



What It Takes to Be An Entrepreneurial Advisor

(and Why You Don't have to Own
a Business to Find Out)



WEALTHPLAN
— GROUP —

CHAPTER ONE

Your Career Path as an Advisor

Do you have what it takes to be an entrepreneurial financial advisor?

At some point, it's a question that most advisors ask themselves as they think about their career and where they want to end up. And increasingly, the answer is being found in the Registered Independent Advisor business model.

According to InvestmentNews research, [RIA firms saw an increase of 931 advisors](#) throughout the first three quarters of 2020 as mergers happened or advisors left old firms and joined new ones.

By comparison, wirehouse firms lost over 1,000 advisors during the same span of time and insurance broker-dealers lost over 700.

Here at WealthPlan, we've always known the future of wealth management is with RIAs—the rest of the industry is just finally catching up.

[If you're thinking of pursuing a career on the RIA side](#), you don't have to start your own company and be an owner. You can instead be one of those 931 advisors who left the wirehouse behind and became part of a team.

In the first chapter of this ebook, we're looking at how your entrepreneurial spirit can help you achieve more on the independent side, whether or not you want to own your business or be an employee.

Financial Advisor Career Options

As you look over your career, there are three primary employment options for financial advisors. Each option has benefits and drawbacks—ultimately the choice is about what you value most from who you work with and for.

Contractor

Some firms (usually broker-dealers) hire advisors as 1099 contractors, where you set up your own business but get additional resources from the larger financial institution.

W-2 Employee

The employee model makes sense when you want to join an RIA but don't want to manage everything. You get a steady paycheck and can focus solely on giving financial advice.

Business Owner

For true entrepreneurs, owning a business is the only way to go. But when you do this, you're responsible for it all: compliance, payroll, staff management, and advisory duties.

What It Takes to Be an Entrepreneur

Not everyone can make it work as an advisor Business Owner. For the ones who are true entrepreneurs, there are three traits that can lead to success,

1. You're passionate about your work

The first is easy—you love advisory work and giving clients advice that leads to financial security is what you're most passionate about. Passion doesn't always lead to success, but without it, the entrepreneurial life gets hard quickly.

2. You have a unique process you want to follow

One reason you may be tempted to start a new company is so you can develop and refine a process that's unique to you. When you're in a team environment, you may have to follow the established planning or investment procedures of the company, without flexibility. Starting your own business lets you call the shots.

3. You're not afraid of business risk

Let's face it: Starting a new business is a risk. But if you feel like it's your calling to create a company on your own terms, the confidence you have in yourself overpowers the risk of failure.

Think that the entrepreneur life is right for you?

Before you take the leap and become an independent business owner, continue reading chapter two to assess one more option that could be worthwhile.

CHAPTER TWO

Why Entrepreneurial-minded Advisors Choose the RIA Model

Where you choose to work, and what type of advisor you choose to be, ultimately comes down to what you value in the workplace and the types of people you want to work with.

For an increasing number of advisors, the right choice is to work in an RIA firm. In this chapter, we'll help you identify those things so you can answer for yourself if choosing the RIA model is right for you—or not.

Your Ideal Workplace

Knowing where to work as an advisor requires that you understand what type of work environment is best for you. Do you want to work on your own? How important is competition to your ability to get excited about reaching goals?

Here are three things about the workplace we think every advisor should consider.

1. Working with a team

Working on your own versus working in tandem with a group can be an important dynamic to understand. A team environment isn't specific to an independent firm, but everyone having aligned values and keeping the focus on clients is more associated with the RIA model than other types of financial institutions.

2. You can focus on clients instead of compliance, trading, and back office tasks

A team environment can also lend itself better to those advisors who want to do one thing: Give financial advice. When you have the right people around you and the right workplace infrastructure, you can focus on working with clients and hand off the other parts of business. Some advisors, though, like to get their hands into other parts of advisory life, like fee billing or trading.

3. Flexibility in how you work with clients

When you work at a wirehouse, there is often rigidity around which financial products you can offer, what your reports for clients can look like, and what your sales pitch needs to be. In short—it's about transactions, not real relationships. Some advisors still find a way to thrive in this environment, but if you're someone who needs a little independence, the RIA model is the best career path to follow because you get to choose how to interact with clients and create true value for them.

Your Career Goals

The type of business workplace you choose is one factor; the other is your personal career goals.

1. You value independence

If flexibility and escaping the rigid confines of the average wirehouse are at the top of your goals list, there's no better way to achieve it than by joining an RIA. An RIA firm tends to be a small-to-medium size business, which can be an appealing change of pace from the red tape lifestyle of a large corporation. If your goals involve taking more control over your career trajectory and being the one in charge of how high you can reach, there's no better business model than an RIA for advisors.

2. You want to collaborate instead of compete with other advisors

Wirehouse representatives are trained to compete with each other. Clients could be won by you or someone else at your organization, and if you want to get ahead, you have to be the one to close the deal. On the other hand, independent advisors band together for resources and camaraderie. The business environment is all about doing what's best for clients, and that extends to sharing knowledge and tips with other hands, whether they're at the same firm or completely different businesses.

3. You want to align with a trusted brand that puts customers first

Wirehouse firms may have known names—but they aren't always trusted. In fact, one consumer survey found that 24% of respondents identified PayPal as their most trusted financial brand—which was more than double the nearest bank's trust in the responses.

RIAs, on the other hand, are outside the Wall Street financial institutions. They're more about Main Street, and client retention rates reflect the trust that most clients place in their financial advisor. In 2020, retention rates across the industry were nearly ninety-five percent.

The numbers make it clear. If you want to build your career alongside trusted brands in communities (like, for example, WealthPlan Group), the RIA model can scratch that itch.

Getting the Best of Both Worlds

Not every advisor is meant to be a business owner. But even if you don't want to own an advisory firm on your own, you may still have the entrepreneurial spirit and want to take more control over your career.

If that's you, then WealthPlan Group has the solution for how to spend your career.

You get flexibility over how you work with clients, a voice in our Investment Committee, and the ability to create an advisory career on your own terms. The WealthPlan team supports you with technology, compliance, and additional services so you don't have to go it alone.

Ready to take the next step to becoming an entrepreneur advisor?

Schedule a call with our consultation team now.



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