Advisory Business Model Overview

Choosing and evolving your Advisory Business Model to ensure it continues to align with your vision is important. It's natural in this industry to go through an evolution as you progress through your career, and this requires flexing and adapting accordingly. Despite this, only 14% of advisory firms have developed plans to organize and structure their team as they grow.

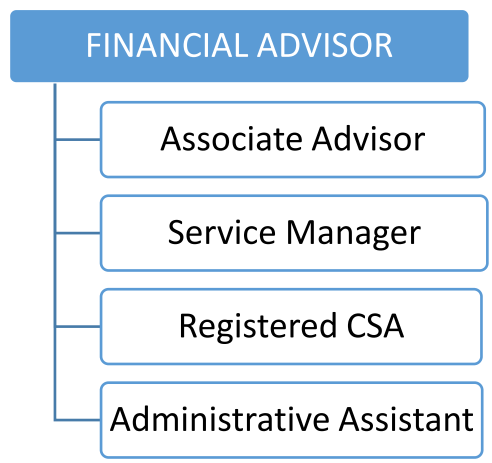
When structuring a team, there is no "one size fits all" approach. For the best success you should first self analyze. This means thoughtfully assessing your own strengths and weaknesses so you can hire others to compliment these strengths and fill in any gaps – this ensures you have a strong, well-rounded team structure.

There are three main Advisory Business Models most advisory teams will adopt. It's important you think carefully about where you are today and where you want to be so you can map out your next steps to maintain or creating the Advisory Business Model that best suits you.

The Vertical Approach

The vertical team approach is best suited for advisors who need to lead and want full control over their teams.

Some advisors find it hard to have shared control and if this is you, entering partnerships doesn't generally work out well.

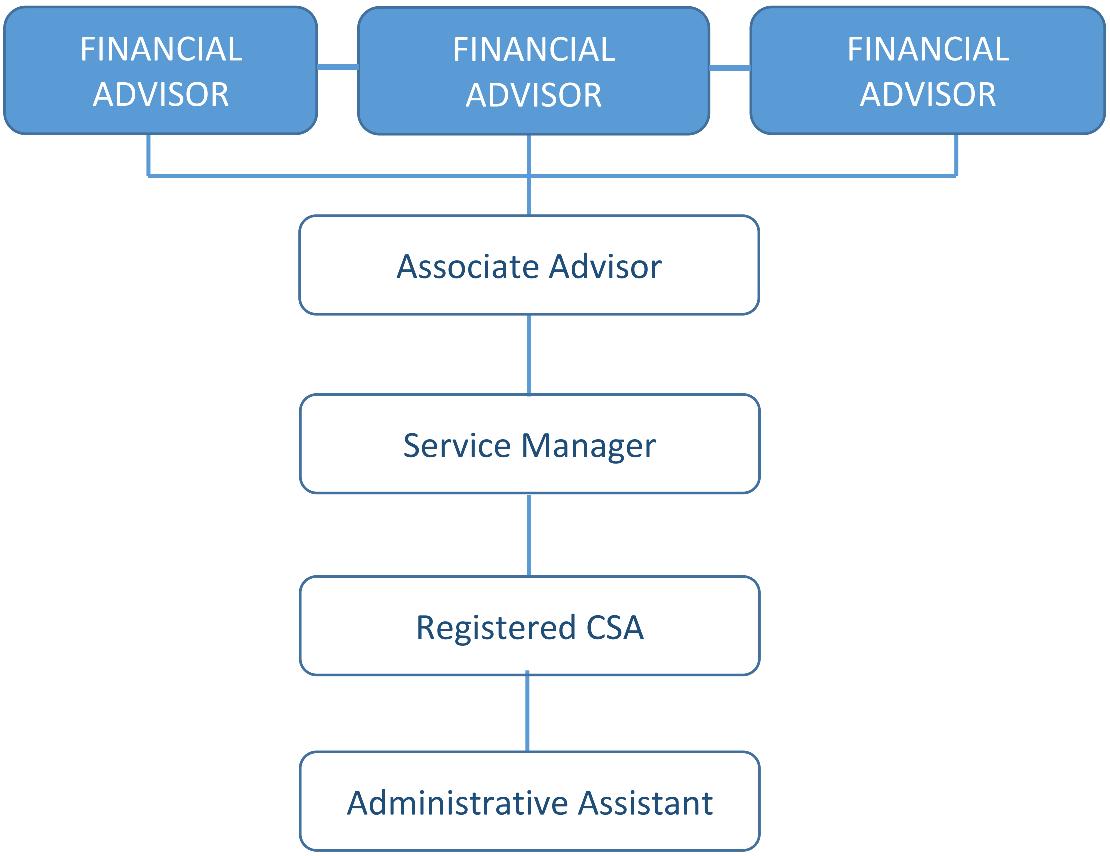


Advantages:	**Disadvantages:**
• One person has the equity • Less complex business management • Minimal conflicts or misunderstanding • Clear decision making and leadership	• All decisions fall onto one person • No one to share thoughts and ideas • Succession planning more challenging • More time is spent managing, rather than sales and marketing activities

The Horizontal Approach

Advisors who enjoy having more collaborative and shared leadership will find the horizontal approach more fitting. Depending on strengths and roles, the horizontal approach could allow for more clientele, support, or expertise in specific management areas.

