

Your First Advisor Hire

This course is designed to help advisors hire their first servicing advisor to create capacity. By the end of the course, you should be able to find, hire, and onboard a servicing advisor.

Overview:

You've achieved one of the first milestones that many advisors reach – something we sometimes call “The 150 Club.” Essentially, you've grown your practice to a business with \$100-\$150M AUM and have hit a wall. Your growth is limited unless you create capacity.

COACH TIP: The “150 Club” is a great way of describing a profitable business with balance. Think of it as 150 great clients, \$150M AUM, and 150 days off.

Many advisors get to this point and are happy to stay in the “150 Club” — they make a good living and they have great work/life balance. Others want to grow beyond this point and make a bigger impact — that's where hiring an additional advisor comes in.

You've likely hired a solid team on the operations and service side of your business; it's now time to hire someone on the advisor side. At this point, you shouldn't be trying to replicate yourself or hiring for a specialized role – your sole focus should be hiring someone who can create capacity for you, so that you can find balance and continue growing the business.

The high-level steps to a successful first advisor hire are:

- **Step 1:** Understanding what you need in your first advisor hire
- **Step 2:** Preparing to hire an advisor.
- **Step 3:** Hiring and onboarding a good-fit advisor
- **Step 4:** Delegating your less-complex accounts to the new advisor

Hiring a servicing advisor is often referred to by Advisor/CEOs as an “inflection point” for their business that changed everything; if you're ready to take your practice to a business, dive in to the first lesson.

Step 1: Determining what you need in your first advisor hire

You've hit a huge milestone that is both wonderful and frustrating – the 150 Club!

Whether it's a hotel, restaurant, golf course or advisory firm, all businesses have to deal with capacity issues. Typically, it's not that they don't want to serve additional customers or clients, but they eventually no longer have an ability to serve them or serve them at the level they desire. If they want to serve more people, they have to decide how to best achieve that while continuing to deliver a great experience.

To help in determining if an advisor or firm is at capacity, we have to start with some premises. We believe, that in general, most advisors are able to connect effectively with around 150 relationships. Use that as a very broad guideline because there are several factors that impact how many

relationships and advisor can serve effectively – the depth of the service model, the number of team members that support the service model and the types of clients are just a few.

It's likely if you've hit this point that you have far more than 150 relationships – especially if you've been in the business for a number of years. When you started in the industry, you would take any client who would say “yes” – and now you likely have a hodge-podge of clients, many of which are very small, unprofitable relationships. In fact, you may be taking this course because you just went through a client segmentation exercise and realized you needed a solution for your lower-tier clients!

There is not an exact firm revenue number that says, “Now is the time to hire!” But generally, the business owner's revenue is between \$800,000 and \$1,200,000. This tends to be an optimal time to bring on capacity to free up the business owner to continue growing the firm

COACH TIP: If you have significantly less than \$100M of AUM and \$800,000 of revenue and feel like you need to hire another advisor, your diagnosis is probably spot on – you need capacity -- but the prescription is off. Focus on finding efficiencies, delegating better, hiring another support team member, or restructure your service model so that it better aligns inflows with outflows.

To keep growing and maintain balance in your life, you need to add capacity on the advisor side -- you already have it on the service side. So what should you be looking for?

From our experience: your first advisor hire is generally a capacity hire, not a growth or specialization hire.

This means you are not trying to replicate yourself -- a “unicorn” who can prospect, serve clients, do planning work, manage portfolios, and run a business; you are looking for someone to be *your complement*.

Your goal should be to find a competent advisor to whom you can reassign less-complex clients so you can focus on a shorter job description – being a CEO, attracting new clients, and nurturing relationships with top-tier clients.

Since you are looking for someone to *complement* you, not be just like you, you should be looking for an advisor who:

- Aligns with your firm's values and culture
- Is great at nurturing existing relationships
- Can do solid financial planning work
- Has a different perspective than you
- May or may not have a desire to be a business owner or focus on business development

COACH TIP: One of the Carson Executive Business coaches half-jokingly tells his advisor/firm owners that their first advisor hire should be “a psych major who goes through the CFP® coursework because she wants to help people.” The point is, you want someone with a different background, set of life experiences, perspective, and thought process than you – who is also a competent advisor. You need people who are almost opposite of what you are in many ways – not a carbon copy or younger version of yourself. The more diversity you bring in, the fewer blind spots you will have and the healthier your firm will be.

