Effective planning and execution is a leading indicator of success

A Guiding Principle for Advisory Firm Success

GPS
Guiding Principles Series™
About Schwab’s Guiding Principles Series™

The Guiding Principles Series (GPS) is based on the Guiding Principles for Advisory Firm Success, a foundational framework that helps advisors address the complexities of growing their firms and creating enduring enterprises. Grounded in the best practices of leading independent advisory firms, the GPS delivers relevant and timely information to help advisors solve their unique challenges and strategically manage and grow their firms. The GPS includes industry-leading studies, resources, and tools from Schwab that are designed to help advisors explore innovative concepts and obtain new insights as they set the strategies that propel their firms to new levels of growth.

For more than 20 years, Schwab Advisor Services™, the leading custodian of over 8,000 registered investment advisory firms, and Schwab Business Consulting and Education have been working hand in hand with advisors, leveraging our deep expertise in core business issues to help firms achieve their goals and gain a competitive advantage. Schwab’s collaborative approach leverages the guiding principles to help advisors benefit from proven practices of the industry’s most successful RIA firms.

Visit advisorsservices.schwab.com/guidingprinciples to learn more.

GUIDING PRINCIPLES FOR ADVISORY FIRM SUCCESS

Effective planning and execution is a leading indicator of success

Value is defined through your clients’ eyes

Operational excellence creates greater capacity for clients

People are your most important asset

Your reputation is your brand
Introduction

ACIMA Private Wealth, a Virginia-based RIA with more than $250M in AUM, created their business around offering a highly customized client experience based on the needs of each individual client and their family—with an operating model that closely mirrors that of a family office. The firm’s five leaders were handpicked based on their experience and leadership within financial services. However, unlike at many other firms, these leaders did not bring any assets or client relationships to the table. In addition, they came from different career cultures. Absent the historical experience of working together, ACIMA’s leadership team developed the business one client at a time through a high-touch and highly customized experience unique to each client.

As the firm grew and evolved, however, they realized they’d reached a plateau. Decisions about how to effectively serve their clients and grow were influenced by varying philosophies and viewpoints, and, most important, the team lacked a collective vision of where they wanted to go. The result was customized but unsustainable processes with a growing client base. The team was making individual tradeoff decisions without having clear alignment on a vision for the future. Further, capacity was becoming stretched with the potential threat of eroding a key pillar of the firm’s value proposition: high-touch and customized multi-generational relationships.

Most independent RIA firms cite growth as a top strategic goal year after year. Growth is important because it drives firm value and sustainability and has clear benefits for clients and employees, as well as long-term benefits for firm owners and their successors. For example, a growing firm attracts talent, which can generate further growth as new employees become invested in the firm’s performance. Over time, more people become attracted to that firm because of the future opportunities growth affords, and potential candidates are hired and become high-performing talent as they develop. This process continues to build upon itself not only because more people are now involved in the firm’s growth, but also because the firm is able to attract higher-performing talent that strengthens the business and creates a higher firm valuation. Further, growth shows that leaders are thinking about the longevity of a firm and are keeping clients’ interests in mind. In turn, clients have a sense of security and confidence that their interests will be protected in the future.

However, building an efficient, profitable, and scalable business that provides a high-touch, high-quality client experience to an increasingly sophisticated client base can be complex, as was the case with ACIMA Private Wealth.

"We reached an inflection point and had to determine how to deliver a unique experience—with a leadership team from differing backgrounds—on the backbone of an independent advisory firm that provides a very high touch and customized approach."

Gary Gore,
President and CEO,
ACIMA Private Wealth

Continue reading to see how ACIMA overcame this obstacle.
For the full case study, see page 8.

Please see page 15 for a full list of Additional Resources.
In this paper (one in a six-part series), members of the Business Consulting and Education team offer insights into the importance of having a written strategic plan.

