



CASE STUDY

Learn How Carson Can Serve as Your M&A Solution



CARSON

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About Carson Wealth, Cedar Rapids

Cedar Rapids, Iowa

Founded 2000, Carson Group Partner since: 2018

Current AUM: \$500 million

Merging AUM: \$120 million

Managing Partner: Russ Nieland

Merging Partner: Chris Graw

Russ Nieland and Chris Graw were introduced by a mutual client. This client saw their strengths as complementary and appreciated them both, and finally suggested they might work together. They shared common values and visions for building a firm, which led to finally deciding to merge businesses, partnering for a bigger future. The rest, as they say, is history.

Out of the Wirehouse

Chris' firm had been a captive business of a large wirehouse equivalent, and he found it difficult to develop individual relationships with clients. Saddled with quotas and controlling expectations, he wasn't allowed the kind of flexibility and time needed to deepen these connections.

Russ described his experience: "Chris felt he didn't have the flexibility to do what was in the client's best interest, being driven more by the company's initiatives and not the other way around." This need for independence and for client focus brought Chris to consider other options.



“We needed each other and our teams to have clear expectations of what each other brings to the business, and where we can leverage our combined strength.”



Russ Nieland, CFP®, AIF®
Managing Director, Partner & Wealth Advisor

The Process

According to Russ, a clear, common objective is the first step in the process – both for you and for your incoming partner. The journey is long and complex, and keeping your mutual destination in mind gives you focus for the long haul. “We needed each other and our teams to have clear expectations of what each other brings to the business, and where we can leverage our combined strength,” Russ said.

Russ and Chris have been in conversation for almost two years about the idea, and the formal process itself took about a year. “You put in your sweat equity and do your due diligence before you take the leap. Chris and I are both fact-finders,” Russ said, chuckling a little.

He talked about the importance of them knowing each other by reputation in the industry beforehand, and then getting to know – and respect – each other as people through the process. “We are very respectful of each other and give each other the space needed for independent yet collective thoughts. Neither of us has been given anything in life, we’ve had to earn it,” Russ said.

Increasing Revenue

Russ and Chris' team now manages over \$497 million of assets under advisement and \$594 million of assets under management, including \$64.6 million of net new assets in addition to Chris' transformation. What excites the team today is their plan to grow NNA by another \$110 million in 2021. Within their combined new firm comes the opportunity of capturing the upside of insurance planning in life, disability and long-term care insurance, as well as investment and advisory business.

Chris has been working in their area for 15 years building his practice and pivoted to a more planning-based and investment-centric practice model, which was part of the reason he left the wirehouse system.

One local benefit Chris cultivated is a relationship with the medical and dental schools of the University of Iowa. He's been able to give presentations to these future high net worth earners, and bring in some introductory business. "He's been reaching out to the next generation, which is a great benefit to everyone," Russ said.

Planning for the Future

Russ was mindful of the need to attract multi-generational talent if he was to have a legacy firm. His senior partner, Charlie Weber, is in his 60s and Russ is in his mid-50s. "I had to be mindful of the demographics of my team," he said, and a younger partner like Chris made sense as Russ looked toward the future.

Working with the Team

Carson's Mergers and Acquisitions team was critical to the success of the process. They introduced Russ and his team to the "landscape of M&A" and walked them patiently through the changes and potential tripwires of the new terrain.

Carson's M&A team, led Russ and Chris in clear and careful dialogue about their strengths and weaknesses and helped them to set expectations of what a joint venture could look like. The team also helped to educate them on what this new business model will look like in contrast to their individual advisor journeys so far.

Chris is also making the transition from an advisor working for a large corporation to an independent advisor-entrepreneur. The M&A team helped with this professional shift, providing coaching at every level.

Keep the Dialogue Going (Even in the Tough Times)

This dialogue – even though it slowed the process down – really helped in the end. Merging two well-worn visions and ways of doing business isn't easy, and it's not without friction. The valuation of your firm can be sometimes surprising, even emotional. "Everybody thinks they have the prettiest house on the block," Russ said of the valuation process.

The M&A process can bring in debt as well as profits, and changes in the expenses of running a firm. Russ and Chris have both experienced changes in the way their personal salaries are calculated, as well as changes in staff and personnel compensation. The M&A team helped them anticipate and walk through these paradigm shifts, encouraging Russ and Chris to keep their objectives in focus and practice open communication.

The Dream Team

Russ speaks with confidence about the M&A process: “It’s a matter of how you leverage each other’s unique abilities to make something bigger and better.” Chris’ background specializing in complex insurance solutions and Russ’ passion for business development and their shared focus on holistic planning have them positioned to be a power team for finance.

Financial planning is often referred to as a relationship business – a description that works for client connections but also within the firm. Russ and Chris both share the dream of a legacy business, not a firm they will sell off to a third party. M&A is a relationship business – the respect and rapport between them is a stronger basis than profit margins, and combined strengths last longer than combined returns.

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