

Client Retention Best Practices

.....
A guide for financial advisors



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.

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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.**



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.

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.



Wholesalers can be a good source of insight on different dealers during your due diligence research.



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 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.



Compile up-to-date info (names & contact details) on your clients' lawyers, accountants, personal assistants, etc., to help your team rapidly gather documents during the 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.



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

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."



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



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.



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.

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



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

Senior Wealth Advisor & Portfolio Manager
H&L 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.



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

“

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 Wealth Manager
Raymond James Ltd.

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.



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.

“

Speed was key. Within three days, every household we wanted to keep had been contacted and was in the process of onboarding.”

Michael Andersen

Senior Wealth Advisor
Andersen Midgley Wealth Counsel
of Raymond James Ltd.

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



Achieving an 80% client retention target and getting your transition bonus is better than falling short of a 100% target and getting no bonus.



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 & Blair Sweeney Wealth Management
of Raymond James Ltd.

A better future for you and your clients

It's natural to worry about client retention when considering a move, but don't let that hold you back if a new firm is the right fit for you and your clients.

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Ready to move forward with confidence?

Contact us to discuss opportunities at Raymond James, or for more discussion and insights related to advisor opportunities.

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topadvisors@raymondjames.ca

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