Growing your firm requires focus, strategic planning, and an innovative mindset. Establishing a shared vision for the future, creating alignment, and driving effective execution power your growth engine and provide a clear understanding of the future and how you’ll get there. Brian Kostick, of Schwab Advisor Services’ Business Consulting and Education team, shares his perspective on the power of a strategic plan: “A good strategic plan isn’t a list of annual objectives but a three- to five-year plan captured on one page that provides a north star for your firm. It’s so foundational to the success of a business that firms who outperform make it part of their DNA. A highlight for me is when I see a firm achieve their business objective and celebrate in a big way.”

Brian Kostick
Senior Business Consultant
Business Consulting and Education,
Schwab Advisor Services

That is because growth and a larger firm typically mean managing a more complicated business supported by more people with specialized skills, more complex business processes, and a more sophisticated technology infrastructure. Having a plan—and an aligned vision—to navigate these increasing complexities and trade-off decisions is critical as firms grow.

Further, as the RIA industry continues to mature, increased competition, regulatory changes, and evolving client needs continue to complicate the external business environment. All these forces—some internal and some external—can make accelerating growth and maintaining profitability challenging for many advisors. Management teams, like ACIMA’s, have to make strategic choices among a growing set of options and execute focused strategies as they evolve their firms. Now more than ever, the discipline of strategic planning is a critical tool for success.

A key characteristic of outperforming firms

Establishing goals and putting the steps to achieve them in writing gives the leadership team—and the firm—a shared understanding of the future and how to get there. In fact, strategic planning is now a core characteristic of most Top Performing Firms—the firms that rank in the top 20% on the Firm Performance Index in Schwab’s annual RIA Benchmarking Study (see page 5 for more information). These firms achieve twice the AUM and revenue growth over a five-year period than all other firms. And, regardless of firm size, 75% have a written strategic plan. Further, as firms grow, they are more likely to have a written strategic plan—72% of firms with AUM of $1 billion or more have a written strategic plan.

These firms understand that a strategic plan helps their leaders choose among initiatives, stay focused on their future, and make trade-off decisions they can stand by. ACIMA, for example, was plagued with inefficient processes as the firm grew and scalability became an issue. As a result, the leadership team decided to take a step back and assess the firm’s priorities alongside

Learn more about Schwab’s RIA Benchmarking Study. 🌐
## The Firm Performance Index: Top Performing Firms

Schwab’s Firm Performance Index helps RIAs assess the strength of their overall business by looking at 15 key metrics. The goal of the index is to help advisors identify strengths and potential opportunities that align with the Guiding Principles for Advisory Firm Success, a foundational framework that helps RIAs navigate the complexities of growing their businesses.

The index evaluates all firms participating in Schwab’s RIA Benchmarking Study, encompassing all sizes and life cycle stages. It takes into account the most important aspects of running a business: growth in clients, assets, and revenue; client and staff attrition; operating margin; time spent on client service and operations; and the use of standardized workflows. The index also factors in documented strategic plans, succession plans, ideal client personas (ICPs), and client value propositions (CVPs). Top Performing Firms excel in these areas, ranking in the top 20% of the index overall.

### Top Performing Firms excel across key metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Top Performing Firms</th>
<th>All other firms</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in assets from new clients in 2019</td>
<td>8.3%</td>
<td>4.1%</td>
<td>2.0x</td>
</tr>
<tr>
<td>5-year client compound annual growth rate</td>
<td>11.3%</td>
<td>4.2%</td>
<td>2.7x</td>
</tr>
<tr>
<td>Client attrition</td>
<td>2.2%</td>
<td>3.7%</td>
<td>0.6x</td>
</tr>
<tr>
<td>Staff time spent on client service</td>
<td>61.8%</td>
<td>55.9%</td>
<td>1.1x</td>
</tr>
<tr>
<td>(higher percentage improves ranking)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff time spent on operations</td>
<td>26.3%</td>
<td>30.0%</td>
<td>0.9x</td>
</tr>
<tr>
<td>(lower percentage improves ranking)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firms with a written strategic plan</td>
<td>74.5%</td>
<td>54.2%</td>
<td>1.4x</td>
</tr>
<tr>
<td>Firms with a documented ideal client persona/profile</td>
<td>68.0%</td>
<td>54.1%</td>
<td>1.3x</td>
</tr>
</tbody>
</table>