The above criteria opens you up to a range of possibilities. Our coaching members have found successful advisor candidates that:

- Just completed a CFP® program at a university
- Have dropped out of a new advisor program at a large insurance company or wirehouse firm because they weren't a strong rainmaker
- Are looking for a purposeful profession at the mid-point in their career
- Have no background in finance at all, but are smart, service-oriented, and interested

In the next lesson, we'll get clear on the specific job description and skills needed – but remember to be open-minded. Some of the best advisor hires come from unlikely places.

Step 2: Prepare to hire your first advisor

Before you can hire and train an advisor, you have to find them!

In preparing to hire a new advisor, there are three main things you need to do:

1. Get clear on your firm's values and culture
2. Create a job description
3. Outline a compensation plan

Clarify your firm's values and culture

Likely the most important component in a successful first advisor hire is finding someone who is in sync with the fundamental elements of your firm, believes the same stuff you do, and can deliver a uniform client experience.

This means *you* need to be clear on your values and what you believe.

1. What are your top 3-5 personal values from the Blueprinting exercise?
2. What are absolutely non-negotiable values that team members must have to be successful in your firm and build the firm in your vision? Choose no more than 5-7 that are truly important.

If you need some examples, here are some real-world examples of company values.

- Excellence in all things
- Continually strive for perfection
- Do what you say you will
- Win, no matter what it takes
- Do the right thing
- Show compassion
- Honesty and integrity

- Give back to the community
- Hungry for achievement
- Enthusiasm
- Energy in everything we do
- Show tenacity to get things done
- Competitiveness
- Encourage individual ability and creativity
- Maintain accountability
- Client first, always
- Work hard, play hard
- Unmatched work ethic
- Never be satisfied
- Dedicated to continuous self-improvement
- Helps first
- Always exhibit professionalism
- Growth-oriented
- Treat everyone with respect
- Opportunity based on merit, no entitlements
- Dream big
- Have fun
- Be good stewards of the environment
- Give opportunities to those who normally wouldn't have them
- Always think two steps ahead
- Be proactive
- Value and promote diversity and inclusion

In addition, think about other things that will help you find a good match:

- Is your firm a suit-and-tie firm, or more laid back?
- How important is innovation to you firm, and what does that process look like?
- Are you more of a collaborative or competitive environment?

- What kind of hours do you expect your team to work each week?
- Does your firm tend to embrace or avoid risk?
- Are you more sales-oriented or service-oriented?
- How much do you value formal education and credentials?

When hiring, you want to find a cultural “add” – not necessarily a cultural “fit.” You want someone who will push you to think differently and get out of your comfort zone so that your firm doesn’t become a dinosaur. But be clear about the kind of firm you’re trying to build so that you can clearly communicate these things to job candidates.

Create a job description

Before you set out to find an advisor to hire, you need to have clearly laid out the job responsibilities, expectations, and required background. Good job descriptions do three things:

- Describe the main responsibilities of the position
- Outline the required skills and experience
- Share the culture of the organization

For more information about writing effective job descriptions, see our course on the topic. Every firm is a little different, so you will want to customize the job description to what you need in an advisor.

COACH TIP: You may have heard this position referred to as the “Associate Wealth Advisor” – and while that’s a fine internal name or description for the position, it’s not always a great term to use publicly. Just like no one wants to work with – or be – a “junior” financial advisor, the term “associate” doesn’t necessarily give anyone warm vibes, either. Consider using a standard “Wealth Advisor” or “Financial Planner” title. You can always have an internal “level” (WA1, WA2, WA3) on internal documentation as it relates to career paths, compensation models, and promotions.

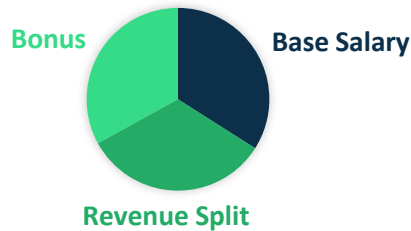
Download our sample advisor job descriptions as a starting place for crafting a job description for your first advisor hire.