This type of structure would be dependent on strong communication skills and understanding of roles and responsibilities. Before choosing this approach, you must clearly think through equity ownership.

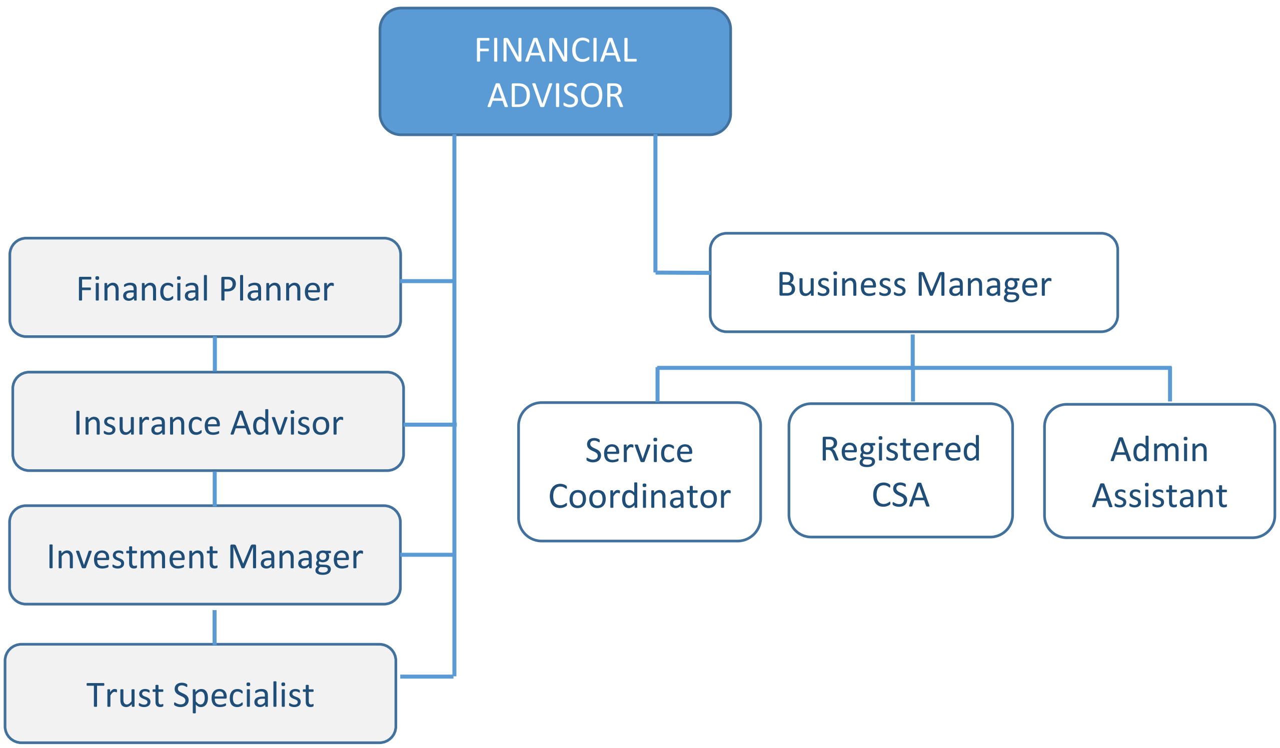


Advantages:	**Disadvantages:**
• Synergy when the right partner(s) are chosen • Emotional/Intellectual sharing among decision makers • Succession planning tends to be easier. • Shared responsibilities can allow more focus on passions and talents	• Must share equity, may lead to a "keeping score" mentality • When Advisors can't agree on a decision the support team has a difficult time • Larger potential for conflict and misunderstandings • More difficult to manage

The Strategic Approach

This approach is the most complicated and uses ideas from both the horizontal and vertical team structures. They are quite complex due to all the moving parts, so finding the right people for your team may be time consuming. However, advisors who are wanting to create a holistic wealth management offering are using this structure more often.

With this approach, clients would experience a complete solution that meets all their needs. Individuals in the team can also spend a majority of their time focusing on their passions and talents. This also creates a business model that is less reliant on a specific person because it is built on the foundation of a team of specialists.



Advantages	**Disadvantages:**
• Clients experience a total solution • Allows each person to do what they most enjoy • Professional image, people consider you a more comprehensive provider • The business offers holistic solutions and congruence in their promises/actions	• Multiple moving parts makes the structure complex • Challenging to find the best team members • Slower decision-making due to a more comprehensive provider • Increase in need for coordination, communication, and general HR tasks