Median results unless otherwise noted. Top Performing Firms are those ranked in the top 20th percentile of the Firm Performance Index. All other firms are those ranked below the 80th percentile of the index.
their capacity. In retrospect, the firm realized they were spending a lot of time and resources within investment management and not focusing enough on creating personal interactions or providing assistance to clients to help manage aspects of their financial life, which not only helps to create a differentiated value proposition but also helps build client trust and loyalty (see Figure 2). “We were spending a lot of time in the investment part of the business,” says Gore. “Further, we were finding more challenges in how we were managing our investments and processes, and that usurped our value proposition.” At times, what feels like a meaningful way to allocate a firm’s resources may not be the same things that matter to their clients. By looking at what clients value most, firms can enhance their service offering by adding more value-added services in a way that differentiates their firm in the marketplace.

To determine its course of action, ACIMA’s leaders engaged in a multiweek strategic planning process facilitated by a Schwab business consultant aimed at:

- Defining who they are as a firm and where they want to go
- Identifying their strengths and what makes them different
- Setting clear and measurable goals that help move their firm closer to their vision

Through the strategic planning process, ACIMA has been able to reshape their commitment around their offer and client value proposition: a different experience of wealth management centered on collaborative relationships, a commitment to excellence, and a personal level of care for clients.

The strategic planning process was helpful in allowing us to take a deep breath, get our thoughts back together, and set a clear path on how to get there.”

Gary Gore,
President and CEO,
ACIMA Private Wealth

**FIGURE 2**

Developing a value proposition based on the needs of an ideal client
Based on years of working with firms on their strategic plans, firms that invest the time to do this right and follow Schwab’s strategic plan framework are able to:

- **Define a road map to build value.**
  The Schwab strategic plan framework emphasizes the need for a compelling vision for the future of the firm, as well as the necessary goals, strategies, and initiatives to achieve that vision. With a compelling picture of what the firm will look like down the road, firm leaders can create alignment among staff as everyone works toward the same goal. Further, careful planning for growth can help firms manage risks and take advantage of opportunities when they arise.

- **Enable and drive profitable growth.**
  Having a documented strategy enables a company to plan for growth by establishing the infrastructure necessary to scale the business. It can also drive growth by guiding a firm to create a differentiated competitive strategy in an increasingly competitive marketplace.

- **Ensure consistency and alignment among initiatives and firm vision, goals, and strategies.**
  With a documented and regularly visited strategic plan, firms can make decisions that are consistent with their defined vision and goals. Consistency and alignment among vision, strategy, goals, and initiatives are characteristic of the most enduring businesses, helping them stay focused on things that matter and avoid those that don’t.

- **Focus and align firm staff and activities.**
  A defined plan also helps firm management align staff with a defined set of priorities.

- **Direct investments and hiring.**
  A strategic road map helps firms know where to invest resources and how to round out their organization with employees who possess the right skills.

- **Build bench strength.**
  Firms can assign their rising partners a key goal or priority to own as a step in their path to partnership. With full mentorship of a senior partner, these second- or third-generation leaders can take responsibility over an area that is critical for firm success and learn how to deliver outcomes very different from those of their usual jobs.

