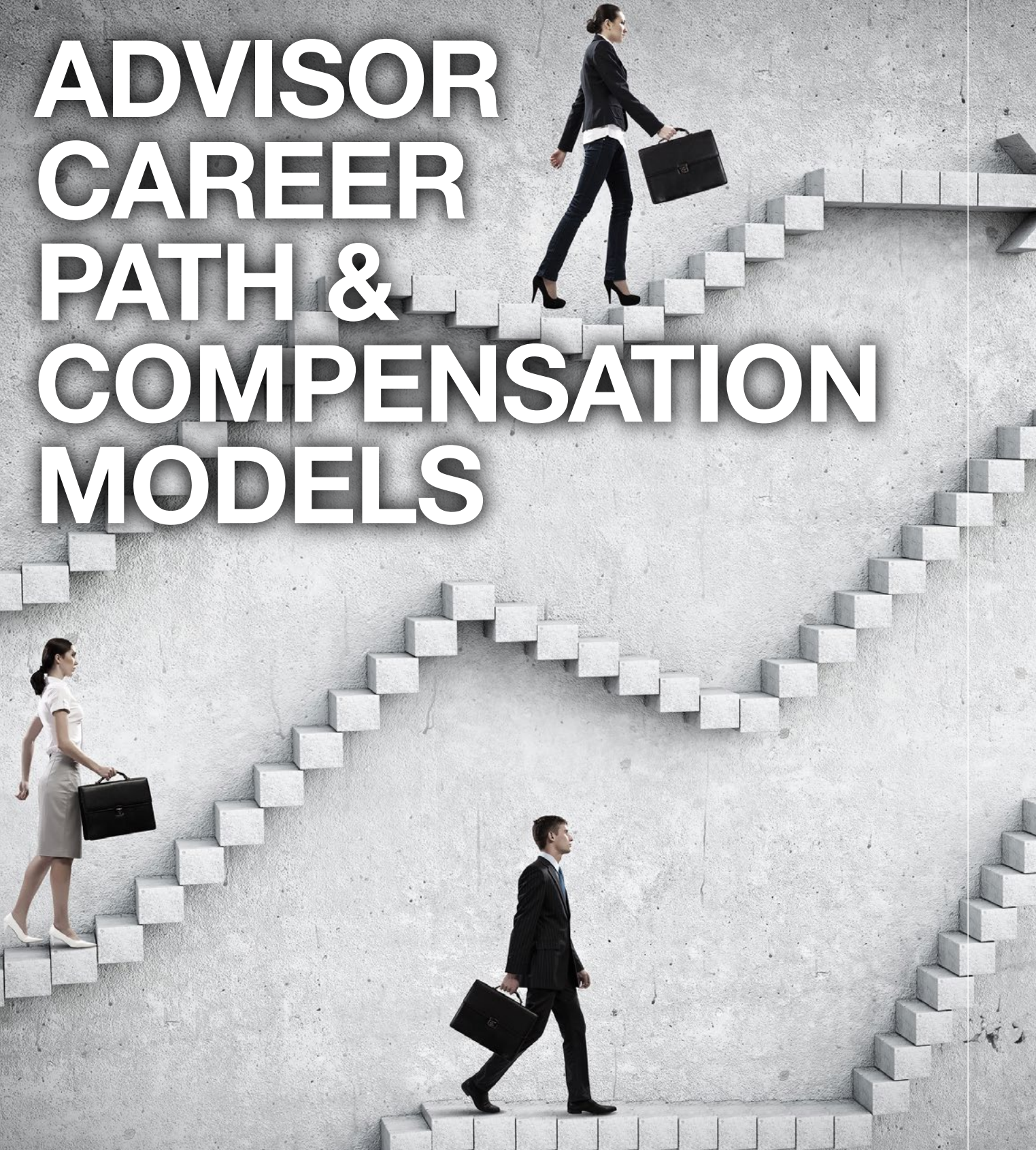


# ADVISOR CAREER PATH & COMPENSATION MODELS



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**D**o you want a documented strategy to achieve team growth? What about data-backed compensation plans to ensure you're paying your employees fairly and competitively while building an elite team for your practice? The Advisor Career Path & Compensation Models will help you recruit, reward, and retain top talent so that you bring on the best people and adequately invest in them for the future of your business.

The key strategy behind the Advisor Career Path and Compensation training program is to structure your business in a way that will continue to prosper with or without you. There will come a time when you need to step away from your firm. Whether it's for an extended vacation, a medical condition, family needs, or you're just ready to retire—the Advisor Career Path & Compensation Models will pave the way for you to delegate responsibilities through a seamless

transition, putting your mind at ease.

We spent years refining and developing a scalable career trajectory reflecting the experience and research we've accumulated over decades of observing advisors within our firms and the financial industry's best practices.

Advisor Career Path & Compensation can be used for everything from recruiting to coaching. It encourages employee retention because individu-

als can imagine their career years into the future with your company before they even get the job. That builds a sense of loyalty and commitment to your firm and its business objectives.