Outline a compensation plan

There are typically three main components in building an advisor compensation plan: Base Salary, Revenue Split, and Bonus (Incentive Pay).

- Base salary is a pre-set, predictable dollar amount paid on your normal payroll schedule.
- Revenue split is a portion of total revenue, expressed in percentage terms.
- Bonus is typically either a set dollar figure OR percentage of base salary paid out when performance conditions are met.

Advisor Compensation Components

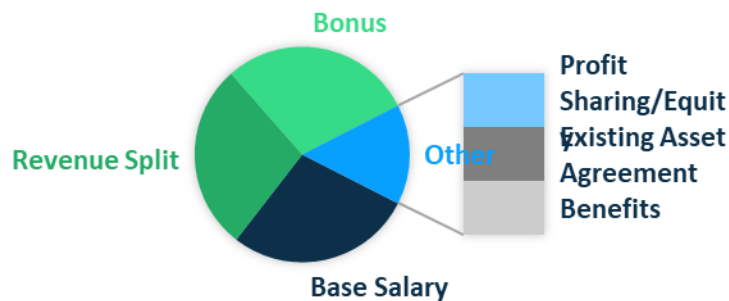


Each of these components will incentivize specific behaviors and attract a certain type/personality of advisor to your firm. Your job is to adjust the “pieces of the pie” so that your compensation plan is aligned with your culture and attracts the type of advisors you want at your firm. For your first advisor hire, we recommend a base salary plus one or both of the other two components that incentivizes the types of behaviors and outcomes you want to achieve.

In addition, there are three other additional components that affect advisor compensation:

- Profit sharing or equity
- Agreements for existing assets brought to the firm
- Benefits – covered costs, employee benefits, and perks

Total Advisor Compensation



For your first advisor hire, we do not recommend offering profit sharing or equity until they have been with your firm for at least 4-5 years, and even then, they must meet certain performance and competency criteria.

For a deep dive into advisor compensation, see our course on the topic.

Download the [Advisor Compensation Plan Quick Sheet](#) for a simple format to outline an advisor compensation plan.

Now that you’ve prepared to hire your first advisor, let’s move on to recruiting, hiring, and onboarding them!

Step 3: Hiring and onboarding the advisor

Once you have a clear understanding of what you are looking for in your first advisor hire and have clearly outlined the role, expectations, and compensation model, it's time to find and hire the advisor!

Recruiting the Advisor

Going back to our first lesson, great advisors can be found in unlikely places, and you need to find someone who will complement you – not be your carbon-copy – so get “out of your bubble”!

Take the job description that you created, and circulate it widely:

- Your community, including your neighborhood, church, and organizations you volunteer with
- Your current network, including colleagues, professional contacts, mentors, and vendors
- Standard job boards like LinkedIn, Monster, CareerBuilder, Craigslist
- Industry-specific job boards like the CFP Board Career Center
- Local universities with financial planning programs
- Universities that traditionally serve student populations that are different from you and your background, which could include Historically Black Colleges & Universities (HBCUs), Women's Colleges, and those with strong liberal arts programs

COACH TIP: Be very careful about hiring your client's bright kid, a church friend, or a relative for this role in particular. Not to be a downer, but the coaches have all seen some “rose colored glasses” situations go downhill quickly. We get it – you want to give an opportunity because you like someone, or you want to hire someone trusted because it's easy. Aside from the obvious nightmare of having to fire a friend or client's relative, a lot hangs on this role in particular. Being a good advisor requires a special set of skills and aptitudes. Make sure you take everyone through the same thorough hiring process so you can hire the best person for the job.

For a detailed look at the recruiting and hiring process, including sample interview questions, see our course on the topic.

For an example of how to document your offer, download our [Advisor Offer of Employment Template](#).

Onboarding & Training

When it comes to onboarding and training your new advisor, start with your standard onboarding process, and add additional and specialized paperwork and training as needed.

In addition to the standard paperwork all of your new hires complete, you will likely need a couple of additional items:

- Licensing and/or affiliation paperwork for your broker/dealer or RIA
- Advisor Employment Agreement, which generally includes confidentiality and non-solicit clauses

Download our [Wealth Advisor Employment Agreement template](#) for an example of the important components to outline with your new advisor.

