Your guide to making the transition to an independent Registered Investment Advisor (RIA) firm

You have worked hard to build a successful business. You know your clients and how their needs are evolving. You may have outgrown your current model and are ready to take your business to a new level—one that gives you the freedom to act on your unique vision.
With more than 30 years of experience working with—and listening to—advisors as they transition to the RIA model, Schwab Advisor Services™ has developed The RIA Roadmap: Your Essential Guide to Making the Transition with you in mind. It presents key steps to help you chart your path toward joining or running an independent RIA firm and serving your clients your way—all backed by our expert guidance when you need it.

Advisors work in many different models, from wirehouse firms to independent broker-dealer affiliates. Depending on your current model, you may have experienced limitations—in your technology platform, marketing options, or communication channels.

Those are some of the reasons why more and more financial professionals are choosing the RIA model. Independent RIAs have the potential to keep more of what they earn, build equity in their businesses, and set up their firms for continued growth.

Most RIAs provide services such as personalized advice, while customizing portfolios to fit specific client needs. They also have the freedom to determine everything from their compensation structure and technology platform to building their firm’s brand.

The advantages are clear, but the prospect of making the transition can seem daunting at times. What about your existing client relationships? What are the legal and compliance responsibilities of becoming an RIA? How will your compensation change?

Advisors continue to make the RIA move

16K+
More advisors
More than 16,000 independent or dually registered advisors joined the RIA channel between 2011 and 2016, while the number of advisors at wirehouses and IBDs decreased.¹

65%
Increased AUM
In fact, for RIA firms that participated in Schwab’s 2017 RIA Benchmarking Study, median assets under management (AUM) increased 65% since 2012, and a third of participating firms doubled their AUM in that time.²

124%
Greater merger and acquisition value
The total transaction value of mergers and acquisitions involving RIA firms increased by 124% to $106.1 billion in AUM in 2017, compared with $47.4 billion in 2014.³

9.7%
Asset market share growth
The asset market share of the independent RIA and hybrid RIA channels is projected to grow 9.7% between 2016 and 2021.⁴

The fiduciary standard: RIA firms are registered with the U.S. Securities and Exchange Commission (SEC) or state securities regulators and are held to the fiduciary standard by the Investment Advisers Act of 1940 as well as similar state laws. Firms are required by law to act in the best interests of their clients and to file annual Form ADVs describing their business practices and client communications to help ensure compliance with the standard.
Fortunately, the RIA channel has matured dramatically in recent years, as thousands of advisors have successfully navigated the well-worn path to independence. The transition no longer requires a leap of faith. And the support for RIAs is more robust than ever before. Regardless of the unique path you choose, you can leverage that support to help with your transition.

At Schwab Advisor Services™, we have helped more advisors transition to the RIA model than any other custodian in the industry. With an average tenure of more than 11 years and over $242 billion AUM transferred in total, our team understands the transition process and can provide guidance along your path to becoming an independent advisor, sharing insights and resources every step of the way.

Whether you need support on a national level or right in your own backyard, Schwab Advisor Services, as the industry leader, provides exceptional service before, during, and after your transition.

We’ve designed this guide to be a comprehensive tool to help all types of advisors move toward greater independence. Of course, no two transitions are exactly alike. For some advisors who have limited independence today or are looking to join a firm, some of the steps discussed here may not be relevant; we will note those steps throughout the guide. But reading through each step will help you gain a more comprehensive understanding of the process and be prepared to consult your Schwab Business Development Officer (BDO) to craft your own plan.

Contact a Schwab BDO online at advisorservices.schwab.com or at 877-687-4085 to learn more >
Transition overview

The interactive timeline below outlines key steps in transitioning to the RIA model. They are grouped within four major topic areas, along with a two-phase approach (plan and execute) to tackling each. Click on any topic area, and navigate to more details within that section of the guide.