- **Create a compensation plan that attracts and retains key talent as well as advances a firm toward its goals.**
  Over half the firms who completed the 2020 compensation section of the RIA Benchmarking Study have a strategic plan. Further, the compensation study shows that 83% of firms who have a strategic plan also leveraged incentive pay as part of an attractive compensation plan. What is most notable is that these firms—those that have a strategic plan and also leveraged incentive pay—saw 2.2x more new clients in 2019 and 2.6x more assets from new clients than those firms not using incentive pay. This is due in part, because motivating staff with incentive compensation can impact the quality of talent, engage employees, and advance the firm’s goals.
Execution is equally as important as developing the plan

A plan is only a plan, however, unless it’s executed and regularly consulted as firms make key decisions. That is why one of the most important elements of the strategic plan is putting it into action. Often this starts with a firm communicating its plan firmwide and purposefully working to keep staff engaged in the firm’s vision and performance (see Communicating your plan to your firm on page 11). For example, WestHill Financial Advisors, a firm with approximately $450M in AUM based in San Rafael, California, leverages their quarterly all-team meetings to communicate the firm’s performance against their annual and long-term plans, using select key performance indicators. “At our quarterly meetings, a recurring theme is to report our progress on our one-year strategic plan, our five-year strategic plan, and a number of key performance indicators along the way,” Matt Taddei, President and CEO, Westhill Financial Advisors, says. “We’re always keeping our eye on the vision, but also on the day-to-day ways each team member drives the client experience and helps make our plan a reality.”

Creating and executing a strategic plan can align and focus an entire organization, ensuring that everyone is putting energy and resources toward accomplishing the vision. Alignment can be achieved by clearly and broadly communicating a firm’s plan to every team member and carefully assigning accountability for key actions and deliverables. WestHill does this in part by meeting with each team member and discussing how the individual’s role contributes to the overall goals of the firm each year. “Once we have our annual objectives and initiatives for the coming year,” Taddei says, “we hold one-on-one meetings with each employee in the first quarter where we create and define specific objectives that each team member will be responsible for during the year. Additionally, we have monthly advisor meetings where we review the progress on key components of our annual plan.” This important step gives individuals a clear picture of what needs to get done to meet the firm’s long-term goals. In addition, assigning accountability helps senior members of the firm hold individual employees—and themselves—responsible for doing their part.

Regularly reviewing progress against priorities with team members also helps keeps the plan top of mind. In fact, an important part of effectively executing a plan is maintaining the momentum the team has established. Once responsibilities have been identified, firms can align incentive compensation with key deliverables and goals. “Team members who achieve their annual objectives share in a portion of our profits for the year,” Taddei says. “That’s one way we align employee objectives with our annual plan. We think this helps to grow our revenue and profits and allow everybody to share in the success of the firm. Before we began to regularly communicate our strategic plan progress to our team, there was a lack of clarity and articulation around where we were going as a firm. Now, we all have a sense of where we’re going together, and we all understand how each of us impacts the client experience and our company performance.”

Finally, another key component of a successful strategic plan is to revisit that plan regularly. Seventy percent of Top Performing Firms review their strategic plan at least annually, some even semiannually, and leverage it to make key decisions in other areas of the business. When everyone has a clear idea of where the firm is headed, the plan serves as the foundation for strategic decision making and helps firms navigate additional growth-related challenges, such as what additional services they should offer or when to hire more employees. By coming back to their strategic business plan, firm leaders can better manage the increasing complexities of a growing business—because they can reach decisions consistent with a defined vision for the firm and its goal.

Providing regular progress updates around our strategic plan sends a powerful signal about our desire for greater transparency. It has fostered clearer and more open communication as a result.”

