

CLIENT RETENTION BEST PRACTICES

A GUIDE *for*
FINANCIAL ADVISORS
IN TRANSITION



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AYA KADI
Associate Investment Advisor
3Macs, a division of Raymond James Ltd.

MORE INDEPENDENCE. GREATER ALIGNMENT OF VALUES. BETTER COMPENSATION.

FOR FINANCIAL ADVISORS, THERE ARE MANY REASONS TO CONSIDER CHANGING FIRMS. YET ONE BIG QUESTION CAN HOLD THEM BACK FROM MAKING A MOVE:

Will my clients move with me?

- This guide shares client retention best practices from financial advisors across Canada who have successfully transitioned to a new firm.
- The aim is to give you the confidence to take charge of your future and make the move that's best for both you and your clients.

“IF YOU WANT CLIENTS TO FOLLOW YOU TO A NEW FIRM, IT HAS TO BE BECAUSE IT’S GOING TO LEAD TO BETTER OUTCOMES FOR THEM.”

MARK HOUGEN

Portfolio Manager & Financial Advisor
Hougen Wealth Management of Raymond James Ltd.



NO CLIENTS? NO BUSINESS.

Building strong client relationships and a quality book of business takes significant time and energy. So it's natural to worry about jeopardizing these with the uncertainty involved in changing firms.

You may face professional and financial risks if clients choose not to follow you, and missing your client retention target could have implications for your transition bonus.

- Should these risks hold you back from transitioning to a new firm where both you and your clients can thrive? **CERTAINLY NOT.**
- Should you be proactive in implementing best practices to maximize client retention during your transition? **ABSOLUTELY.**



“CLIENT RETENTION IS A CONCERN FOR ANYONE WITH AN ESTABLISHED CLIENT BASE WHO IS DOING WELL. IT TAKES A LEAP OF FAITH TO DISRUPT THIS AND MAKE A CHANGE.”

BRETT LANGILL
Portfolio Manager
Raymond James Ltd.

THE BEST WAY TO MITIGATE RISK WHEN CHANGING FIRMS?

Learn from those who have successfully transitioned before you and **adapt their best practices to your unique situation.**

“WE CALLED EACH CLIENT AND PROVIDED ‘RAYMOND JAMES AT A GLANCE’ INFORMATION. CLIENTS WERE IMPRESSED BY THE HISTORY AND SIZE OF THE FIRM, AS WELL AS THE SERVICES AND RESOURCES IT PROVIDES.”

DIANA DOWHALUK

Financial Advisor

Diana Dowhaluk | Raymond James Ltd.



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STUDY YOUR OPTIONS

KNOW WHAT YOU'RE GETTING INTO BEFORE YOU TAKE THE PLUNGE.

Maximum client retention starts with **rigorous due diligence** before you even decide to move.

As much as possible, have conversations with those whose experience is most relevant to your situation:

- **Speak with advisors** who transitioned from your existing firm before you
- **Speak with the compliance team** at prospective firms to identify potential issues in transitioning your book

The more you know ahead of time, the fewer surprises – for both you and your clients.



“CLIENT RETENTION WAS NEVER A CONCERN FOR ME. WE NEVER HAD TO CONVINCING THEM. THE ODD CLIENT WAS CONFUSED ABOUT THE PROCESS, BUT THAT WAS ADMINISTRATIVE, NOT ABOUT LOYALTY.”

CHRISTINE LALIBERTE

Senior Investment Advisor
Insightful Wealth Group of Raymond James Ltd.

THOROUGH PLANNING IS MORE THAN HALF THE BATTLE.

Once you've made the decision to move, it's time to develop a detailed game plan in collaboration with your new firm's transition team. This should include:

- **Key transition steps & timelines**
- **Client lists** (who to take with you vs. leave behind) **in order of priority**
- **Task lists for each team member**
- **Client information templates**

For high-priority clients, **consider pre-booking calls** with them for the first day or two after your move to ensure you'll have a chance to speak with them.

The better prepared you are going into your transition, the fewer hurdles there will be to moving clients to your new firm.



Gather **up-to-date info** on your clients' lawyers, accountants, personal assistants, etc. Having their names and contact details can help your team rapidly gather documents during the transition.