- **Plan**
  - Identify goals and vision
  - Complete pro forma analysis
  - Research advisory models
  - Complete business plan
  - Develop marketing strategy

- **Execute**
  - Cross-check financial strategy
  - Carry out business plan
  - Create marketing materials

- **Define your business strategy** > p. 7
- **Prepare for legal and compliance** > p. 14
- **Set up your office** > p. 19
- **Convert your accounts** > p. 23

- **Plan**
  - Speak with legal counsel
  - Form exit strategy
  - Research Broker Protocol
  - Choose entity structure*
  - Determine licensing and registration

- **Execute**
  - Protect business with insurance
  - Create legal and compliance program
  - File disclosure documents and forms
  - Draft client agreements

- **Plan**
  - Define technology needs
  - Search for office space*
  - List supplies and furnishings*

- **Execute**
  - Select and implement technology
  - Choose your space, and set a move-in date*
  - Equip your office*

- **Plan**
  - Understand custodian’s role
  - Complete client asset review
  - Choose resignation date
  - Begin training

- **Execute**
  - Resign and send announcements
  - Prepare client packets
  - Transfer clients’ assets

*Depending on the level of independence you have today, this step may not be relevant.
Your Schwab Advisor Services team

The decision to become an RIA starts with you, but you’ll have an entire team working on your behalf before, during, and after the transition. Here are some of the key Schwab Advisor Services™ personnel who will assist you along the way.

**Business Development Officer**
Your BDO is the quarterback of your transition team. He or she will listen to your goals, help evaluate your situation, and guide your transition from start to finish. As a facilitator of the process, your BDO can put you in touch with subject-matter experts (both from Schwab Advisor Services and from third-party vendors) to help you make important decisions about setting up your business.

**Schwab Advisor Transition Services®**
Your Schwab Advisor Transition Services team helps streamline the process to transfer client accounts and create a plan that’s right for you. They’re responsible for managing your transition, training your team on the Schwab platform, and getting your firm up and running fast—so you can focus on serving your clients and growing your business.

**Technology engineer**
Your technology engineer is committed to finding the right vendor-agnostic technology solutions to best serve you and your clients. When you explain your intended business model, the engineer will help determine your needs, research solutions, and present demos of the top solutions for your firm to consider.

**Schwab Relationship Manager**
Your Schwab Relationship Manager is dedicated to helping you meet your ongoing needs and goals as you look to grow your business after making the transition. He or she will be your day-to-day point person and advocate for helping you take advantage of everything Schwab Advisor Services has to offer RIAs—such as products, services, and strategic consultation—to keep your firm ahead of the curve and the competition.

In addition, your BDO can connect you with experienced third-party specialists, including legal and compliance counsel, as well as recommend marketing and branding agencies and more. Schwab Advisor Services develops teams based on your specific needs, so yours may look slightly different from what’s presented here.

To start the conversation about your transition, contact a BDO online at advisorservices.schwab.com or at 877-687-4085.
Define your business strategy

As an RIA, you have the ability to define your company on your terms. That freedom is exciting and inspiring, but it can also leave you wondering where to turn first. When you’re ready to tackle your transition, start by making a strategic plan based on your business goals with the help of your Business Development Officer (BDO).

Consider your existing clients, your strengths, your desired future, and your competition and market landscape. This will help you define your vision and develop a plan for bringing that vision to life.

We’ve created a Field Guide to help you capture your initial ideas about whether the RIA model is right for you. Contact your BDO for a copy of the Field Guide.

“No matter how high up you are in these larger broker-dealer firms, you’re still an employee. The RIA space was compelling to us because we felt like we were building something—we owned it.”

—Robert Amato, Compass Wealth Management
Define your business strategy

Plan

Before you make a move, your Schwab Advisor Services™ team will get to know you and your business objectives by asking thorough questions and providing support as you develop your plan.

Identify your goals and vision

All the decisions you make should be rooted in your firm’s value proposition and business objectives. Before you get started, you should have an idea of where you are going. That direction may evolve as you continue your research, but it’s important to begin with a target in mind.

Complete a pro forma analysis

Your BDO will guide you through this exercise. When you assess how your current earnings and expenses would shift in the RIA model, you can begin to get a sense of the economic outlook for your new firm. You can also start to plan for the costs associated with the transition.

Use the RIA Economic Discovery Tool to get started. Based on insights from the experiences of more than 7,500 advisors as of December 2017, the tool charts your potential income, profit, and business equity.

View Chris Baker’s “Plan Your Move” video

See how Chris Baker of Baker & Associates planned her move to become an independent RIA, with Schwab’s support.

“This is where it matters. We put the energy in and make sure we take all the responsibility that we possibly can, so that when the time comes, she's got every confidence in the world to focus on meeting with her clients and feeling very confident that she's making the right decision.”