Matt Taddei,
President and CEO,
WestHill Financial Advisors
One firm’s commitment to reshaping their future

Since its founding in 2015, Virginia-based ACIMA Private Wealth has enjoyed strong growth. But the firm’s founder, Gary Gore, realized they had reached an inflection point driven by the very success they’d created. With five professionals in the firm, their initial growth was based on attracting one client—one family—at a time by offering a holistic and unique client experience. Everything the firm does is in terms of constructing an experience based not only on the needs, goals, and objectives of each individual client, but also those of their families. “In our conference room, we talk about what we can do to take care of our clients that has absolutely nothing to do with their money,” Gore says. “You’ve got to do the big things well, but it’s the small things that really matter.” For example, one ACIMA client who had divorced after a 25-year marriage had to make a significant financial purchase. “She wanted to buy a car but had never been to a dealership before or purchased a car on her own, so she was very anxious,” Gore says. By acknowledging and understanding the emotional experience she was going through, ACIMA advisors not only negotiated the price of her new car on her behalf, but also helped her trade in her existing car with an entirely different dealership to obtain a better sale price. “It’s paying attention to your client’s needs,” Gore says. “We make our clients’ problems our problems, and we help solve them.”

Differentiated client experience driven by unsustainable processes

As they gained traction and the business grew, however, decisions on how to drive the client experience forward were becoming more reactive. Further, those decisions were made collectively by a leadership team who had never worked together before. “We had opinions and different viewpoints on how to do things based on our unique background experience, so we needed to call timeout and build

Case study at a glance

Guiding principle: Effective planning and execution is a leading indicator of success

Firm name: ACIMA Private Wealth
Firm size: $250M in AUM
Firm origination: 2015

Opportunity
A differentiated client value proposition drove success but also the need to plan for the future to allow for scalability and even more growth.

The strategic planning team

Gary Gore, President and CEO, ACIMA Private Wealth
John Barriga, Relationship Manager, Charles Schwab Advisor Services
Sheila Foley, Senior Business Consultant, Business Consulting and Education, Charles Schwab Advisor Services

“The strategic planning process was helpful in allowing us to take a deep breath, get our thoughts back together, and set a clear path on how to get there.”

Gary Gore, President and CEO, ACIMA Private Wealth
consensus,” Gore says. Lacking a clear direction forward, exploring various options and selecting one solution over another without any structure became the norm. As a result, complications and hurdles began to emerge in the form of unsustainable processes and inefficient use of the leadership team’s time. “We began having real issues with capacity and people being tied down because of the processes we had created by shooting from the hip,” Gore says. To compound the problem, the firm realized they were dedicating too much time on their investment management approach and not allocating enough attention to the core elements of their offer—a high-touch, highly customized experience. “We began to have vision creep,” Gore says. “We were spending a lot of time and resources on the investment part of the business and it usurped our value proposition. But that’s not what really makes us different—it’s about the experience.”

**A clear path**

To continue growing, the firm’s leaders knew they needed a purposeful and dedicated planning process to support the holistic, multigenerational value proposition they had developed. “We needed to have a plan to understand how we’re going to grow the business from this point forward over the next three to five years,” Gore says. As a result, the leaders engaged in a multiweek strategic planning process facilitated by a Schwab business consultant with the objective of creating a clear path toward their vision: ‘To be the go-to firm—before major wealth management decisions are made—to their clients and their clients’ families so they may live their best lives possible.’ By going through the strategic planning process, which included the situational analysis, ACIMA identified both long- and short-term goals aimed at moving them closer to this vision. From a long-term perspective, Gary and team set out to grow the business and create more scale in order to become the go-to firm for their clients and prospects. This has subsequently resulted in creating short-term goals such as retaining and attracting top talent and achieving operational excellence as it pertains to client service. “The strategic planning process led to action for us,” Gore says. “Since developing our plan, we have implemented a 401(k) profit sharing plan, made strategic hiring decisions, and are institutionalizing our processes.”

**Renewed focus**

By going through the strategic planning process, ACIMA has reaffirmed their vision, established clear goals, and put the steps in writing to achieve them. Further, the firm has been able not only to make strategic trade-off decisions and align firm activities with their ultimate goal, but also to reshape their commitment around their offer and what makes the firm truly different. “We’re a wealth management firm—not an asset manager or a wealth manager,” Gore says. “And there’s a big difference, so it helped us reshape the commitment around the wealth management piece.”