Don't rush: give yourself at least 3-6 months to plan & execute a transition.



“YOU CAN NEVER CONTROL THE OUTCOME, ONLY YOUR ACTIONS. SO PREPARE, PREPARE, PREPARE. PLAN FOR THE WORST, HOPE FOR THE BEST.”

FRANK ORTENCIO

Portfolio Manager

Ortencio & Associates Wealth Management Group
of Raymond James Ltd.

START STRONG WITH SOLID CLIENT RELATIONSHIPS.

Make an extra effort to bolster your client relationships in the lead-up to your transition.

- Ensure your clients' portfolios & plans are well organized & up to date
- Connect with clients – in person, if possible – to ensure recent contact
- Provide clear details about your support & their performance
- As usual, discuss their goals, expectations, & any life changes

Tackling these discussions in the 3–6 months before your move will help you have **shorter, more efficient calls** with them when the pressure is on during your transition.

You can also plant seeds in advance so it doesn't come as a big surprise when you announce your move:

- Remind them **it's your team that serves & supports them**; your existing firm is simply the back office
- Be open about **constraints at your existing firm** & how these impact your ability to serve them
- "I'm not currently planning to move, but if I did, **it would be because of this.**"



Use a **client satisfaction survey** to gauge how satisfied your clients are with you. If your existing firm doesn't provide a client satisfaction score, you can hire a firm to provide it.



“MAKE SURE YOU KNOW YOUR CLIENTS AND THEIR FAMILIES WELL AND HAVE A ROBUST FINANCIAL PLANNING PROCESS IN PLACE. THIS MEANS CLIENTS HAVE A PLAN WITH YOU, WHICH OFTEN REQUIRES ONGOING SUPPORT.”

IAN TASKER

Wealth Advisor

Tasker Wealth of Raymond James Ltd.



Always **proceed with caution and discretion**. People talk, and an innocent comment can put your transition in jeopardy.

SHARED GOALS LEAD TO SHARED SUCCESS.

A quick and smooth transition is important for maximizing client retention, and pulling this off requires a team effort.

YOUR TEAM

Get your team on board and excited about the move.

- Bring your team into the planning process sooner rather than later
- Ensure everyone is clear on the overall plan & their role
- Divide & conquer tasks for maximum efficiency

YOUR NEW FIRM'S TRANSITION TEAM

Your new firm should provide an experienced transition team to guide you through the process.

- Meet regularly to plan your move & identify potential issues
- Lean on their expertise to understand internal policies & requirements
- Come prepared with questions – you know your practice & clients best



Considering a new firm? Ask for details about their transition team and how they will **support your move.**



Identify a senior figure at your new firm to **champion your transition** and help overcome resistance if you encounter any roadblocks.



“THE ONBOARDING PROCESS WAS SEAMLESS, AND THE TEAM PROVIDED TO US TO HELP WITH MOVING CLIENTS WAS DEDICATED AND HARDWORKING. ALSO, THE RAYMOND JAMES BRAND HELD UP WELL AGAINST OTHER LEADING FINANCIAL INSTITUTIONS IN CANADA.”

KAIF LALANI

Financial Advisor

Hudson Wealth Management of Raymond James Ltd.

WHY NOW AND WHY THIS FIRM?

When asking your clients to move firms, be prepared to articulate clearly why they should join you.

- Why is your existing firm no longer the right place?
- Why is the new firm a better place?
- Explain how both your client & you will benefit
- Anticipate questions & prepare solid answers
- Have marketing collateral ready to share

Preparing your messaging or **writing out a script** in advance is crucial. This will help you avoid saying something you shouldn't or sounding uncertain.



Avoid bashing your existing firm, as this could have **negative consequences** under your contract with them.



“WE CAME INTO EVERY MEETING WITH THESE COMMENTS: ‘HERE IS WHAT WE ARE DOING AND HERE IS WHY WE ARE DOING IT. WE WANT YOU TO COME WITH US. LET’S DO THE PAPERWORK.’ I WOULD SAY IT WORKED 95%.”

LES CONSENHEIM

Portfolio Manager & Wealth Advisor
Consenheim Wealth Management of Raymond James Ltd.