—Adam Schwartz, Schwab BDO working with Baker & Associates

Ranks highest year-over-year

With more recommendations from RIAs than any other custodian, Schwab Advisor Services ranks highest year-over-year when it comes to service. We provide support at every step, from optimizing operations to building an efficient business.
Define your business strategy

Plan

“Our Business Development Officer with Schwab Advisor Services laid out a roadmap that was scheduled out by week in terms of all the critical things that needed to be done—like technology, finding real estate, working with vendors for marketing, and designing a website.”
—Trevor Callan, Callan Capital

Research various advisory models

Advisors have more options available for independence than ever before. Perhaps you are an entrepreneur who enjoys the idea of building your business and brand from the ground up. Or you may prefer the freedom to focus on your clients without having to deal with office and technology setup.

Before making a choice, you should decide exactly who you want to be.

Complete your business plan

You’ve solidified your vision. Now you can create a detailed plan for your firm. It’s important to define your mission statement and investment philosophy.

Here are some other items to get in writing:

- Investment process, management bios, and launch date
- Your revenue projections, pricing strategy, and transition financing plan
- Your organizational structure and technology and operations plans

Your BDO will be there to guide you during every step of this process and to help ensure you make the right choices for your firm.

Most independence

<table>
<thead>
<tr>
<th>1</th>
<th>Pure independence</th>
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<tr>
<td>The advisor opens a firm and maintains full control of the business.</td>
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<tr>
<th>2</th>
<th>Independence with platform provider support</th>
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<tr>
<td>The advisor opens a firm but uses the services of a platform provider for help.</td>
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<th>3</th>
<th>Affiliation with a financial partner</th>
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<tbody>
<tr>
<td>The advisor opens a firm with the help of a financial partner, who invests in the business.</td>
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<th>4</th>
<th>Setting up a business as part of an established firm or group</th>
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<tbody>
<tr>
<td>The advisor opens a new office for an established firm and becomes the firm's employee.</td>
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<th>5</th>
<th>Joining an existing RIA firm</th>
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<tbody>
<tr>
<td>An advisor joins an existing RIA firm as an employee or potential partner.</td>
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</table>
Plan

The hybrid model

If commission-based business is part of your offer, you may not want to give it up. The good news is, you don’t have to. You can explore the hybrid model, which lets you maintain both advisory and brokerage business. If you select the hybrid model, your BDO can introduce you to broker-dealers you can evaluate for your commission business.

Learn more by reading the Schwab Advisor Services™ white paper Understanding the Hybrid Practice: Considerations for Advisors in Transition.

Download the Hybrid Practice white paper >

Develop your marketing strategy

Part of owning your own firm is communicating the news when the time is right and in a way that’s founded on your business strategy. As an independent RIA, you get more control over communicating with and marketing to your clients. Take this opportunity to revisit your current marketing approach. You should clearly define your competitive advantage and use it to inform your brand identity and target client. Start vetting marketing vendors, and think about the name of your firm as well.

Take a deeper dive into what you should consider before making the RIA transition with the Schwab Advisor Services white paper Exploring Independence.

Download the white paper >

“The most rewarding aspect of being independent is knowing that we own our business. We are our brand.”

—Stephen Korving, Korving & Company
Define your business strategy

Execute

Cross-check your financial strategy

To ensure you are tracking your transition costs and ongoing expenses, you can use the Schwab Advisor Services™ RIA Economic Discovery Tool as you execute your plan. Contact your BDO to get access to the expanded tool.

Access the tool >

Carry out your business plan

Now is the time to write job descriptions and begin thinking about interviewing and hiring employees to fill your organizational chart. Pick a payroll and benefits provider, and implement your firm’s technology platform.

