

GOING INDEPENDENT

Opportunities for Financial Advisors
in the **Independent Channel**



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YOUR BOOK, YOUR WAY

If you're a financial advisor with a thriving business in the bank channel, moving to the independent channel can mean:

Greater flexibility in meeting your clients' needs

More control over the future of your business

Better compensation reflecting your efforts

In this guide, we lay out the opportunities for going independent, and how to do it successfully. The guide is intended primarily for advisors in the bank channel who are curious about opportunities in the independent channel.

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TAKE CHARGE OF YOUR FUTURE

The independent channel gives you more freedom, flexibility, and control to do things your way.

Yes, going independent can mean greater responsibility. However, for entrepreneurial advisors, this is generally seen as more of a pro than a con.

It's your future after all, so it only makes sense that it should also be your business, your clients, and your vision.

Advantages and opportunities in the independent channel:

- **Flexibility in building your business** – Build your team, choose your clients, create your work environment, and develop your brand
- **Freedom to put clients first** – Avoid the real or perceived conflicts of interest related to proprietary products and competing business interests in the bank channel
- **Potential for a better grid** – Enjoy a potentially higher payout rate and more favourable compensation terms, depending on your chosen business model
- **Greater control over succession** – Decide when and how you exit and who will carry on your legacy



“

If you're growing and successful at the banks, I don't understand why you're there.

It's not too difficult to make the switch to independent.”

Dave Lougheed

Branch Manager, Portfolio Manager & Wealth Advisor
Lougheed Wealth Management of Raymond James Ltd

Raymond James affiliation: IFS (independent agent model)

WHAT ARE YOUR ENTREPRENEURIAL GOALS?

Do you enjoy the entrepreneurial aspect of building a business as a financial advisor?

In the independent channel, you have 3 main business model options offering progressively more entrepreneurial freedom:

