

Top 5 Mistakes Advisors Make When Transitioning Firms

(And How to Avoid Them)

Transitioning to a new firm is one of the most pivotal decisions in your career. It's an opportunity to grow your business, better serve your clients, and achieve personal fulfillment. But the process isn't without challenges. This guide outlines the five most common mistakes advisors make—and how to avoid them—to ensure your transition is smooth, strategic, and successful.

Mistake #1 – Not Preparing a Clear Vision for the Future

What Goes Wrong: Advisors often jump at opportunities promising better payouts, friendly teams, or technology upgrades without considering long-term goals.

The Scoop: Your long-term vision must guide the process. Ask yourself: Who do I want to serve? What will my client experience look like? What tools and autonomy do I need? Without clear answers, **you risk choosing a firm that doesn't align with your goals.**

Pro Tip: Start with a visioning exercise to articulate your “dream firm” criteria. We offer a structured framework for this in our consultations.

Mistake #2 – Skipping Comprehensive Due Diligence

What Goes Wrong: Advisors often rely on sales pitches, overlooking details like compliance policies, payout structures, and client experience.

The Scoop: Nearly every firm wants to add advisors to their ranks, so the sales pitches are strong. Firm recruiters are incentivized to keep the ugly details hidden and to call out the elements that best fit their firm.

Comprehensive due diligence consists (at a minimum) of:

- Introduction meeting
- Deep-dive sessions into technology, marketing, advisory programs or investment management, and any other elements that are important for your business (401k plans, insurance, investment banking, etc.)
- Home office visits (for advisors with more than \$50 MM in AUM) with with 6-8 information sessions and social time

Throughout all of these conversations, it's critical to remain focused on what's important to you and to **take notes**. Believe us – you'll be glad you took the notes when the details begin to run together.

Pro Tip: This is where working with an independent recruiter consultant pays off.

Consultants know the firms, can separate fluff from facts, and share real-world insights advisors can't afford to miss.

Mistake #3 – Making Negotiation Mistakes

What Goes Wrong: Advisors accept offers without fully understanding expenses or deal terms, leaving money on the table and facing surprises later.

The Scoop: Without current data on recent deal structures, market trends, and firm incentives, you're flying blind. The firms are pros at presenting offers that sound compelling but there are small nuances. Ask about things like ACAT fees for clients opening accounts at the new firm and the average expenses by other advisors like you.

Pro Tip: Connect with colleagues who have made similar moves to learn about their experiences. Better yet, **work with a consultant who specializes in deal negotiation to maximize your payout.** In our experience, most advisors secure 15–25% higher payouts with professional negotiation support.

Mistake #4 – Failing to Plan for Compliance and Legal Risks

What Goes Wrong: Missteps around non-solicits or mishandling client communication can result in legal challenges.

The Scoop: While some firms are more litigious than others, you can avoid the legal haranguing by **following the rules and guidelines given to you by a well-informed attorney.** If you're part of a captive firm, such as Merrill, UBS, Edward Jones or an RIA, you likely have a non-solicit agreement in place. If you're breaking away from an RIA, you may have a non-solicit with no-contact clauses.

Pro Tip: This is not a time to use a local attorney. You need a specialist with experience in securities law and specifically with advisor moves. BTW - We forged relationships with the leading attorneys nationwide. Working with these well-vetted attorneys helps you stay compliant while preserving your client relationships.

Mistake #5 – Underestimating the Transition Process

What Goes Wrong: Advisors often underestimate the effort required to establish a new practice, resulting in delays, stress, and lost clients.

The Scoop: Transitioning firms requires more time and effort than many advisors expect. While your new broker-dealer or custodian will handle much of the client and account transfer work, **establishing your independent practice brings its own task list** from defining your business structure to building your brand.

Pro Tip: A detailed transition roadmap is key. Focus on balancing client transitions, office setup, and marketing so you hit the ground running on day one.

Your Next Step: Transform Your Career With Confidence

Avoiding these mistakes isn't just about protecting your current practice—it's about positioning yourself for long-term growth and fulfillment. **With expert guidance, you can navigate your transition with clarity, confidence, and the resources** to build the career you've always envisioned.

Navigate with Confidence

Big decisions can feel like stepping off the edge—but with the right insights and support, you can move forward with confidence. Just like a skilled paraglider trusts their guide, you don't have to go it alone.

It takes 4-9 months to conduct due diligence and prepare for change. The best time to start? **Now.** *There's never a perfect time.*



***Ready to make your move?
Schedule a free 30-minute consultation
today and take the first step toward
owning your future***

BOOK NOW