Here’s an example of some transition costs you may want to research. If you are currently associated with an independent broker-dealer, you may be able to leverage some of your existing infrastructure, such as office space, equipment, and supplies.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Marketing and business development</th>
<th>Technology</th>
<th>Office space, equipment, and supplies</th>
<th>Compliance and legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Set-up fees for benefits administration</td>
<td>• Logo</td>
<td>• Hardware</td>
<td>• Security deposit</td>
<td>• Employment contract review</td>
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<tr>
<td></td>
<td>• Brand creation</td>
<td>• Software</td>
<td>• Signs</td>
<td>• New business structure creation</td>
</tr>
<tr>
<td></td>
<td>• Printing</td>
<td>• CRM</td>
<td>• Additional build-out</td>
<td>• Drafting new client agreements</td>
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<tr>
<td></td>
<td>• Stationery</td>
<td>• Portfolio management and reporting</td>
<td>• Furniture</td>
<td></td>
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<td></td>
<td>• Website</td>
<td>• Financial planning software</td>
<td>• Appliances</td>
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<tr>
<td></td>
<td></td>
<td>• Research</td>
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</table>

“There’s a lot to owning your own business. But, when [advisors] start to see what they can ultimately achieve if they’re willing to take that next step, then they can start to see the fruits of all the labor they’ve put in.”

—Joe Mooney, Schwab Business Development Officer
Define your business strategy

Execute

Create marketing materials and a PR plan

Once you’ve selected a marketing vendor, you can create the materials you’ll use to introduce and promote your new firm. This is where you’ll be working on your firm’s logo, business cards, website, and communications and PR strategies, which can include efforts such as identifying media targets and channels, as well as establishing metrics and goals.

Read the Schwab Advisor Services™ public relations toolkit to learn how to craft media pitches and news releases, talk to reporters, and more. View the PR toolkit

See what can be involved in creating your website

Your firm website is a key communications hub and should highlight:

- Your firm’s unique value proposition
- Firm mission and values
- Services and products
- Investment approach and philosophy
- Client case studies
- Background and expertise of firm principals
- Firm history and facts
- White papers, firm publications, videos, blogs
- A clear call to action with a phone number or lead form

Consider other content to include:

- Weekly market update/commentary
- Links to your quarterly newsletter (educational articles, firm updates, and related investment and market news)
- Links to firm-authored articles on areas of expertise
- Links to article reprints of interest (firm- or market-related)

Display your firm’s logo and website URL on your LinkedIn profile. This dynamic online presence connects your firm with clients, prospects, and centers of influence.

- Make your website mobile-friendly to support the increasing number of searches made from mobile devices.
- Include a LinkedIn follow button to allow a client or prospect to follow your LinkedIn company page easily.

View Kimberly Sanders’ video

“There’s so many different options for independence. That’s why we spend so much time up front trying to figure out “What do you love doing? What is it you’re trying to accomplish? What’s missing today?”

—Kimberly Sanders, Business Consultant, Schwab Advisor Services
Define your business strategy

**Checklist**

**Plan**
- Identify your goals and vision
- Complete a pro forma analysis
- Research various advisory models
- Complete your business plan
- Develop your marketing strategy

**Execute**
- Cross-check your financial strategy
- Carry out your business plan
- Create your marketing materials

*Ask your Schwab Business Development Officer about the different advisory models available to you and the types of transition costs you should expect. Contact a BDO online at advisorservices.schwab.com or at 877-687-4085.*
Prepare for legal and compliance

With the freedom and opportunity of the RIA model come additional legal and regulatory responsibilities. That may sound like more compliance work for you, but it doesn’t have to be. When you make thoughtful and deliberate decisions during the transition, you can position your firm for long-term success.

Your Schwab Advisor Services™ Business Development Officer (BDO) can introduce you to legal and compliance experts who can assess where you are and help guide you from a legal perspective throughout the transition. These experts have been down this path to independence before. They’ll assist you with everything from determining your firm’s structure to reviewing existing contracts and compliance policies to guiding you through the disclosure and form filing it takes to become an RIA.
Prepare for legal and compliance

Plan

Assess your goals with legal counsel

After choosing your counsel, you should discuss your firm’s vision and history to date. It’s important that counsel understands your business in order to advise you during and beyond the transition.

⚠️ Transition tip: Keep your plans confidential. Even well-meaning friends, family members, and business associates can inadvertently disclose your plans to leave. Your BDO and legal counsel can help you determine the right time to announce your plans.

Review employment agreements, and form an exit strategy

Restrictions in your agreements with your current firm, including your compensation agreement, may dictate when and how you transition. By formulating an exit strategy, you can make the transition smoother and avoid any legal concerns.