You'll also want to create a special 100 Day Training Plan for your new advisor hire. This will be unique based on the individual you hire, including their experience and existing skillset. The 100 Day Plan is, in our view, an absolute necessity for a successful onboarding. This document lays out the new advisor's path for training and provides tangible projects and responsibilities they can accomplish.

It should be broken down into three sections:

- Days 1-30
- Days 31-60
- Days 61-100

Common items to include in the 100 Day Plan are:

- Attend new hire/onboarding meetings and complete paperwork
- Get introduced to all team members and familiarize yourself with the office layout
- Meet with each team member to understand how they add value to the team and clients
- Understand the new client process and the client experience
- Familiarize yourself with the current client review structure
- Review and understand the firm's value proposition
- Understand various compliance requirements
- Learn the firm's sales and financial planning process
- Create test service cases and new accounts before moving on to live accounts
- Shadow client and prospect meetings
- Complete training on CRM and other technology programs
- Learn advisor-specific technology platforms, including financial planning software, investment analytic program, proposal generation system
- Recommended reading and tasks to do during any downtime
- Complete licensing requirements

If you're not sure what to include in the 100 Day Plan, refer back to the job description you created. Look at each activity listed and ask yourself: *What training or knowledge is needed for them to complete this task successfully?*

Download our [Wealth Advisor 100 Day Plan Sample](#), [New Employee Guide Template](#), and [Sample Advisor First Week Training Agenda](#) to get started creating your advisor's initial training plan.

Beyond the 100 Day Plan and initial training, you'll want to clearly outline a development path for the advisor. Development plans should be personalized to each individual advisor.

Coach Tip: While your other team members may assist in training and onboarding your new advisor hire, remember – as the existing advisor and firm leader, YOU are the only person qualified to truly train and manage your new advisor. Trying to completely delegate the training and management of your new advisor will end poorly.

For a detailed look at the onboarding process, including checklists, forms, and additional training materials, see our course on the topic.

Now that you have your advisor onboard and trained, it's time to introduce them to your clients and delegate your less-complex relationships.

Step 4: Delegate your less-complex client relationships

Once your new advisor is hired and has a good understanding of your value proposition, processes, and client experience, you are ready to begin the process of delegating client accounts. A good way of thinking of this is that they are “competent and confident.”

Start by identifying clients to be transferred to the new advisor. Again, since the primary purpose of this advisor hire is to *create capacity for you, the lead advisor*, the clients to be transferred should be ones that:

- Are less complex, requiring a lower level of financial planning and investment management expertise
- Don't align with your ideal client profile
- Are either unprofitable or only minimally profitable for your business
- Are not particularly good personality fits for you
- Don't embrace your approach to financial planning and investment management

Hopefully you have been through a client segmentation process; this should guide your thinking and make it fairly straightforward to identify the clients that should be transferred to the new advisor.

COACH TIP: For the most part, if clients don't embrace your approach to financial planning and investment management, they probably shouldn't be clients of the firm. But sometimes you keep those clients for various important reasons – if that's the case, they should be delegated to your servicing advisor, not handled by you directly.

Once you've identified the clients to be transferred, schedule time to brief the new advisor on those relationships:

- Unique circumstances, likes and dislikes, personality profiles
- Relationship history
- Connections to next generation
- Untapped opportunities and future direction

Next, finalize your client messaging and determine the best way to communicate the change to your clients.

- Create carefully-crafted talking points about how the clients will benefit, both now and in the future.
- Determine how to notify the clients who will be transferred. Depending on the client relationship, you may want to communicate with the client in-person, by phone, by letter/email, or a combination.

COACH TIP: Let us be clear: weeks and months of foundation should be laid prior to handing over relationships to your servicing advisor. Their bio on your website should really highlight their level of skill. The business owner should be positioning them well on social media, in client meetings, and during events and webinars. When appropriate, the servicing advisor should present at an event and present plans to clients to demonstrate competency. The business owner should be foreshadowing a movement of less complicated relationships in the months preceding the actual reassignment

Download our [*New Wealth Advisor Introduction*](#) or [*Paraplanner Promoted to Wealth Advisor letter*](#) template for wording you can use when announcing the addition or promotion of your new advisor.

