coast or in between; nationally known name or well-kept secret – when it comes right down to it, you want a broker/dealer that will provide the services you need in a friendly, intelligent and efficient manner at a reasonable cost. You want a broker/dealer that's been around and that will be around for the long term. For 25 years, Securities America has provided unmatched service, cutting-edge technology and industry-leading programs. We're among the top independent broker/dealers in the country, and we enjoy the full backing and support of our parent company, Ameriprise Financial.

Services to Assist Advisors as Entrepreneurs

At some point, most advisors find that to grow, they need to hire office staff, but screening, hiring, training and managing employees can be overwhelming. Securities America's HR Advantage program provides assistance in finding, screening and hiring support staff, and our extensive library of web-based training courses, along with live seminars and workshops like our annual Assistant University, help reduce the burden of attracting, retaining and developing employees.

Where to Find the Answers

While the *questions* to ask potential broker/dealers may seem obvious, finding the sources for the *answers* may not be – after all, how can you understand a culture you have not yet experienced? Or evaluate technology you haven't ever used? These resources may be helpful in gathering the answers you need to make an informed decision.

1. Rankings and reviews in industry publications: Many magazines publish annual reviews and rankings of independent broker/dealers. These can provide a quick comparison, but look beyond revenues, net capital or number of advisors. Revenue or production per advisor (and whether it is trending up or down) can tell you more about how the broker/dealer is helping its advisors succeed.
2. References: In evaluating a business, there's no substitute for talking to its customers. Determine specific areas you want to explore – such as fee-based business or practice management – and ask for contacts who can specifically discuss those aspects.
3. Peers in professional groups like the Financial Planning Association or National Association of Independent Financial Advisors: Rather than relying on Internet buzz, talk to knowledgeable professionals whom you respect. If forced to change broker/dealers, who would be on their list and why?
4. Employees: Ask the broker/dealer for home-office employees you can interview, particularly in front-line areas like transition, customer service and compliance. Give them scenarios for potential issues and ask how they would assist you.
5. Demos: You wouldn't buy a car without a test drive, so take a spin on the broker/dealer's systems. Ask for specifics on how data will be migrated during your transition.

Flexible Practice Structures

Some advisors work well as soloists while others excel in a larger ensemble. Independence means the flexibility to work within the practice structure that best suits your needs and personality, whether you want to share office space to reduce costs, enter into a partnership with another advisor or join a branch office. If you like the synergy of working in a collaborative group environment, Securities America can introduce you to branches of all sizes and *Continued...*

structures. And if you prefer the single life, we provide resources to help you expand your client services beyond your own expertise, including insurance strategies and products, financial plan creation and investment management through third-party money managers.

Evidence of Helping Advisors' Practices Grow

In the fast-changing financial world, smart advisors recognize the need for education and training. Securities America excels in providing individual and group training pertinent to today's financial practice. Called "a vanguard in practice management" by Cerrulli Associates, Securities America offers coaching programs on specific topics such as marketing and practice acquisition as well as comprehensive programs like *Next Level: Building the Million Dollar Practice*. Conference calls and webinars with money managers and product sponsors, along with online training courses on increasing efficiency with technology, provide big returns with small time commitments at no cost. For advice and coaching tailored specifically to your practice, our business consultations deliver results: advisors average a **31% increase** in revenue in the year following a consultation.

Technology That Is Easy to Use and Fully Integrated

Few financial practices today can survive without technology that makes every day tasks more efficient and less time consuming. Securities America's online, integrated workstation offers easy-to-use tools for office management, practice management and marketing. We search the industry for best-in-class technology. If what we find doesn't meet our standards, we build something that does. Many of our recent initiatives have focused on creating a single point of data entry that can then be used for everything from prospecting and relationship management activities to populating sponsor forms.

We've pioneered paperless account opening and document imaging, and we're one of the few broker/dealers who automatically image account paperwork and make those images available to our advisors at no charge.

Compliance That Helps You Secure Your Practice and Protect Your Clients

Never before has compliance and supervision been as essential to protecting your practice as it is today. Securities America's automated systems for monitoring trades, reviewing email and submitting advertising and marketing material have all reduced the amount of time advisors must spend on these tasks while improving the documentation so important in the event of a complaint or arbitration. By getting to know each advisor's practice, Securities America's

compliance and supervision professionals can help advisors be most effective in their practice while at the same time meeting regulatory requirements.

Success Helping Advisors Buy and Sell Practices

One of the great aspects of being an independent advisor is the ability to grow a major asset for funding your retirement – your practice. Securities America values that ability so highly, we have developed one of the industry's most comprehensive approaches to

buying and selling practices. It includes continuity and contingency planning that address the worst case "what if" scenarios of disability or death, as well as maximizing the value of your practice in preparation for selling it at retirement, and much more. If you seek accelerated growth through acquiring practices, we provide coaching and consultation in marketing yourself as a buyer of choice, deal structuring and maximizing client retention.

Red Flags

Proceed with caution if you encounter the following while vetting an independent broker/dealer:

- Proprietary products: Forcing or incenting you to sell certain products over others runs contrary to the idea of independence and putting your clients' interests first.
- Client relationships: If there is any question as to who owns the relationship with *your* clients, move on.
- Non-compete or non-solicitation clauses: These are unnecessary if *you* own the client relationship.