Legal should review some of the agreements focusing on:

- Training agreements
- Confidentiality restrictions
- Promissory notes or other forgivable loan arrangements
- Non-solicitation and non-compete agreements

Determine if the Broker Protocol is available to you

The Broker Protocol, created in 2004 by some of the major wirehouses, attempts to avoid costly lawsuits and temporary restraining orders against departing advisors. Please look at the protocol guidelines as well as any relevant agreements you may have with your current firm and review those with legal counsel. Your legal counsel can help determine if the Broker Protocol is an option for you and can guide you through the process.

View legal expert Brian Hamburger’s video series >

Watch this series of videos from legal expert Brian Hamburger, and learn more about the questions you should be asking to develop a comprehensive legal strategy for your transition.
Prepare for legal and compliance

Plan

Choose your entity structure
Many RIAs will select a corporation or limited liability company (LLC) as their legal structure. Consult your legal and tax advisor to determine the advantages of each structure, both of which allow for proper succession planning. It’s also important to decide where to form your RIA and to formalize any agreements with partners.

Determine licensing and registration
Legal counsel can help you understand the SEC and state requirements and find out where to register. Certain individuals will also need to register as Investment Advisor Representatives and meet state qualifications, most commonly by passing the Series 65 examination.

SEC vs. state licensing
Typically, a firm must register with the SEC if it manages $100 million or more in assets. If it manages less than $100 million, it must register with one or more states. However, other factors contribute to this determination. Your legal counsel can help you identify what those are and where you land when it comes to registration.

Schwab Advisor Services™ is committed to helping advisors stay up-to-date on the latest industry legal matters and regulatory education.
Prepare for legal and compliance

Execute

Protect your business with insurance

It’s important to obtain insurance to safeguard your firm against common risks.

Here are some types of insurance to consider:

- General business
- Errors and omissions (E&O)
- Life
- Disability
- Buyout

Create your legal and compliance program

RIAs have options when it comes to managing compliance. You can handle tasks such as registration updates and annual reviews in-house or turn to a third party. Work with your BDO and legal and/or compliance counsel to determine how to build a program that satisfies the needs of your firm and your clients.

Draft client agreements

Based on your firm’s specific business practices, which will be described in your disclosure brochure, you can create client agreements.

Learn more about legal and regulatory insights by visiting the Advisor Services resource page. Visit the webpage>

Clients come first, always

You are dedicated to protecting your clients’ assets—and so is Schwab. Investments custodied with Schwab are protected by SIPC for securities and cash in the event of broker-dealer failure.

See additional information on how client assets are protected at Schwab in our asset protection brochure.

View the brochure >

Prepare and file disclosure documents and forms

You’ll need to complete Parts 1 and 2 of the Form ADV and to register individuals, typically with a Form U4. States may require additional filings, such as balance sheets or marketing materials.
Prepare for legal and compliance

**Checklist**

### Plan
- [ ] Assess your goals with legal counsel
- [ ] Review employment agreements, and form an exit strategy
- [ ] Determine if the Broker Protocol is available to you
- [ ] Choose your entity structure
- [ ] Determine licensing and registration

### Execute
- [ ] Protect your business with insurance
- [ ] Create your legal and compliance program
- [ ] Prepare and file disclosure documents and forms
- [ ] Draft client agreements

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**Your Schwab Business Development Officer** can help you make sense of the compliance, regulatory, and legal responsibilities of becoming an independent RIA. Contact a BDO online at advisorservices.schwab.com or at 877-687-4085.
As an RIA, you have a wealth of resources open to you—so you can run your office your way. Now is your opportunity to create a space that aligns with the experience you want for your clients and staff.

Your Business Development Officer (BDO) can introduce you to real estate partners and furniture providers to help get your office up and running. And Schwab Advisor Services™ technology engineers are there as research guides and sounding boards to help you find the right solutions for you and your clients.

“Schwab’s approach was refreshing and different. They made a great effort to find out what was important to us instead of trying to sell a platform. That really stood out for us.”

—M.J. Nodilo, Pathlight Investors
Define your technology needs
Your Schwab Advisor Services™ technology engineer can help you articulate your needs and guide you to the technology platform that runs your front and back offices. Our engineers bring deep experience to help you identify and implement the integrated technology solution that best suits your firm and your clients.

Learn more about powerful and flexible technology solutions by visiting the technology section of the Schwab Advisor Services website. Visit the website >

Search for office space
If you will need office space, you should start the search for a location that allows you to deliver on your business plan. Choose a real estate partner, and visit some potential sites. You can consider selections based on the number of employees you plan to have and your allotted budget.