The Advisor Career Path & Compensation Models:

- Operate as an informal mentoring program
- Support better service to clients
- Outline the rubric for job advancement
- Walk individuals step-by-step through their career projection
- Act as a unique recruiting tool for top talent
- Facilitate measurables for annual reviews
- Develop flexible Responsibility Agreements
- Craft a payment structure that fits the needs of your firm
- Attract and retain talented people
- Define the mentorship approach that works best for your business



# 5 RUNGS OF THE ADVISOR CAREER PATH:



- Identify the roles, responsibilities, standards, and expectations for each position
- Set goals and target dates for growth, profitability, staffing, and more

We illustrate the Advisor Career Path with a 5-rung ladder. Each rung is broken down into three measurable steps with a detailed scorecard, so there is no room for misunderstanding. One of the best things about the Advisor Career Path is that both employees and their supervisors will always know what they need to accomplish to move to the next rung and ascend the ladder.

Client Service Advisors and Paraplanners exist **Backstage**, meaning most of their work is done without interacting face-to-face with clients. Advisors, Lead Advisors, and Practicing Partners are client-facing **Front-stage** roles.

Some people are **hunters**, meaning they have a natural inclination to hustle. They want to go out looking for new business and develop better customers. These people will want to move up the rungs at a record pace. Other people are **farmers** who do their best work growing the business from behind the scenes.

**Both hunters and farmers can be of immeasurable value to your business.**

## BACKSTAGE

It should be noted that not every single employee will want to move all the way up the ladder. And everyone moves at their own pace. Some people are more comfortable mentoring and developing fellow employees than meeting with new clients.

These people may spend more time in each step of each rung, but they help their peers succeed, and they do incredible work behind the scenes for both clients and the organization. They plow through accounts to cultivate more business out of existing clients. As we all know, nurturing your client relationships is far easier and cheaper than bringing on new business.

You may have an employee who never wants to go Frontstage. That's okay. If they're happy in a supporting role that doesn't involve a lot of face time with clients and they're flourishing in that position, maybe that's the best fit for them. You can still carve out a long-term career plan for people who prefer to remain Backstage, where they will continue to be an invaluable part of the organization.

Ask your employees what their ideal career looks like, don't just assume everyone wants to make it to Practicing Partner. There are many ways to grow your firm; it's all about getting the right people in a position where

they can thrive.

Does this person want to go out and find new customers and more business, or would they rather spend their time training new talent and building the team? Allow your employees the autonomy to find their niche and thrive in the role that fits them best.



Client Service Advisor

## CLIENT SERVICE ADVISOR

The Client Service Advisor role is an entry-level Backstage position with the opportunity to become a future advisor of the organization.

They handle client administration duties and new business.

- Handles pre & post appointment
- Supports advisors
- Maintains meeting materials
- Processes new business
- Manages client administration
- Bachelor's degree
- 0-3 years of experience



Paraplanner

## PARAPLANNER

The Paraplanner position offers a transitional job for a more experienced Backstage team member to learn

and build financial plans in preparation for advancing to the next rung. They handle financial and tax modeling as well as product recommendations.

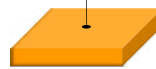
- Designs and drafts financial plans
- Does 80% of the heavy lifting behind the scenes
- Meets with Advisor to finalize deliverables before the client meeting
- Participates in meetings
- Bachelor's degree
- 2-5 years of experience

### FRONTSTAGE

In the Frontstage, you have Advisors, Lead Advisors, and Practicing Partners. Smaller companies may utilize experienced Paraplanners in the Frontstage as well. In the Frontstage, there is a two-chair approach to servicing clients. **First Chair Advisors** consist of Lead Advisors and Practicing Partners. At the same time, Advisors or Paraplanners act as **Second Chair Advisors**.

First Chair Advisors are senior team members whose primary responsibilities include serving as rainmakers to feed the firm's ROI. They close business, hunt for new prospects, run meetings, work with VIP clients, and counsel Second Chair Advisors.

First Chair Advisors are natural hunters who want to go out there, find new business, and meet new customers. Second Chair Advisors play a supporting role to the First Chair Advisors. They are responsible for meeting the organization's needs, following up, plan design, and client communication.

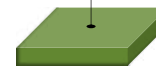


Advisor

### ADVISOR

The Advisor role is Frontstage and client-facing. The Advisor serves as a Second Chair support system to Lead Advisors and Practicing Partners with onboarding and servicing clients.

- Supports Lead Advisor with large clients
- Services smaller accounts independently
- Implements advice based on analysis
- May be responsible for same functions as Paraplanner
- Sometimes referred to as Second Chair or Junior Advisor
- Bachelor's Degree
- Working on CFP certification
- 3-7 years of experience



Lead Advisor

### LEAD ADVISOR

The Lead Advisor leverages knowledge and experience to close and develop business. As a First Chair, the Lead Advisor will

mentor and guide less experienced advisors.

