

Press Release



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BNY Mellon's Pershing Advisor Solutions White Paper Offers Guidance on Advisory Firms Incorporating Breakaways and Advisor Recruiting into Growth Strategy

JERSEY CITY, N.J., June 14, 2010 – Pershing Advisor Solutions LLC, a BNY Mellon company, announced today the availability of a new independent study, *Creating Growth: Tuck Ins, Breakaways and Advisor Recruiting Strategies* that provides registered investment advisor (RIA) firms with in-depth research and guidance on how they can expand by capitalizing on the trend of advisors moving toward independence.

Creating Growth: Tuck Ins, Breakaways and Advisor Recruiting Strategies highlights the tremendous strategic growth opportunity that these transitioning advisors represent for existing RIA firms. Developed jointly with FA Insight, the report provides proprietary and third party research on the current state of the market and the strategic opportunity in recruiting wirehouse affiliated advisors. It also offers guidance on how to develop a recruiting strategy and effectively onboard and integrate advisors into a practice.

Highlights from the study include:

- *Determining What's Right for Your Firm* – The report discusses the benefits and challenges of expanding through breakaways. Adding breakaways can be a quick and easy path to asset growth, and a carefully chosen recruit can expand the firm's skill set, potentially improving the firm's management, marketing or servicing capabilities. However, a successful recruiting strategy requires a clear strategic business assessment, firm value proposition and attractive infrastructure. Also, the recruiting process can be long as advisors in transition are often hesitant to change and may need to be educated on working within the RIA environment.
- *Developing a Recruiting Program* – The report offers guidance on how to evaluate a firm's need for additional advisors, assess the attributes of target candidates, and implement a recruiting program to attract the right advisors. For example, it's critical to establish a well-defined target profile and to conduct a purposeful broker recruitment strategy in order to avoid being distracted by candidates who possess attractive qualities but have little or no relevance to the priority needs of the firm.
- *Determining Appropriate Compensation Models* – RIA firms tend to favor compensation models such as a base pay and incentive structure. The opposite is true for the wirehouse environment, where compensation is linked to a percentage of revenue or assets managed. Firms need to educate candidates on their compensation philosophy and clearly outline the value proposition of these structures.

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- *Onboarding & Integrating Advisors* – By providing onboarding support during a new advisor’s first six to eight weeks, as well as the weeks prior to joining, management can realize its return on investment more quickly. Firms that fail to effectively onboard advisors needlessly extend the integration period and compromise the recruit’s comfort, confidence and satisfaction in joining the firm. Firms should develop a two-month plan that addresses operational aspects as well as legal considerations, and provide this to their new advisors on their first day with the firm.

“Recruiting breakaway brokers can be a powerful growth strategy for RIA firms and this environment has created a tremendous opportunity for them to expand quickly if planned and executed properly,” says Mark Tibergien, chief executive officer of Pershing Advisor Solutions. “Whether principals are considering the addition of a new breakaway or upgrading capabilities to support their current team, Pershing Advisor Solutions can provide the tools, resources and consulting to help an RIA firm choose the best path for its business.”

To receive a copy of the study, please contact Pershing Advisor Solutions at (800) 445-4467 or via e-mail at pasinformation@pershing.com.

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