The firm also evaluated its internal processes. “Looking at our processes through a narrowed and strategic lens was a key factor,” Gore says. As a result, Gore and team opted to bring in a Director of Investments whose primary role is determining how to become more efficient in delivering the firm’s investment strategy. “Our Senior Investment Manager was spending a lot of time in the minutiae of the process of managing portfolios,” he says. “We’ve been able to free up her time to focus on external discussions and really leverage her network and existing clients to drive referrals for us.” As a result, they’ve been able to create more efficient and scalable processes, with the firm’s value proposition in mind.

Further, having a written strategic plan has allowed ACIMA to focus on employee growth and career development. “Allocating tasks to other team members and broadening their duties has allowed them to take on more responsibility, expand their skillset, and gain a better understanding of other areas in the firm,” Gore says. “In addition, those employees feel like they’re contributing more and adding value because they are focused on more than just the tasks they were assigned on a day-to-day basis.”

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1 Mastering Strategic Planning GPS (New edition)
Strategic plan: Communicating your plan to your firm

- **Roll out the plan firmwide.**
  Hold firmwide rollout meetings to share your strategic plan. Make the rollout a special and fun event by tying the plan to a theme, and, if there is an award, incentivize staff by announcing what it will be.

- **Make it fun and rewarding.**
  Brainstorm with your leadership team to come up with a quarterly theme or incentive(s) to motivate the rest of your staff and keep them working toward achieving your annual goals. For maximum impact, consider including members of the team to help decide how to celebrate the firm’s successes when significant milestones are achieved.

- **Keep the plan top of mind.**
  Don’t let the momentum slip away after your rollout meetings. Quickly send a follow-up communication and share a confidential copy of your one-page strategic plan. We’ve also seen firms post an enlarged version of their plan where it is visible to all employees (but not to clients). Alternatively, as virtual meetings have become the norm, consider incorporating your core values into your screen in the background. Or, at the start of a meeting (whether in person or virtual), ask employees to provide an example of someone who has recently demonstrated a core value.

- **Focus on a quick win.**
  For the first quarter, try to get a quick win by resolving a problem that will have a positive impact on employees. An early victory can help get everyone on board, especially if some employees are skeptical of change. In addition, highlighting bright spots or small achievements along the way helps to celebrate momentum toward an overall goal and inspire further buy-in and action.

- **Assign accountability.**
  Assign clear owners for your most critical action items: your top priorities (up to five priorities you need to focus on over the next three years to get closer to your vision) and action items (what you need to do over the next year to achieve your top priorities).

- **Be prepared.**
  As your firm grows, so will the complexity of managing day-to-day operations. Make sure you have appropriate systems and a structure in place to support your strategy and accommodate growth.
Conclusion

For RIA firms, accelerating growth and maintaining profitability are more challenging than ever. Increased competition, regulatory changes, and evolving client needs are making the growth rates enjoyed by many firms difficult to sustain. And as firms grow, so does the complexity of the business infrastructure that supports them.

Now more than ever, strategic planning can play a critical role in helping leaders make intelligent choices among a growing set of options and execute focused strategies as they evolve their firms.

Strategic planning can be an invaluable tool, helping advisors manage the challenges and key decision points they face during the different phases of a firm’s life cycle. Defining goals and a road map to achieve them gives firm leadership and staff a shared understanding of a future vision and how to get there. It can help focus and align firm resources and employees around a defined set of priorities, and it can provide a guidepost to direct investments and hiring.

Mastering Strategic Planning

Through our Mastering Strategic Planning program, Business Consulting and Education has helped hundreds of firms develop their strategic plans using a repeatable and consistent process. We focus only on RIA firms, so our approach is geared toward helping advisors develop a plan that allows them to achieve their vision and goals for the firm by answering these questions:

- Who are you?
- Where do you want to go?
- What is your situation?
- Where should you focus your efforts?
- What are your goals?
- What do you need to do?