Make a list of required supplies and furnishings
You’ll want to decide what furniture, supplies, and hardware will make your office functional. Your BDO can help you think through your list and connect you with potential suppliers.

Integrated technology
Our platform combines Schwab expertise and advanced proprietary tools with leading third-party technology. The result is an integrated, end-to-end solution that helps you seamlessly run your business—from customer relationship management (CRM) to trade order to portfolio management.
Set up your office

Execute

“We worked a lot of hours in the first year of that transition. But it is all paying off now. We didn’t expect to be where we’re at this early, and we’re ready now to set new goals and objectives for our business.”

—Chris Baker, Baker & Associates

Select and implement technology solutions

It’s time to sign agreements and schedule your implementation and training. Depending on your technology choices, the process can vary, but you will get assistance with your new systems.

Schwab Alliance, our customized website and mobile platform, can help drive a seamless experience for your clients.

View the client website demo >

The Client Learning Center is a resource that can help your clients understand how Schwab works with you to provide excellent service.

Visit the Client Learning Center >

Choose your space, and set a move-in date

After you’ve narrowed your options, your real estate partner will help you pick the appropriate space, negotiate lease documents, and set a move-in date with your building manager.

Equip your office

Once you’re settled, you’ll need to arrange and outfit your office. You should negotiate pricing with your chosen furniture provider and make sure to allow enough time for delivery. This is also when you set up essentials such as phone and Internet service.

View the Schwab Advisor Center® video >

A key technology platform for many advisors is the Schwab Advisor Center. Watch this video to see how two advisors leverage the features and trading solutions to run their businesses.
Set up your office

☑ Checklist

Plan
- Define your technology needs
- Search for office space
- Make a list of required supplies and furnishings

Execute
- Select and implement technology solutions
- Choose your space, and set a move-in date
- Equip your office

Ask your Schwab Business Development Officer about what’s involved in choosing a technology platform that best aligns with your client service goals and back-office needs. Contact a BDO online at advisortools.schwab.com or at 877-687-4085 →
As an independent RIA, you have the power to serve your clients in a more customized way. Even so, you may wonder whether they will make the transition with you. Part of getting them on board is using the expertise of your custodian to drive a seamless transition.

We have an experienced team—your Schwab Advisor Transition Services® team—dedicated specifically to guiding you through every step of asset transfer. They are focused on providing a seamless and accurate conversion. That way, you can focus on your clients.

Here is an example of how the process can work:

<table>
<thead>
<tr>
<th>Why RIA</th>
<th>Where to start</th>
<th>Business strategy</th>
<th>Legal and compliance</th>
<th>Office setup</th>
<th>Account conversion</th>
<th>Ongoing support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign Schwab Advisor Services-level paper work</td>
<td>Start project planning and training</td>
<td>Perform asset acceptability review</td>
<td>Provide signature-ready client forms</td>
<td>Obtain client signatures on paper work, and return to Schwab</td>
<td>Receive introduction to service team and Relationship Manager</td>
<td></td>
</tr>
<tr>
<td>Pre-conversion: 30–60 days</td>
<td>Conversion: 2–4 weeks</td>
<td>Tracking and follow-up: 2–6 weeks</td>
<td>Transition to service team: During and after conversion</td>
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<tr>
<td>Agree on deliverables and timeline</td>
<td>Resign from current firm</td>
<td>Complete paper work and in-office training, if provided</td>
<td>Open new accounts, and set up account transfers</td>
<td>Review progress</td>
<td>Receive ongoing training and support for your firm</td>
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</tbody>
</table>
Convert your accounts

Plan

“There are people out there who will listen and understand your needs. You don’t have to go it alone and search for the best options without guidance.”

—David Bromelkamp, Allodium Investment Consultants

Understand your custodian’s role
A good custodian isn’t merely functional; it’s an RIA’s biggest advocate and ally for success. Schwab, as your custodian, can provide access to a wide range of financial products, technology options, educational resources, thought leadership, and industry insights—plus business consultants who work closely with advisors to develop business strategy.

Complete client asset review
Your Schwab Advisor Transition Services® team will conduct asset acceptability reviews with you to understand which assets will transfer.

Choose your resignation date
You should consult with your legal counsel to determine your resignation timing and strategy for client communication. Once you identify your ideal resignation date, you can back into the evaluation, planning, and execution of the transition process.