LESS FRICTION LEADS TO GREATER CLIENT RETENTION.

The smoother the transition process, the less reason your clients will have to hesitate or second guess their decision to follow you.

Make full use of available digital tools to facilitate an efficient transition, including:

- **Video meetings**
- **DocuSign**
- **Digital onboarding**

While speed and efficiency are critical, so is **getting the details right**.

As incorrect client data and documentation hiccups can leave a bad impression, extra diligence and double checking by your team are worth the effort.

“HAVING AN OPEN AND HONEST RELATIONSHIP WITH YOUR CLIENTS HELPS TO MAKE ANY TRANSITION EASIER. IT HELPED ME TO BRING OVER 96% OF MY PRACTICE.”

ELI DIAMENT

Senior Financial Advisor
Raymond James Ltd.



Clients don't respond well to timelines not being met, so be upfront and **set realistic expectations** for the transfer of their accounts.

PREPARE FOR EFFORTS TO POACH YOUR CLIENTS.

How your existing firm responds once you resign will depend on the details of your current employment contract and whether you have a non-solicit clause.

Unfortunately, some firms take aggressive action to retain clients, including:

- **Misinformation** (e.g. stories about you being fired or retiring)
- **Generous offers** (e.g. waiving of fees if the client stays)
- **Disparaging your new firm** (e.g. criticizing its capabilities or service offering)

How to counter these efforts? By planning carefully, acting quickly, and leveraging the strength of your existing relationships.

“SPEED WAS KEY. WITHIN THREE DAYS, EVERY HOUSEHOLD WE WANTED TO KEEP HAD BEEN CONTACTED AND WAS IN THE PROCESS OF ONBOARDING.”

MICHAEL ANDERSEN

Financial Advisor

Andersen Midgley Wealth Counsel
of Raymond James Ltd.



Give yourself a head start by **resigning on a Thursday or Friday** and working through the weekend to connect with clients before your existing firm can reach them.

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DON'T PLAN FOR 100% RETENTION

FOCUS ON THE FUTURE, NOT THE WHAT-IFS.

Many advisors use a change of firm as an opportunity to clean up their book of business by leaving behind clients who are no longer a good fit. However, even if you want to transition all your clients, the reality is some will decline.

The best way to proceed:

- **Accept that not every client will move with you**
- **Focus on transitioning your priority clients**
- **Avoid taking it personally if a client chooses to stay**
- **Be realistic when negotiating a transition bonus**



“OUR GOOD RELATIONSHIPS WITH CLIENTS HAD THE GREATEST IMPACT ON CLIENT RETENTION. OF COURSE, IF A CLIENT WAS ALREADY CONSIDERING A CHANGE OF ADVISOR OR FIRM, A TRANSITION WOULD PRESENT THEM WITH THE OPPORTUNITY TO LEAVE.”

BETTY TOMSETT

Wealth Advisor

Betty Tomsett | Raymond James Ltd.

A BETTER FUTURE FOR YOU AND YOUR CLIENTS.

IT'S REASONABLE TO HAVE CONCERNS ABOUT CLIENT RETENTION,
BUT THEY SHOULDN'T PREVENT YOU FROM CHANGING FIRMS IF
THAT'S THE BEST PATH FORWARD FOR YOU AND YOUR CLIENTS.

Here's how to set yourself up for a successful transition:

- 1 Ensure any move is for the **right reasons** and will benefit both your clients & you
- 2 Accept that any transition will have a **degree of uncertainty** around client retention
- 3 Implement best practices to **mitigate risks and maximize retention**

Ready to move forward with confidence? Good luck!

“IF YOU’RE ALWAYS
LOOKING OUT FOR
YOUR CLIENTS’ BEST
INTERESTS, THEY’LL
PRETTY MUCH FOLLOW
YOU ANYWHERE. JUST
MAKE SURE YOUR
CLIENTS ALWAYS KNOW
YOU’RE DOING YOUR
BEST FOR THEM.”

BLAIR SWEENEY

Associate Financial Advisor

Melanie Gotts | Raymond James Ltd.

INTERESTED IN DISCUSSING YOUR FUTURE AT RAYMOND JAMES?

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