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SUCCESSION PLANNING PART 2 – IMPACT ON YOUR CLIENTS

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As a follow-up to my recent [white paper](#) on the financial impact of an advisor's succession plans, I'm presenting a series of three brief articles on the impact of non-financial factors advisors should consider when planning their exit strategy. The first focused on the [advisor's team](#) and the last will address the benefits to the advisors themselves. Today's article zeros in on the people who might warrant the most careful consideration: your clients.

All top-performing advisors think of their clients as their highest priority – and they act accordingly. When you have been stuck in a wirehouse environment long enough, you come to realize that the client is not the company's priority, the shareholder is. You have seen this firsthand, how the close personal relationship you have thoughtfully nurtured over the years is just a name on a corporate list sorted by asset level and identified by cross-sale potential.

You, however, know the name of everyone in your client's household, likely their whole family tree, maybe even their pets. You know them as people because you care about them. Now when you're thinking about retiring, can you really imagine that your clients will receive the same care, understanding and empathy from a bank or brokerage?

If you're of the mindset to ensure that the quality care of your clients continues after you pass on your business, you might ask, what should you do?

To answer that important question, let's take a step back and discuss the independent wealth management space. We know that independence as an option for entrepreneurial advisors has flourished into the best possible environment for the genuine care for clients. Why? Here are some undeniable reasons:

At an independent firm, there are no policy barriers. At a wirehouse, policies are written for the lowest common denominator advisor and the lowest common denominator client, which makes it very difficult to take the personalized approach to business that top performers expect.

When you're independent, there's no pressure to cross-sell your client. Your relationship is pure. The financial advice and personal guidance you provide is objective – it's bespoke to the client and not filtered or distorted by a corporate agenda.

As the true owner of your own business, you set your own compensation, so there's no distraction of adhering to the company's ever-changing guidelines in order to earn your living.

Large companies restrict the manner in which you can communicate with your clients and even how you can market to new prospects. When you are independent, you have greater flexibility in your marketing outreach, and you and your clients determine how to best communicate.

Ultimately, all of this freedom benefits your clients, because you, as an independent advisor, would not be constrained to do everything in your power to give them the best possible experience. So, if your clients are in fact a priority, think about their situation after you retire. The best solution for their future is what you can do now, before you retire. Consider the steps towards becoming an independent advisor and you'll see benefits for yourself as well.

Planning to go independent is part of creating a legacy business, one that keeps your clients at the heart of your

I suspect that once you have experienced the liberation of being independent – and the actual fun you’ll have owning your own business – you may not be in such a hurry to retire.

practice. Since you’ll have the control to set your own fee schedule and account minimum, you get to design your firm to serve the clientele you most want to help. You’ll also be able to staff your firm with the right team to provide the ideal advisor continuity for your clients.

With all of those pieces in place, you can approach your retirement from a

position of strength, controlling the outcome that works best for you, your team and your clients. You would have the opportunity to structure a buyout where you retain some ownership or a role in your firm, again benefiting your clients who mutually rely on your relationship.

YOUR NEXT STEP

At Sanctuary Wealth, we partner with entrepreneurial advisors, committed to serving their clients’ best interest and you yearn to be free from the constraints of the wirehouse environment. The advisors in our national network all recognized the benefits of independence, where they can control... everything: their own business, their own compensation, their own client offerings, and the terms of their own succession.

If you’d like to discuss how we can help you plan a transition to independence in the near-term, with the goal of retirement and succession in the not-too-distant future, please call on me today (210) 742-8894.

I’d very much like to talk to you about the options you should consider.

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