

# BOSTON HARBOR

WEALTH ADVISORS

## Will My Clients Follow if I Go Independent?

*Discover the significant factors that can impact the success of a transition and the number of clients who follow you.*

Becoming an independent advisor is a huge step for any advisor's business. After working through some of the complexities of the change, everyone comes to the most essential question that each advisor will inevitably ask themselves, "will my clients follow me if I go independent?"

In the last 20 years, more advisors are migrating to independence due to three overarching reasons:

- Control and decision making around the resources your business needs
- Improvement of ongoing compensation and cashflow
- The creation of equity / enterprise value in the business

While going independent has significant benefits, transitioning the vast majority of your clients is essential for you to experience those benefits. Below, we have outlined the top five factors that we see have an impact on client conversion rates when an advisor goes independent.

### 1) Legal – protocol and employment contracts

**Protocol firms vs. non-protocol firms** – whether the firm you are at and the one you are joining are part of the broker protocol or not, is critical for you to understand. This can have an impact on your transition. The Broker Protocol creates a clear set of rules of engagement for advisor transitions that can guide a successful and legal issue free transition. Non-protocol firms typically make it more difficult to leave the firm. In that situation, the transition is typically governed by your individual employment contract which can often times be quite restrictive. For protocol firms, it is typical that the Broker Protocol will trump your individual employment contract. In that situation, you will have a clear road map on how you leave and bring clients with you that can be much more worry free. This isn't to say that if you are at a non-protocol firm or that you are joining a non-protocol firm, that you can't have a successful transition. We simply want you to understand there will be more complexities and legal items you'll need to work through and take into consideration. If you are unsure if your current or future firm is part of the Broker Protocol, [click here](#) for an updated list of companies. Regardless, you should strongly consider speaking to an attorney that has a focus and specialty in this line of work if you are considering a move to independence.

---

1400 Computer Drive, Suite 201, Westborough, MA 01581  
O: 978.767.8667 // F: 978.929.9144 // [www.joinbhwa.com](http://www.joinbhwa.com)

# BOSTON HARBOR

WEALTH ADVISORS

## 2) Client Development

It's imperative to evaluate your clients now and reflect on how you obtained them, whether they were **self-sourced vs. inherited**. Generally, if you self-sourced clients at your current firm, they are more likely to follow you over the inherited clients because the self-sourced clients actively decided to work with you. The type of **self-sourced strategies** is also essential to consider. For example, obtaining clients through a cold call rather than a referral or someone already in your network, may affect the client's choice to follow you. **Time** is a critical factor, as with any relationship. The length of your relationship plays an integral part in a client's choice to stay with you, regardless of your affiliation. Typically, we have found that if a client is with you for five or more years, that equates to a higher probability of your clients staying with you as their advisor.

## 3) Client Service and communication

A **variety of consistent touchpoints** are important. Are you holding regular in-person meetings, and have you been able to integrate Zoom as part of your meeting schedule? Are you making regular calls and sending consistent emails? We see that advisors who have a consistent communication plan that they are executing with their clients have a far greater conversion rate when going independent.

## 4) Types of services provided to clients

Utilizing a **multidiscipline approach** is more attractive to clients. **Maintaining or increasing the types of services and their impact on your clients** can drastically improve your client conversion rate. The more they rely on you, the more they are likely to follow you. These services can range from financial planning, insurance planning, investment management, tax, estate planning, and beyond. The data supports the idea that you will mean more to a client if you are doing more than simply managing a small portion of their assets.

## 5) Transition Strategy

How you position your transition is imperative to successful client conversation—your **words matter**. Independence is more critical to advisors than clients. Therefore, it's crucial to **focus on the benefits to your clients** instead of the benefits to you. Transitioning is a significant change. Your clients will likely be more comforted by the fact that **you have the support of a large company behind you**. If you are leveraging a broker deal or a clearing firm, advertise the support of that firm to your clients as part of the support that will make their relationship with you successful. You also want to make sure that you make a significant investment into the resources that you have to support the actual movement of clients and their accounts. No matter how well you plan for your transition, investing in human and capital resources are imperative. We suggest **over investing in your transition resources** so the many factors involved in change allow your clients to be cared for throughout the process.

---

1400 Computer Drive, Suite 201, Westborough, MA 01581  
O: 978.767.8667 // F: 978.929.9144 // [www.joinbhwa.com](http://www.joinbhwa.com)

# BOSTON HARBOR

WEALTH ADVISORS

Perception matters, so your client's experiences throughout the process can make or break their willingness to follow you.

## *Resources*

As you start the process of determining if a move to independence is the right move for you, there are a variety of resources you should consider when determining your move to independence. **Joining the right broker** - Your time will be well spent researching the firm that will work best for you based on various factors such as resources, firms that outsource services, arrangements that you could be involved in. **Hiring the proper legal counsel** - Due to the complexity of this process, we recommend finding legal counsel that focuses solely on this space. There are too many factors at stake, and you will need an expert who knows the ins and outs of the industry. **Having an advocate** - The right advocate is critical in this process, whether they are another experienced financial professional in the field or a search firm that you have vetted through a rigorous process. **Considering an independent group vs. alone** - There are a variety of scenarios that can be arranged, depending on the broker-dealer you will be connected to. It will take time, but it's necessary to weigh your options because there are various resources and infrastructures offered depending on the size of the group you are joining. **Over investing in your transition** - The more you invest upfront from personnel to your time spent researching, the better decisions you will make and the more resources you will have in the end. Your clients will also feel more confident because of the transition and your upfront investment.

## *Next Steps*

We understand that the succession planning process can be overwhelming without sound guidance from an experienced team. Boston Harbor Wealth Advisors is committed to creating flexible and robust succession plans. We are happy to provide guidance in any way possible, whether it's being a partner, an advocate, matching you with a potential business, connecting you with buyer's networks or search firms, etc.

If you are interested in learning more about developing a succession plan, please contact Matt Davis, CEO, Boston Harbor Wealth Advisors, at [matt.davis@bhwawealth.com](mailto:matt.davis@bhwawealth.com)

*Any opinions are those of Matt Davis and not necessarily those of Raymond James. Expressions of opinion are as of this date and are subject to change without notice.*

---

1400 Computer Drive, Suite 201, Westborough, MA 01581  
O: 978.767.8667 // F: 978.929.9144 // [www.joinbhwa.com](http://www.joinbhwa.com)