Get started:

- Review our Mastering strategic planning white paper.
- To craft your firm’s strategic plan, participate in our on-demand Virtual Practice Management program series, Building Your Strategic Plan:
  - Current Schwab advisors login via Schwab Advisor Center
  - Current TDA advisors login via Veo One

Effective planning and execution is a leading indicator of success.
# The Guiding Principles for Advisory Firm Success

These principles act as a framework for helping advisors address the complexity of growing and managing their firms. The principles are not a checklist and don’t have to be approached sequentially. Rather, they are essential elements advisors will need to address over and over as they approach key turning points at different AUM levels.

> **Effective planning and execution is a leading indicator of success**

Growing your firm requires focus, strategic planning, and an innovative mindset. Establishing a shared vision for the future, creating alignment, and driving effective execution power your growth engine and provide a clear understanding of the future and how you’ll get there.

> “Developing a strategic plan has been a game-changer for us. It has brought us clarity and confidence, and it couldn’t have been simpler or more straightforward, thanks to Schwab’s process and support.”

**Matt Taddei,**
President and CEO, WestHill Financial Advisors

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> **Value is defined through your clients’ eyes**

Firms thrive when focusing on the client experience from their clients’ point of view. When every person, process, service offering, and system maintains an extreme focus on your ideal client, you are able to differentiate your firm in an increasingly competitive landscape.

> “If you are going to grow your business, you start with the question ‘Who is your target audience?’ and then evolve your offer around that. That’s how you stand out.”

**Alex Katz,**
Chief Growth Officer, Summitry

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> **Operational excellence creates greater capacity for clients**

Institutionalizing your business through technology and operations provides operational discipline, allowing you to maximize scalability, manage risk, and build a solid infrastructure so that you can reinvest time where it matters most—with your clients, protecting the trust you have built.

> “Having consistent and repeatable ways of running your business is a reflection of the experience you provide your clients. It helps you to be proactive and thoughtful as well as do things in a meaningful way so that you can scale your business and grow.”

**Paul Ewing,**
Senior Technology Consultant, Business Consulting and Education, Charles Schwab Advisor Services

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Click on the following titles to download each white paper and learn more about the principles.
Creating a cycle of opportunity to attract and retain top talent helps ensure continuity of your firm’s people, culture, and values as you prepare for the future. That’s why having a high-performing and diverse team, unlocking their potential, and rewarding and developing the next generation of leadership is a long-term commitment and critical to building a legacy.

“Every interaction is an opportunity to reinforce what we do best. From there it starts to snowball as more people talk about what we do. Referrals just start to happen over time.”

Brock Gearhart,
Chief Executive Officer,
Greenwood Gearhart

“Firms that invest in recruiting and hiring, developing their team, creating a competitive compensation plan, and designing a path to equity are investing not only in their people, but also in the future success of their business.”

Nikolee Turner,
Managing Director,
Business Consulting and Education,
Charles Schwab Advisor Services
About the 2020 RIA Benchmarking Study from Charles Schwab

Past performance is not an indicator of future results. Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on study responses from individual firms. The 2020 study provides information on such topics as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, client experience, technology, and financial performance. Fielded from January to early April 2020, the study contains self-reported data from 1,010 firms that custody their assets with Schwab Advisor Services™ and represent $1.1 trillion in AUM, making it the leading study in the RIA industry. The self-reported information provided by individual advisory firms was not independently verified. Since the inception of the study in 2006, more than 3,700 firms have participated, with many repeat participants. Participant firms represent various sizes and business models. They are categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size.

Top Performing Firms are those that rank in the top 20% of the Firm Performance Index, which measures firms in the RIA Benchmarking Study on 15 metrics that align with the Guiding Principles for Advisor Firm Success for a holistic assessment of a firm’s performance across key business areas. The Firm Performance Index is calculated among all firms in the study without regard to assets under management or firm type.

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