

# HOW TO PICK THE BEST INDEPENDENT FIRM...FOR YOU.

---



**PROSPERA**  
FINANCIAL SERVICES

[www.joinprospera.com](http://www.joinprospera.com)

There are many issues to consider when it comes to choosing which independent firm to hitch your wagon to. Whether you're a first-timer looking for a firm that will help you sail uncharted seas or a second-generation independent that is looking for a better fit, there are some things that everyone should consider. In fact, you may even use this list to validate a choice that you may have already made with regards to a firm. The following is a conglomeration of some of the key issues that I have learned and heard from other advisors, managers, executives, etc. in my 17 years in the business. Full disclosure: some of the issues may be tainted with my passion for the issue and as such, please know this is only a guide and if you vehemently disagree with a point or feel that I am missing something or have gotten it wrong, then by all means, please write to me and set me straight! Here we go...in no particular order, the 7 things to consider when choosing an independent firm.

### **#1 Do they have your back?**

When adversity strikes, and unfortunately, it will, will the broker-dealer stand beside you or turn their back on you? Take a close look at how they handle advisor complaints and/or disputes. What is their track record? Will they provide you with un-biased legal support or protect themselves first and you second? Lets face it, there will be times when settling a claim is the best option for all involved, but it shouldn't be the go-to solution. If you want to fight, they should be willing to fight alongside you and do the work to support you.

### **#2 Will they help you to become a better business owner?**

What is the depth of the broker-dealer's practice management bench? Do they embrace coaching and training opportunities or just leave every man or woman for themselves? Anyone who runs their own business knows that a continual education and tweaking of skills and mindsets is key to growing or even continuing to maintain a thriving business. Since being independent is running your own business, it makes sense that the BD you choose should have ready stable of tools available either in-house or through a partnership with their clearing firm. Bottom line: look for firms that will help you run your business not just work in your business.

### **#3 Will they save you from yourself?**

Ok, a little melodramatic but the topic justifies it. Sometimes, we know we should do something but for one reason or another, just can't bring ourselves to do it. In this case, I'm talking about succession planning. Every advisor knows they need one and very few have one. QUOTE A RECENT STAT HERE ABOUT HOW FEW HAVE ONE. If you are independent, you own your book, you own your practice, you OWN A BUSINESS. If something happens to you, you owe it to yourself, your employees, your clients and your family to make sure that your business is taken care of. I know- it's hard to determine a valuation, it's hard to think about "what if" when you are so busy in the ever-present grind, but do you really want to leave behind a mess of uncertainty for everyone close to you when the "what-if" happens? Do you have life insurance? No different than this for your business. A good firm will require you to have a succession plan. In fact, they will practically lead you to the water-all you have to do is drink. This is such an important topic that there's a possibility a paper will follow on it- don't say I didn't warn you.

#### #4 Are they values-based or price-based?

First, look at yourself- which is your primary driver? A balance of each is essential in running a profitable business, but the one that actually drives you will show up predominately in how you interact with others and how you handle adversity. Furthermore, if you are price-based and your firm is more values-based, there is a good chance there will be a culture clash. An even stronger clash will be if you are values-driven and your firm is price-driven. In this latest pairing, chances are you are going to be expecting more than they are willing to give. There is no right or wrong way to be- just be careful- don't be charmed by a "great, nice firm" that isn't competitive and on the flip-side, don't be lured-in by a cheap deal when chances are, that's all you'll get.

#### #5 Why are they in business?

Who do they answer to? Is the firm privately or publicly held? Do you get a sense that the firm considers the advisor as their client? Do they have a mission? Core values? If so, take the time to actually read them and determine if they resonate with you. If their mission or core values that they took the time and money to communicate to the masses don't align with your thinking, there is a slim chance that they are in business for the same reasons you are. Along these lines, if they don't have a mission or core values, that shows you pretty clearly those things are not important to who they are and how they run their business. Ask the direct question: why are you in business? And make sure it resonates with YOU. And for you tough guys- it's not cheesy to ask; it's smart business.

#### #6 Are they competitive?

This probably goes without saying, but take the time to at least look at 3 different firms before you take the plunge. Things change rapidly in our industry and what you may be used to doing without may be a given at most other firms. Products are a commodity these days. If the firm has hitched to the right clearing firm, you have every tool imaginable at your fingertips. The key for you as the advisor- make sure the BD passes that availability onto you- some don't open up all parts of the available platform to their advisors. It's a clever way to control what you're doing without saying it. Likewise with pricing- it is VERY difficult to compare apples to apples when you are looking at pricing schedules, but once you establish that you are comfortable with #1-5 above, ask them to put together a financial spreadsheet for you. This will help you look at your business overall and take into account different payout and fee schedules and look at the true impact on your business. This spreadsheet will also help you as you are planning your business by highlighting all of the revenue and expense centers and which are set and which you control. If they are unable or unwilling to do this- STEER CLEAR.

## #7 DON'T BE A PIECE OF MEAT

In the uber-competitive world of advisor recruiting, I have often heard advisors say they feel like a piece of meat. (and not in a good way) If you're not interested in a firm, TELL them. If you are interested, make sure that they are being authentic in their dealings with you. One way to do this is to meet all of the managers and staff that you will be dealing with on a regular basis if you were to join the firm. You will be able to determine the overall vibe or culture of the firm. Take that into transition- Is there a team assigned to you that will handle every bit of your transition? Do they partner with you to fit around you; not making you fit around their process? Is there a formal checklist and process that gives you the comfort they could do this in their sleep? Do you have a letter of understanding so you know that there will not be any surprises once your license transfers? Have they offered to be on-site at the start of your transition to assist you and your office staff? And a final biggie- have they solicited legal advice customized to your current firm and your situation and offered that service to you to protect you through the process? Lets boil it down to this: Are they standing beside you as your partner or are they checking off boxes? The answer to this question now probably won't change years down the road.

Choosing the right independent firm is one of the most important decisions in an advisors life. I hope that the above considerations will help YOU find a forever home.

---

### Tarah Carlow Bio

Tarah has worked with and advised hundreds of financial advisors in helping them select a like-minded firm in the broker-dealer space. Although currently employed by Prospera Financial, she is affiliated with PFS & Associates where she helps independent advisors find independent homes that are their ideal match.

Tarah has over 17 years of experience in the brokerage industry and currently is Vice-President of Marketing and New Business Development for Prospera Financial Services, where she is responsible for marketing, public relations and new business growth through recruiting and acquisition. Previously, she has held a variety of roles throughout her career including Director of Finance, Risk Manager and Chief Administrative Officer. In 2004, she was named President of FA Recruiting Services, LLC when she created and operated the entity until her departure in 2007 when she joined Prospera.

Ms. Carlow has served on several industry panels and conducted numerous seminars in her field of expertise which includes recruiting and marketing for the broker-dealer marketplace.

\*Second generation independents are advisors that have previously gone independent but are now looking for “true” independence whereby they have control and ownership over their business and clients.

If you would like more information on Prospera, please contact us at 800-444-4428 or email us at [marketing@prosperafinancial.com](mailto:marketing@prosperafinancial.com).



**PROSPERA**  
FINANCIAL SERVICES