

Key Steps to a Successful Transition

No one understands the importance of planning like you do. As a financial advisor, you know that planning is critical to helping your clients pursue their financial goals.

It's also the single most important component of a successful transition. Yet the prospect of hours spent organizing your move can seem overwhelming. Where do you begin? And how do you juggle the competing responsibilities of serving clients and managing a business while transitioning your practice?

By breaking the transition process down into manageable steps, you can develop a comprehensive roadmap that not only leads to success for you, your business, and your clients, but alleviates stress and anxiety throughout the change. Consider the following best practices to help ensure a smooth transition.

STEP 1: Document your goals.

Begin by identifying your goals and determining what success looks like for you and your clients. The more your plan reflects the unique aspects, challenges and needs of your business, the more successful you will be in communicating those needs to your new firm, enabling them to better meet your expectations.

- Document critical milestones
- Determine and write down the unique needs of your business, staff and client base
- Share this information with key contacts at your new firm, including your transition team

STEP 2: Ask questions.

Due diligence doesn't stop once you've selected a new firm. It's a critical part of preparing for your transition. Speak with other advisors who have moved to the firm and fact check the transition process. Did the firm do what they said they would do? Ask your new firm to address the following:

- Will they provide a written transition plan and timeline tailored to your practice?
- What on-site resources can you expect during the repapering and onboarding processes?
- Do they have experience transitioning the various account and product types in your book, including any assets held by outside custodians or product providers?
- What is the process for problem resolution and/or escalation should you run into a snag?
- Who will be your point person and what should you expect in terms of the frequency of communication and status updates?

STEP 3: Review all contracts and agreements.

Understanding the legal aspects of changing firms is critical, especially if you are moving to a new business structure or model. Consider engaging outside legal counsel to help ensure you fully understand:

- Your current employer contract or agreement, including any non-compete or non-solicitation clauses
- Terms of the agreement with your new broker/dealer

STEP 4: Develop a client communication plan.

While your new firm will provide a plan covering the technical aspects of transitioning client accounts, it's up to you to determine how and when you will communicate the move to your clients.

- Begin by crafting your value proposition to help clients understand how the move will benefit them and the high value you place on your relationship with them.
- Evaluate and segment your book. Categorize client relationships as A, B and C clients to solidify communication plans. Develop a schedule and timeline for meeting with your most important relationships. If certain clients are no longer a good fit for your new practice, changing firms may provide a convenient opportunity to part ways with less productive relationships. In segmenting your client base and determining the likelihood of clients moving with you, consider the following:
 - Length and depth of each client relationship
 - Portability of the products and investments clients own
 - Breadth of each client's relationship with your current firm (e.g. do they utilize other products or services your company may offer, such as loans, credit cards, checking/savings accounts, or property and casualty insurance?)

STEP 5: Prepare for repapering prior to announcing your move.

Make sure all client information is current and as organized as possible before you begin your transition. While you may not be able to take all client files, broker protocol does allow you to take the following five pieces of client information with you when you leave:

1. Client name
2. Address
3. Phone Number
4. Email Address
5. Account Title

Consider printing client address labels in advance to save time later when mailing transition-related paperwork and communications.

AK Financial Group Representative Network—service and support you can rely on. Our commitment to our advisor members begins immediately as we help you create a transition strategy and assist you in all facets of your transition experience. **To learn more, contact us at 949-788-7700 or visit us at www.akfinancialgroup.com.**