KEHRER BIELAN
RESEARCH & CONSULTING

510 Meadowmont Village Circle
Suite 229
Chapel Hill, NC 27517
www.KehrerBielan.com

For Immediate Release:

For Bank Brokerage Firms, Better Onboarding Provides Path to Growth

New Report Highlights Need to Focus on Adding Net New Advisors

CHAPEL HILL, NC JUNE 22, 2017: Bank brokerage firms need to up their game when it comes to recruiting new advisors and, in particular, retaining new recruits if they hope to grow. That is one of the key findings of Kehrer Bielan's new white paper, *Ending Catch and Release: A New Era Recruiting Plan to Reel in Advisors*.

"Historically bank brokerage firms have relied on increasing advisor productivity to drive revenue growth," commented Peter Bielan, principal of Kehrer Bielan Research & Consulting and author of the paper. "But fee compression and the disruption caused by the Department of Labor's fiduciary standard rule are putting downward pressure on advisor productivity. The best way to grow, and perhaps the only way to grow consistently, is by adding net new advisors."

Advisor headcount in banks and credit unions that offer investment services has been essentially flat for the past several years. In 2016, headcount shrank by 1.5%. The typical firm losses somewhere between 10-25% of its advisors every year, so firms have been successful at replacing the advisors they lost, but not at growing headcount on a net basis.

"Many new advisors leave the firm as soon as their onboarding package expires," explained Bielan, "setting up a cycle of catch and release that comes with high financial costs and robs the firm of its best opportunity for growth."

How did we get here? By using transition packages that focus on the wrong objectives, operate on unrealistically short timelines, and fail to set the new advisor up for future success, according to Bielan.

"After the first year when the typical transition package period ends, what has the incentive plan done for the type of business advisors have established and skills they have built? The advisor did exactly what the compensation plan rewarded for: produced as much as possible, as soon as possible, during a short period of transition pay, so the advisor is quickly additive to net income. Which results in an advisor that is focused on commission, less skilled and without momentum in the other critical activities like financial planning, asset gathering, embracing advisory products, meeting insurance needs and satisfying clients."

The white paper identifies four key components of the new era recruiting plan, and also provides recommended compensation levels and incentive structures based on industry best practices.

"This paper provides a detailed blueprint that executives who manage the investment services business inside banks and credit unions can follow to bring their onboarding into the modern era," said Bielan. "But many bank brokerage executives feel that they are stuck with the transition packages that are already in use, so the paper also outlines how to demonstrate the need for change and justify the specifics of the plan to the top of the house."

For more information on *Ending Catch and Release: A New Era Recruiting Plan to Reel in Advisors*, and to request a copy, please contact:

Peter Bielan
(770) 331-1280
peter.bielan@kehrerbielan.com

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