- Handles most valuable clients
- Responsible for business development
- Hosts workshops & seminars
- Sometimes referred to as First Chair or Senior Advisor
- Mentors and trains team members in lower rungs
- Bachelor's degree
- CFP certified
- 5-10 years of experience



Practicing Partner

### PRACTICING PARTNER

Allowing your advisors to strive to the Practicing Partner level gives you the ability to attract, retain, and reward top talent. Practicing

Partners have ownership and a stake in the firm. They serve in a leadership role, helping to shape the company's overall strategy. They are hunters and rainmakers who feed new business into the funnel.

- Leads and manages firm from a visionary perspective
- Oversees most valuable client relationships
- Serves on the executive leadership team
- Drives organizational growth
- Bachelor's degree
- CFP certified
- Recognized as an industry expert
- 10+ years of experience
- Some firms never offer this level

### USING THE RIGHT COMPENSATION MODEL FOR YOUR ADVISORS

Wealth managers have portable skills. They can easily change firms without deterring from their career path. Because of this, you must compete with other firms to recruit top candidates. Hiring high-quality talent for your business is like acquiring a new high-net-worth client. It requires both



You can pay your advisors using a variety of models. Using the proper pay structure for your firm can cultivate corporate culture and promote continued revenue growth.

parties to determine whether they are the right fit for one another.

With the state of the current market, where the number of vacancies at firms exceeds the number of financial advisors looking for new opportunities, hiring managers must work to ensure they stand out above the rest.

Compensation is one of the main drivers for top performers to decide which firm they will choose. While some firms adopt an eat what you kill mentality entirely driven by the individual advisor's book of business, other methods work to establish growth in more than just a financial sense.

### COMPENSATION MODELS TO ATTRACT TOP-TIER FINANCIAL ADVISORS

While there is no perfect method for compensating financial advisors, there are options that help attract and incentivize top advisors to perform well. You can pay your advisors using a variety of models. Using the proper pay structure for your firm can cultivate corporate culture and promote continued revenue growth.

One of the first things your firm should do is draft a **Compensation Philosophy Statement**. This is similar to a value proposition statement, a succinct description of how payment works in your firm, including the principles that influence wage decisions.

When choosing the Compensation Model you will employ at your firm, remember the model you decide to

implement needs to encourage the behaviors you want to cultivate. To remain competitive, employers need to analyze their payment methodology and ask what behaviors it reinforces.

The first question you should ask yourself is: what type of talent are you hoping to attract with this new Compensation Model? Do you want to bring on hunters who will focus on business development efforts and finding high-net-worth clients?

OR

Do you need a farmer to nurture your existing business and build long-term relationships while you act as the rainmaker?

### GRID COMPENSATION MODEL

Traditionally financial advisors have been compensated with a percentage of revenue generated from the client, also known as the grid method. While this was the standard for many years, this structure has created a lack of vested interest in the firm's profit, with advisors concentrating only on their book of business.

### SALARY AND STAKE OF PROFIT COMPENSATION MODEL

Secondly, the Compensation Model offers a base salary and quarterly stake of the company profit. This pay structure creates a vested interest in the firm's profit rather than an individual advisor. Salaries are determined by position and career path, and advisors are compensated through

a Salary and Stake in the Outcome. Additional compensation is paid out when the firm reaches specific financial targets.

While this pay method does show less turnover, there is often a lack of immediate gratification due to the quarterly structure.

### HYBRID COMPENSATION MODEL

More recently, many firms have adopted a hybrid methodology, which offers advisors a base salary, quarterly stake, and monthly variable commission similar to the grid method but only on new revenue produced.

This payment plan helps to motivate business development and encourages collaboration between advisors, paraplanners, and client service associates. It utilizes a staggered approach to payments; the base salaries are distributed now, monthly business development bonuses will get paid out soon, and a quarterly Stake in the Outcome will be dispensed later.

Are you the sole rainmaker of your practice looking to build a self-sustaining business? Struggling with how to identify, onboard, and train new and future advisors? C2P Enterprises has the tools you need to build out an elite team of financial advisors you can rely on to run the business with or without you. The Advisor Career Path & Compensation Model program contains a variety of tools you can start using to recruit new talent and grow your business. ■

**TO LEARN MORE ABOUT THE ADVISOR CAREER PATH & COMPENSATION MODELS, AND HOW TO IMPLEMENT THEM INTO YOUR PRACTICE, [SCHEDULE A FREE 20-MINUTE CALL.](#)**



### ABOUT C2P ENTERPRISES

Simplifying financial planning for financial advisors and their clients C2P Enterprises is a holding company comprised of four distinct brands, each designed to simplify financial planning for advisors and the clients they serve. United by the vision to provide planning and financial products and solutions in the best interest of the client, each company offers education, training, resources and tools to meet a client's unique financial situation, along with access to an array of investment and insurance vehicles to help

accomplish their goals. Each organization is committed to fiduciary best interest practices and raising industry standards for a higher quality of holistic financial planning services to families nation and worldwide.