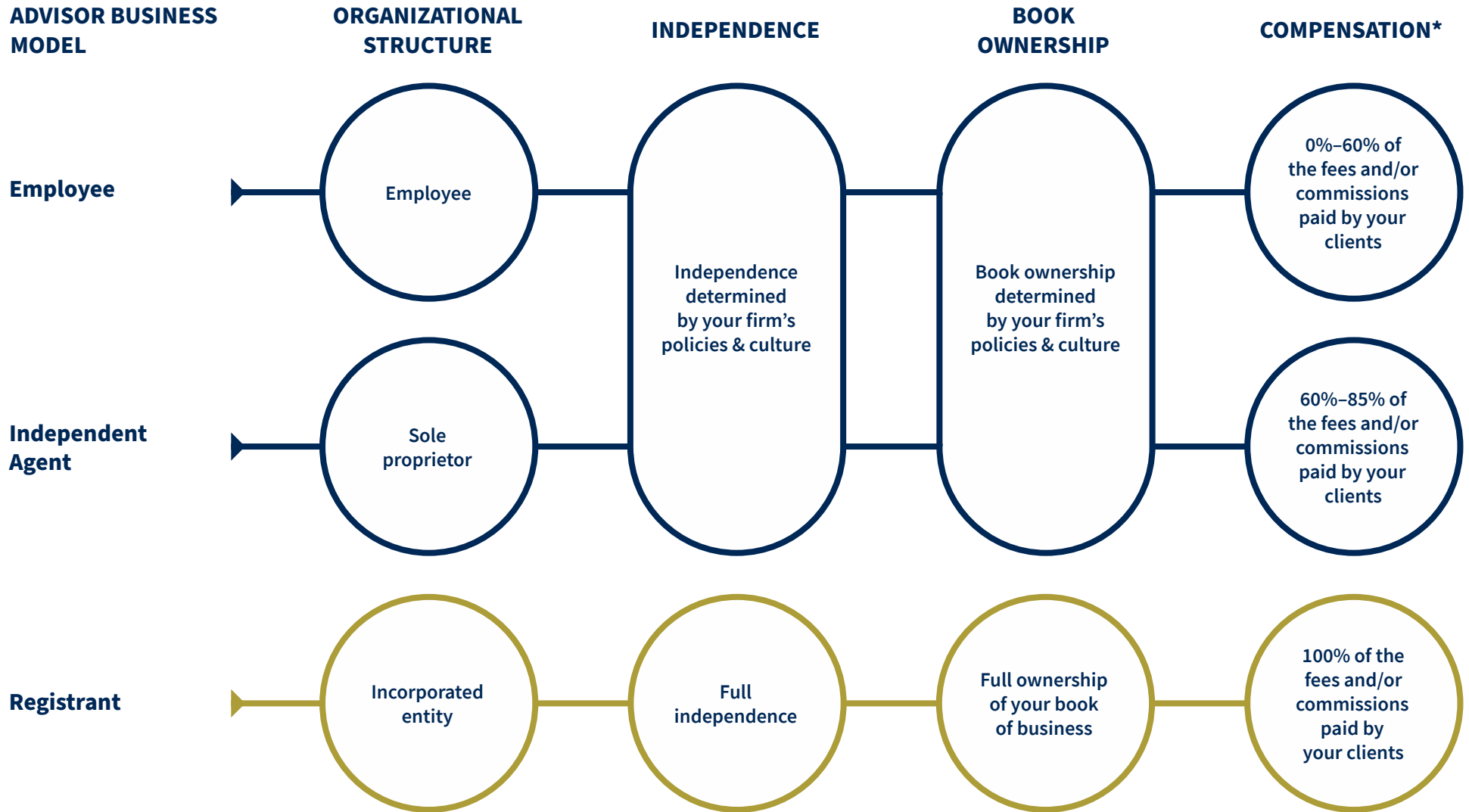
Employee

Independent Agent

Registrant

Choosing one business model doesn't mean you have to stick with it forever.

Shifting to a new model may make sense as your business grows, and in some cases this is possible within the same firm.



*Note: The ranges above are industry-wide approximations of the direct drive component (i.e. fees and/or commissions) of your compensation. They can vary depending on your firm's base salary and bonus structure. The approximations here are representative of the overall industry and not specific to Raymond James.

“

It's all about risk
and reward.

We counsel our clients
about risk and reward,
and it's the same thing
when you're comparing
the employee model
and independent
agent model.”



Bernardine Perreira

Financial Advisor

Perreira Wealth Advisory of Raymond James Ltd.

Raymond James affiliation: IFS (independent agent model)

**Not sure which business model is the best fit for you?
Start by answering these questions:**

1. What's best for your clients – your current business model or a different one?
2. What aspects of your practice do you like best?
3. How big is your book of business currently, and what do you see as its realistic growth potential over the medium term?
4. What are your succession plans/aspirations for your book of business? Does your current business model allow for your ideal succession outcome?
5. What securities licenses do you currently hold?
6. Do you have entrepreneurial experience?
7. Would you enjoy the sometimes gritty operational aspects of running a business?
8. Do you have a solid team that can form the core of your own business?



Raymond James offers advisors and PMs the full range of business model options: employee, independent agent, and registrant.



“

At Raymond James, you own your book and have flexibility.

You can be open about your plans to switch business models. They will support this and encourage transparency. There's no risk in this sense.”

Marc-André Turcot

Portfolio Manager
Demos Gestion de Patrimoine Familial
of Raymond James Investment Counsel Ltd.

Raymond James affiliation: RJIC

MAKE YOUR MOVE WITH PLANNING & TEAMWORK

If you've decided to go independent, the next question is:
which independent firm will you join?

Due diligence is crucial to ensure that your move will lead to the desired outcomes for your business and clients.

Take the time to make an informed decision:

- **Speak with other advisors**
 - What is it really like at the new firm?
- **Speak with a branch manager or other leader**
 - What are their values and how will they support you?
- **Visit the regional/head office**
 - Do the firm's operations and direction align with your vision and goals?
- **Speak with local wholesalers**
 - What are their views of the firm from an external/unbiased perspective?

“

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**

Senior Financial Advisor
Raymond James Ltd.

Raymond James affiliation: IAS (employee model)

How can you mitigate risk when moving from the bank channel to the independent channel?

By learning from those who have taken this path before you and implementing transition best practices.

Careful planning is essential:

- Understand the rules regarding what you can and can't do leading up to and after your resignation from your existing firm
- Involve your assistant and/or support team early in the process
- Prepare your business and strengthen your client relationships
- Lean on the expertise and support of your new firm's transition team



Our dedicated transition team helps onboard incoming advisors and transition their business to Raymond James.



“

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.

Raymond James affiliation: IAS (employee model)

LEVERAGE YOUR STRONG RELATIONSHIPS

There are many reasons for advisors to switch to the independent channel, yet worries about client retention when changing firms can hold them back.

A transition will always carry some risk.

However, you can greatly mitigate this risk if you go into the process with strong relationships and a clear story to tell about the potential for greater alignment of values and better client outcomes at the new firm.

Why now and why this firm?

When asking your former clients to move firms, be prepared to articulate clearly why they should join you at the new firm.

- 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 message or writing out a script in advance is crucial. This will help you avoid saying something you shouldn't or sounding uncertain.

“

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.

Raymond James affiliation: IAS (employee model)

Minimizing friction is critical when inviting your former clients to join you at your new firm.

Fortunately, the process of onboarding clients has become significantly easier in recent years thanks to the widespread availability of:

DocuSign

Digital Onboarding

Video Meetings

Ideally, your new firm will also provide resources and support from a **dedicated transition team**.

This team's expertise in advisor transitions combined with your team's intimate knowledge of your business and client accounts can facilitate a smooth and efficient onboarding process.



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



“

Client retention was never a concern for me. We never had to convince them.