Begin training
You will become familiar with the way your custodian operates. Work with your Schwab Advisor Transition Services team to ensure your staff is trained on the Schwab Advisor Services™ platform, and develop a working relationship that will allow you to get the most out of your custodian as your RIA firm evolves.
Convert your accounts

Execute

“It’s so rewarding to see how exciting the transition process is—how excited advisors and their clients get. Oftentimes, their clients are like, ‘What took you so long? We’re so happy for you.’”

—Matt Faries, Managing Director, Schwab Advisor Transition Services

Resign and send announcements

Once you deliver your letter of resignation, consult with your legal counsel on when it’s appropriate to start publicizing your new firm and seek their guidance on your client communication strategy.

Prepare client packets

Your Schwab Advisor Transition Services® team will help you prepare the transfer paper work and set up what you need in order to transfer client accounts. The forms will be signature-ready to simplify the process.

Transfer your clients’ assets

Your Schwab Advisor Transition Services team will track and oversee the account opening and transfer process. That way, you have the time and space to stay focused on your clients. Schwab Advisor Services® can provide you with materials to help educate your clients about the RIA model and explain the benefits it provides to you and them.

View Chris Baker’s “Convert Your Accounts” video >

“I had done some research and expected about 70%–75% of our clients would transition with us and move their assets over. I was pleasantly surprised that we had closer to 95%. It was seamless. We had no complaints at all from any clients in this transition.”

—Chris Baker, Baker & Associates

Schwab Advisor Services is the most experienced team in the industry. We’ve transitioned more than 2,700 advisors to the RIA model in the past 12 years and moved more than 559,000 client accounts. 8

Elyn Davis, a transition consultant with Schwab Advisor Services, talks about breaking down the complexities of this process.

View the video >
**Checklist**

**Plan**
- Understand your custodian’s role
- Complete client asset review
- Choose your resignation date
- Begin training

**Execute**
- Follow legal counsel’s guidance on resignation plan
- Prepare client packets
- Transfer your clients’ assets

**Your Schwab Business Development Officer can help take the guesswork out of how to prepare and guide your client accounts through a smooth transition. Contact a BDO online at advisorservices.schwab.com or at 877-687-4085**
Once you’ve successfully made the transition to the RIA model, your relationship with Schwab Advisor Services™ has only begun.

As our valued client, you gain immediate access to the expertise of a dedicated service team and a wealth of resources. This uniquely equipped team will be with you at every step, helping you build a strong foundation for a lasting business with optimized operations and efficient workflows. Have confidence in your path forward with Schwab’s insight and guidance that have been honed over years of industry leadership. We keep you up-to-date on the progress of your firm. We frequently offer ways you can take your firm further and stay ahead of the curve—all supported by our strong vision for the industry’s future.

As you grow your business, Schwab Advisor Services offers consulting programs, support services to clients’ practices, and a full range of networking and educational opportunities that you may be able to employ. For instance, Schwab’s business consultants can provide you with access to the intellectual capital you need to support your firm’s growth. Beyond tools and information, their core consulting process includes discovery, analysis, and implementation. Consulting can start well before you become a client of Schwab and continue as you grow. You can also gain a competitive advantage with Schwab’s ongoing practice management support programs. Your Relationship Manager can help you determine what’s available to you.
“The entire support team at Schwab Advisor Services has been with us every step of the way. Now that we’ve launched, they are really an extension of our firm. My sense was that other custodians treat this in a very transactional way, as opposed to Schwab, which was really making a commitment to our business.”

—Dorie Fain, &Wealth Partners

Independence does not mean alone. Schwab offers a number of services that can connect you to a community of RIAs and shared resources. For example, if you choose to participate in Schwab’s annual RIA Benchmarking Study, you can access information about your firm’s key business metrics and how they compare with those of your peers. Use these metrics to evaluate strengths and opportunities for your firm.

See how RIA firms use the Benchmarking Study to evaluate and assess their businesses.
Read the overview >

In addition, with Schwab Advisor Services you have access to some of the largest and most notable conferences and events in the industry—including IMPACT®, the industry’s leading event. When you attend the annual conference, you can spark new ideas and build your professional network in order to help you learn best practices for growing and scaling your business.

