



LATE-CAREER OPPORTUNITIES

IT'S ALL ABOUT YOU AND YOUR CLIENTS

Financial Resources Group is committed to delivering an excellent outcome for every one of our independent advisor business partners when it's time to retire. Advisor Development wants to help you maximize the value of your practice in the coming years so that you can maximize the liquidity event that comes along with the sale of your business. Watch for periodic training coming out of Advisor Development on this exact topic – what can you do in the coming years to bring in the most value when it comes time to sell. You'll be surprised – small changes today can make a big difference.

Just as important, in the event of death or disability, we want to maximize the value of your practice for your family. Far too often advisors do no planning, pass away or disable out and their most valuable asset begins to dissipate almost immediately. LPL notes that within two months, practices left without an advisor dissipate by 60%. This often leaves their families without the capital that the business could have provided. Under an FRGIS specific Practice Continuation Agreement, (PCA), we can jump into your practice the next business day and immediately start preserving the practice to make sure your clients are well cared for and your beneficiaries are paid.

To ensure your practice has coverage, for our advisors without a legitimate succession plan in place, FRGIS's Advisor Development team and your Business Consultant will be approaching you to complete our PCA. If you do have legitimate succession plans in place, your BC will ask you to provide a copy of so that everyone knows exactly what to do in case of emergency. In either case, the FRGIS support process is significantly more nimble than current PCA programs at LPL.

The FRGIS CCA is meant to serve as a placeholder in lieu of a legitimate succession plan and is revokable and can be superseded at a later date. But in the meantime, a completed PCA with FRGIS or another advisor in the FRGIS network will provide your practice the protection it needs if you're not there. To get started with the enrollment, head on over to the FRGIS website and fill out your profile on the Advisor Development portion of the FRGIS website and complete the PCA provided. For more information, schedule a call with Advisor Development.

EXPANDING THROUGH SPONSORSHIP

The Early Advisor training put on by Advisor Development provides an opportunity for you to expand your practice while bringing in new talent that could potentially be successor material. FRGIS in partnership with LPL is recruiting college graduates to bring into the business and to put on an "Advisor Track". Some graduates will be placed inside LPL in Fort Mill, SC or San Diego, CA to work on the service desk, or the IFS desk during the day, and study at night for their licenses, their CFP and to get through our early advisor training.

Some of these graduates we'd like to place in your office if you have the need. These are all accounting, finance and economics majors looking to get started in the business with the hopes of becoming financial advisors one day. If you have a need for any sort of support staff that will work for you by day and train to become financial advisors in off hours, we'd like the opportunity to place them in your office as well.

Note that to successfully recruit young people into our businesses, we need to deliver a consistent value proposition when recruiting them. If you hire one of these "proto-advisors", you will need to pay them \$60k and provide benefits. Once they're in production you'll have the opportunity to negotiate an override on their business in exchange for your support. Also, once embedded in your practice, you have a good chance of retaining them or even partnering with them, depending on their level of success.

SMARTER BUSINESS PRACTICES

Running your practice as a siloed business or in a small partnership has a lot of advantages and freedoms. It's how almost all financial advisors operate in the independent space. However, this structural approach to the marketplace has some significant limitations relating to the value of your business. Because you are a sole practitioner or small partnership, you are considered a high-risk business in the eyes of an underwriter because of the small pipeline through which revenues flow into the business. If something happens to you, the cash flow stops.

This means that in a valuation, or when you get underwritten for an acquisition loan, you're at a disadvantage relative to an organization of say, 15 advisors operating as a unified business. With 15 advisors that have formed a legitimate company, with operating agreements and Boards to run the business, if something happens to one of them, the firm is fine. This is why siloed or small partnership businesses garner a 2X to 3.5X multiple in liquidity events or in underwriting, and a regional footprint, non-siloed legitimate company commands 4X to 6X, often more. Participants often double the value of their portion of the business.

FRGIS and Advisor Development want to provide the opportunity for our advisors to consider participating in these larger, regional, correctly governed (and more valuable) enterprises. The legal and accounting blueprint is in process and the first of these larger entities will be launched in the northeast in the spring of 2024. Once established, we'll clone the process and replicate in other areas of the country.

As these businesses come online, we'll be looking for advisors that would be willing to be a part of something bigger than their own, siloed practice. We encourage you to fill out your profile in the Advisor Development portion of the FRGIS website and identify yourself for consideration into these larger organizations.

WE WANT YOUR STORY

Senior advisors at FRGIS have an opportunity to give back to the planning community by sharing what made you thrive in this business. Advisor Development would like to interview you to get your background, how you got started, what made you successful and what specialized knowledge and wisdom that you have that you could share with early-career advisors.

To contribute your story, fill out your profile on the Advisor Development portion of the FRGIS website and schedule a time for an interview. Young minds want to know!

LATE-CAREER FAQ's

1. What if I sponsor a recent college grad and they aren't working out?

Fire them. FRGIS will make every attempt to replace them.

2. Why do I need to pay a recent college grad \$60k plus benefits?

When FRGIS and LPL recruit them, we need a consistent value proposition. Also, this is reasonable for entry level positions offered to finance, econ and accounting majors coming out of college today.

3. What sort of preparations can I make in my practice today to get ready for a succession?

Watch the videos on the Advisor Development web pages for late-career advisors as a starter. If you don't have a legitimate succession plan in place, get a PCA signed with FRGIS to keep your business from being exposed to dissipation risk. Also, Advisor Development will periodically be holding educational events on the topic.

4. I'm potentially interested in participating in a regional, larger firm with bigger multiples, but I don't want to lose my independence.

Most participants need to adjust to "working well with others" in a business context. Because these firms operate with Boards and solid operating agreements, there will be demands on expense reductions and growth goals that participants will be held accountable to. Additionally, these firms typically operate according to the recommendations of an investment committee that unifies the value proposition of the firm and the investment and product strategies that each advisor would abide by. But it also means that even if you join one, if it's not to your liking you can get cashed out and return to your siloed practice at any time. It's not for everybody, but everybody should consider it.

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ABOUT OUR ADVISOR DEVELOPMENT
PROGRAM OR CONTACT YOUR
DEDICATED BUSINESS CONSULTANT.**



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