The odd client was confused about the process, but that was administrative, not about loyalty.”

Christine LaLiberte

Senior Financial Advisor
Insightful Wealth Group of Raymond James Ltd.

Raymond James affiliation: IFS (independent agent model)

MAKE THE RIGHT CHOICE FOR YOUR CLIENTS, BUSINESS & LEGACY

After a career spent nurturing strong client relationships and building a valuable business, it would make sense for you to have control over succession decisions — and to reap the rewards of selling your business.

While this isn't always the case in the bank channel, this is typically how things work in the independent channel.

As an independent advisor, you have the power to plan your succession on your terms.

Who's the right successor for your business?

Consider these factors:

- Do their values align with yours?
- Do they have the education, experience, and licensing needed to take over your business?
- Can they afford to buy your business?
- Is their existing business compatible with yours in terms of business model?

“

Control over the succession of my business is vital.

My successor must share my values and commitment to my clients' well-being.”



Dominique Vincent

Portfolio Manager
3Macs, a division of Raymond James Ltd.

Raymond James affiliation: IAS (employee model)

As you prepare to exit your business, here are a number of ways you can boost the value of your business:

- **Transition to a fee-based discretionary model.** It's a more scalable business, so prospective buyers will be willing to pay more for it.
- **Boost average household size and recurring revenues.** Books with a higher average household size and higher recurring revenues generally attract more interest and higher valuations.
- **Consider changing business model.** A different business model (e.g. shifting from employee to independent agent) can make your business more attractive from a financial or tax perspective.
- **Consider changing firms.** Moving to a firm offering more independence, greater flexibility, robust succession support, and a better grid can boost the value of your business.



Seek professional advice on the tax consequences of selling your book. Many advisors don't realize the sale of their business may be treated as income and taxed as such.



“

I'm able to structure my business to grow and eventually be sold in the most tax efficient manner possible.”

Rob Pollard

Portfolio Manager

The Wyndham Group of Raymond James Ltd.

Raymond James affiliation: IAS (employee model)

TAKE YOUR BUSINESS HIGHER

There's no one-size-fits-all mentality in the independent channel, and that's the great opportunity for advisors:

It's the freedom, flexibility, and control to grow your business on your terms.

If you're currently a successful advisor in the bank channel, going independent can help you take your business higher.

The opportunities are here. All it takes is a clear vision for the business you'd like to create for yourself, your clients, and your team – and an independent firm that can support your vision with expertise and shared values.

Ready to go independent? Good luck!

“

The independent advisor model allows me to own the real estate where my team works.

This is also a second income stream and part of my retirement plan.”



Franco Papalia

Portfolio Manager & Branch Manager
CAP Group of Raymond James Ltd.

Raymond James affiliation: IFS (independent agent model)

▶ MEET CANADA'S LARGEST INDEPENDENT FINANCIAL ADVISORY FIRM

AT RAYMOND JAMES, YOU ALWAYS OWN YOUR BOOK

Independence is at the heart of our advisor-centric and client-first approach, which has shaped the growth of our business since day one and helped us become Canada's largest independent financial advisory firm.

At Raymond James, independence means that advisors always own their books.

We don't just say it; we put it in writing.

This keeps us fully focused on supporting our advisors and empowering them to provide the best possible service to their clients. It keeps us aligned and driving toward shared goals. And it keeps us at the forefront of our industry.

Simply put, this is independence at its best.

Raymond James in Canada

All figures as of September 30, 2023

498

Financial advisors
(8,700 worldwide)

174

Branches across Canada

\$69.3B

Client AUA
(US\$1.3 trillion worldwide)

142

Consecutive quarters of profitability
(Raymond James Financial)

Fortune 500

Member company
(Raymond James Financial)



“

Joining Raymond James,
I felt as if the constraints
on my business were cut loose
and I was allowed to soar.”

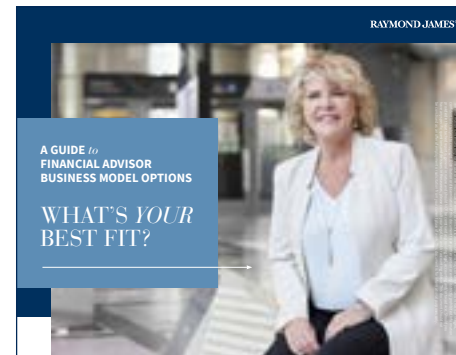
Jackie Ramler

Portfolio Manager & Branch Manager
Executive Wealth Advisors of Raymond James Ltd.

Raymond James affiliation: IFS (independent agent model)

INSIGHTS & BEST PRACTICES FOR ADVISORS

Dig deeper into our expert guides with insights from top advisors across Canada on our **Choice of Top Advisors** landing page:



 www.raymondjames.ca/choiceoftopadvisors

Interested in discussing your future at Raymond James?

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