- Group and prioritize the communications. You may want to start with the lowest-tier or unengaged clients first, so that you can “polish” your approach before moving to more complex or engaged clients.
- Determine client meeting schedule (based on priority of connecting with this group of clients) and have your admin team schedule meetings for the new advisor.
- Plan on “popping in” to say hi during the first meeting or two with the new advisor.

Once the meetings are ongoing, schedule regular sit-downs with the new advisor to review how the meetings are progressing. Make sure to cover things like:

- Challenges
- Opportunities and key takeaways
- Areas in which the advisor feels a need for a better handle on the firm approach to investment management, planning and client engagement
- Triggers that should result in them bringing you into a meeting or rescheduling so that you could attend (e.g. large opportunity, complex situation, cranky client who’s making noises about leaving)

You’ll also want to determine the policy and messaging for the situations in which delegated clients want to meet with you, either as a one-off or on a continual basis. Communicate this policy and messaging to both the advisor and your support staff who may be scheduling the meetings with clients.

Finally, while business development is not a focus for this advisor role, establish some loose guidelines for the new advisor on new business they could reasonably be expected to uncover:

- 401k rollovers as clients change jobs
- Clients age and need new solutions like LTC and other insurance
- Inheritances clients may receive
- Referrals from existing clients

Coach Tip: It can't be said enough: the new advisor can bring in new business, that's a bonus, but the primary purpose is to create capacity for you as the lead advisor. It is appropriate – and smart -- to reward them financially for finding self-sourced new business, but it is generally not an expectation of the role.

Generally, the account delegation process occurs over the period of months or years, as the new advisor gains experience and confidence, and you continue to focus on your high-value activities. In many cases, you may have them in a “hybrid” role at the beginning, where they perform both the duties of a service advisor and support your operations, investment management, or financial planning processes. After they become a full-time advisor and you have delegated all of the client relationships that you can, it will become time to reassess your capacity, your advisor's capacity, and the capacity of your team. You likely have grown. It is now time to determine your next team hire or two. For a detailed look about how your advisor team can evolve as you continue to grow your firm, see our course on advisor team structures.

Summary

Advisors will at some point in their growth trajectories hit a point where they have hit a capacity wall and need to hire another advisor if they wish to continue growing and serving clients at the same level. At this point, you are generally hiring for capacity, not necessarily growth or specialization. The sole focus of this position should be to take on the less-complex accounts so that the lead advisor can focus on high value activities: nurturing top-tier client relationships, acquiring new clients, and leading the business as CEO.

For the hire to be successful, follow the four steps we outlined in this course:

- Understand what you need in your first advisor hire
- Thoroughly prepare to hire an advisor
- Hire and onboard a good-fit advisor
- Delegate your less-complex accounts to the new advisor

If you've hit capacity, adding an advisor to your team can be a great launchpad to new growth!

FAQs:

- Should I hire someone who isn't yet licensed for an advisor role?
 - This can sometimes be a good option – for example, if they have completed a CFP® program, have great experience in a role that translates well, or have demonstrated key values and skillsets that will set them up for success. However, make sure you set clear expectations about obtaining the needed licenses in a timely manner (generally 3-6 months after hire) and what happens if they do not obtain the required licenses. Also, don't introduce them as an advisor to your clients before they are fully-licensed.
- Should I be looking for my successor in this role?
 - If this person ends up having what it takes to be a strong succession plan option, great! But that should not be the primary purpose of this hire. Your #1 focus at this point should be to create capacity to free you up for growth.
- When can I afford to hire my first servicing advisor?
 - Most advisors can afford to hire an advisor when they reach the \$800,000-\$1,200,000 revenue range. However, what works for “most” advisors may not work for you. Check out our course on advisor compensation models, which has steps you should go through to determine if an advisor compensation model is financially responsible for your firm and talk to your coach before finalizing a hire.

Resources:

Learn more and download the resources referenced in this document from the [Your First Advisor Hire](#) course in Carson Coaching Online.

- **Associate Wealth Advisor Job Description**
- **Wealth Advisor Job Description**
- **Advisor Compensation Plan Quick Sheet**
- **Wealth Advisor Employment Agreement**
- **Wealth Advisor 100 Day Plan**
- **New Employee Guide Template**
- **New Wealth Advisor Introduction Letter**
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