Visit the IMPACT website to find out more about the unparalleled networking and world-class keynote speakers you can access at the conference.
Visit the website >
The moment to define yourself with the freedom of the RIA model is here. As an independent RIA, you can move forward with confidence—and we’ll have your back.

Contact a BDO online at advisorservices.schwab.com or at 877-687-4085 to begin developing your custom transition plan.
## Resources

### Define your business strategy

**Video:** Compass Wealth Management (p. 7)  

**Video:** Chris Baker’s “Plan Your Move” (p. 8)  

**Demo:** RIA Economic Discovery Tool (pp. 8, 11)  
https://advisorservices.schwab.com/econtool

**White paper:** Understanding the Hybrid Practice: Considerations for Advisors in Transition (p. 10)  

**White paper:** Exploring Independence: An Overview of the Registered Investment Advisor Model (p. 10)  
https://advisorservices.schwab.com/exploringindependence

**Video:** Joe Mooney on what more control can mean for you (p. 11)  
http://content.schwab.com/web/as/GetAnswers/#joe

**Toolkit:** Using Public Relations to Help Boost Awareness of the RIA Model and Your Brand (p. 12)  
https://advisorservices.schwab.com/public/file/P-9798673

**Video:** Kimberly Sanders on articulating your vision (p. 12)  
http://content.schwab.com/web/as/GetAnswers/index.html#kimberly

### Prepare for legal and compliance

**Video:** Legal expert Brian Hamburger's “Employment Considerations” (p. 15)  

**Webpage:** Advisor Services resource page (p. 17)  

**Brochure:** How Client Assets Are Protected at Schwab (p. 17)  
Resources

Set up your office

**Website:** Technology at Schwab Advisor Services” (p. 20)
https://advisorservices.schwab.com/rias/technology

**Demo:** Schwab Alliance website (p. 21)
http://content.schwab.com/learningcenter/video/schwaballiance.html

**Website:** Client Learning Center (p. 21)
http://content.schwab.com/learningcenter

**Video:** Schwab Advisor Center® (p. 21)
https://advisorservices.schwab.com/rias/tools-resources/jeannie-churchill-colin-taylor

Convert your accounts

**Video:** Jack Reutemann on why the RIA model is the best choice for growing business (p. 24)
https://advisorservices.schwab.com/rias/tools-resources/jack-reutemann

**Video:** Chris Baker’s “Convert Your Accounts” (p. 25)

**Video:** Elyn Davis on transition consulting (p. 25)
http://content.schwab.com/web/as/GetAnswers/index.html#elyn

Ongoing support

**Overview:** The RIA Benchmarking Study from Charles Schwab (p. 28)
https://www.schwab.com/public/file/P-7224839

**Website:** IMPACT® conference (p. 28)
http://impact.schwab.com/
Sources

5. ACT Advisor Conversion Services Dashboard Metrics, as of December 2017.
8. See note 5 above.

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Schwab's annual RIA Benchmarking Study is the largest of its kind focused exclusively on RIAs. In 2017, 1,321 firms representing nearly three-quarters of a trillion dollars in AUM completed the survey, reflecting their experiences in 2016 as well as their annual growth rates from 2011 to 2016. The study categorizes participants into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size. The results, unless otherwise noted, include all firms with at least $250 million in AUM, representing the vast majority of total assets managed by this year’s participants. All results are self-reported and not independently verified.

The Economic Discovery Tool (Tool) is intended solely for use by investment professionals. The Tool simulates the pro forma financial results of various hypothetical scenarios for establishing, operating, joining, and/or selling an investment advisory practice or firm and compares those simulated outcomes to various alternatives. The scenarios and alternatives covered are not exhaustive and may not be representative of those you actually encounter. Moreover, the simulated pro forma results are materially dependent on various assumptions and inputs, some of which are made and specified by you and some of which are static. These assumptions and inputs may not reflect actual circumstances, and thus the Tool is inherently limited and intended for general informational purposes only. The simulated pro forma results do not reflect, and are not guarantees of, actual or future results. Your actual results may be materially different from those simulated. Schwab makes no warranty of the accuracy or completeness of the Tool or the simulated pro forma results and shall have no liability for your use of the Tool. The Tool is not intended to provide financial, investment, legal, tax, or regulatory compliance advice. You are urged to consult your own professional advisors.

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AHA (0718-85MA) ELC88127-03 (09/18)