## Why trot when you can gallop?

8 questions to ask broker-dealers when considering independence.



Increasingly, advisors are contemplating becoming independent business owners to experience the freedom and flexibility of controlling their own destiny. However, it isn't always clear which questions to ask when you are evaluating and selecting a new broker-dealer to partner withthis is particularly true when you are a newbie to the independent scene.

If you are considering going independent or evaluating an alternative broker-dealer partner, this guide is designed to help guide you through that process.

### Why the broker-dealer partner you choose matters.

Deciding to become an independent business owner doesn't mean you will be left out on an island somewhere. In fact, a dedicated transition team should work closely with you from day 1 to help plan your transition, transfer your existing assets, and get your new practice up and running. Once your practice opens, your broker-dealer should provide the back-office and product support you need so that you can focus on what really matters- servicing your clients and growing your business. As a result, you are likely to build a close, long-term relationship within your broker-dealer, marked by strategic discussions about your business.

Prospera believes that there are 8 key areas to consider when you are thinking about going independent for the first time. After more than 30 years serving financial advisors, we've found these to be critical measures of the quality and value of a broker-dealer.

As you conduct your research, feel free to keep this guide handy to keep track of relevant information to use in your search.

Let's get started...



### 1. How much experience do you have supporting advisors?

Some broker-dealers have been serving advisors for 20 years+ while others are newer to the industry. Choosing a broker-dealer who has been around for awhile typically ensures the likelihood of access to proven technology, platforms, products, services and best practices.

In order to gauge a potential broker-dealer's experience level, ask:

- How many years have you been in the industry?
- · How many advisors do you support?
- What's the average tenure of your management team?
  What the average tenure of your advisors?
- · What types of advisors do you serve?
- Do you serve advisors like me? i.e. would you be making an exception to accommodate my business?
- Has any of your senior management team ever been an advisor?

### 2. How will you help me go independent?

Going independent is a big step with many items to think of. You'll want a broker-dealer that has a proven framework for helping you make the transition. When you discuss the process of going independent, ask the broker-dealer you are considering the following:

- How many advisors have you helped go independent?
  May I speak with one?
- How do you help advisors design and establish their independent firm and office?
- Can you show me your plan for helping me transfer my clients' assets? What will my clients' service experience be like?
- How many people will support me during the conversion?
  What are their roles?
- What experience does my transition team have?
- What's your track record for transferring assets?

### 3. How would you describe the service experience?

Providing a high level of service is an important part of your relationship with your clients and you should look for the same in your broker-dealer partner. Pay close attention to the people you meet as you do your research to get a feel for the rapport you'll develop with your service team. Trust your gut and get a sense of the quality of service a broker-dealer provides, ask:

- Does each advisor have a dedicated service team? Will I?
- Are other advisors satisfied with your service? Do you have research to demonstrate that?
- How will I access service representatives? Subject matter experts?
- What will you do to understand my business and its unique needs?
- What third-party professionals will I have access to (accountants, estate lawyers, etc.)?
- · Do you offer any guarantees?

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### 4. What type of technology will be available to me?

Technology is a necessary building block of any business. Make sure you have a discussion with any potential broker-dealer to assess your technology needs and implement solutions to make your office run efficiently. You can also ask to test-drive trading and account management tools so you're confident they can provide the features and functions that suit your business. Some key technology questions would be:

- · What support will you provide for my day-to-day needs?
- · What training is available?
- How do you demonstrate a commitment to innovation?
- How reliable is your technology? Do you have the numbers to prove it?
- · Is your website easy to use? When was it developed?
- · What outsourcing options are available?
- How will my clients benefit from your technology?
- Do you have aggregation software?

### 5. What investment products will I have access to?

One of the benefits of independence is greater access to a diverse set of products for your clients. The list should be practically endless

and offer a wide variety of opportunities. Several questions to consider are:

- What types of investment products do you offer?
- What alternative investments are available? How are they vetted?
- What plans do you have for future product introductions?
- How flexible are you with products I can offer my clients?
- What research do you provide to enable my usage of products?
- · How many different fee-based products do you offer?
- · Am I able to build, bill and report on my own portfolios?
- Do you offer any educational or training experiences for my sales assistant?

### 6. How can you help me grow my business?

Running your own business involves more than transferring assets and advising your clients. You'll need to partner with a broker-dealer that can help you manage your business, grow your firm and assist you with profiting from a business you've built when it's time to retire. To find out if a broker-dealer can support your strategic objectives, ask:

- What business planning, marketing and business development support do you offer?
- Can you describe the level of compliance and regulatory support you provide?
- Am I required to have a Series 24 license?
- Do you have services to help me hire additional advisors for my office?
- · Can you help me sell or transition my firm?
- · Can you help me buy another practice?

## 7. What networking or educational opportunities do you provide?

Going independent is the first step in the next stage of your career. It doesn't mean that you are alone though. Opportunities to network with other advisors and continuing to educate yourself will be an important way for you to connect with other business owners and apply best practices to continuing development, ask:

- Do you hold an annual conference for advisors?
- Do you have any kind of a top producers trip for your top advisors?
- Is there any web-based or firm provided tools to enable my continued education?

### 8. How important are core values to the success of your firm?

Take a look at yourself- is your primary driver values-based or price-based? A balance of each is essential in running a profitable business, but the one that actually drives you will show up predominately in how you interact with others and how you handle adversity. If you are values-driven and the broker-dealer you are considering is more price-based, there is sure to be an eventual clash. In this scenario, chances are that you are going to be expecting more than they are willing to give. There is no right or wrong way to be- just make sure you get the right match for YOU. Here are some questions to ask to get to the bottom of the culture of the broker-dealer you are considering:

- In the case of a complaint- what is their procedure? What is their settlement rate vs fight rate?
- · Do they have an advisor contact plan?
- Do they have an advisors bill of rights or other published statement of core values?

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### Taking the next step

Somewhere between the career you have and the one you desire is opportunity. For 30 years, Prospera has helped advisors put their dream on the fast track and ride it to a new plateau. We offer the handson expertise of a boutique service-driven culture paired with the resources of the 2nd largest broker-dealer in the country. If you see a better career on the horizon, we'd like to talk with you. Every person at Prospera is personally committed to helping our advisors serve their clients, run their businesses and grow their businesses.

### How can Prospera help you?

Call 877-737-5429 or visit www.joinprospera. com for more information.

If you would like more information on Prospera, please contact us at

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