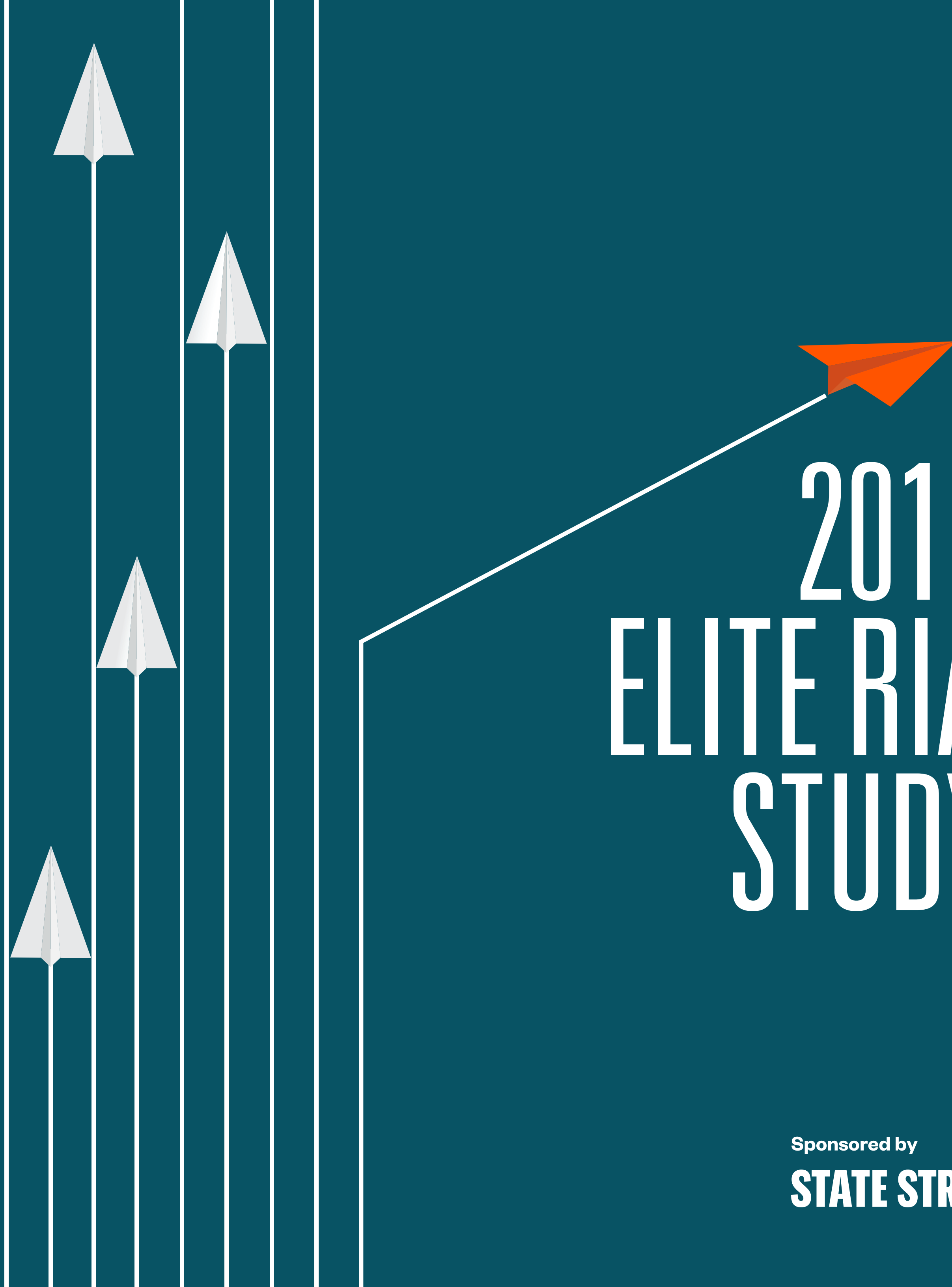

2019 ELITE RIA STUDY

IN RESEARCH

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FOREWORD

For all the data and analysis, returns and forecasting, investing is a people business. Therefore, it is no surprise that this year's *InvestmentNews* Elite RIA Study found that the biggest differentiator for Elite RIAs is the high-level client experience they provide.

The survey found the roadmap to success for the top 10% of RIAs to be straightforward. By adopting a team-based client service model, these firms provide clients with a broad array of services and add multiple touchpoints to strengthen relationships over time. And, collectively, these solid relationships create a powerful brand awareness that extends beyond the individual advisor to facilitate robust business growth. And while the Elite RIAs do not describe themselves as early adopters of technology, the vast majority now relies on technology to deliver more customized service and support to clients.

The research also reports on an "Emerging Elite" group of RIAs, detailing what sets them apart in terms of business strategy and investment capabilities from the rest of the industry. While these up-and-coming leaders are placing considerable emphasis on getting the right employees in place, they also see technology as the gateway leading to greater customization for clients and future practice growth.

Whether you are a large RIA looking for additional perspective on industry trends or a smaller firm working every day to grow your practice, this research will spark your thinking and help you to strengthen your client relationships and take your business to the next level.

At State Street Global Advisors, we share your fiduciary focus and are proud to support the entire RIA community. Like you, beyond being investors, we see ourselves as educators and problem solvers working every day to help investors meet their goals.

We thank InvestmentNews for their research and analysis. We hope that the insight offered here will help foster the strong relationships that are central to helping you meet your clients' goals and growing your practice.

SUSAN THOMPSON
Executive Vice President
Head of Distribution
SPDR Americas

INTRODUCTION

As the number of RIA firms continues to grow, so does the competitive intensity in the industry. In 2018, the total number of SEC-registered RIAs with at least $100 million in assets grew 3.3%, to nearly 13,000 firms, a clear sign of the industry's growth and maturity.[1] This continued growth makes it increasingly difficult for an RIA business to distinguish itself from the competition.

Each year, *InvestmentNews* Research identifies the RIA firms that are growing more productively than their peers. These firms — "Elite RIAs" — run a different playbook than the rest of the industry, both for their internal operations and with the client experience they provide.

Produced in partnership with State Street Global Advisors SPDR® ETFs, the 2019 Elite RIA Study reports on the key elements that differentiate the Elites. In addition, the study identifies a group of "Emerging Elites" — smaller firms that are growing their businesses productively enough to become Elite RIAs.

Detailing how both groups differentiate themselves in client service, human capital, business strategy, fees and pricing and investment management, the study provides a roadmap for other RIAs to promote growth by adopting the best practices of these leading firms.

[1] 2019 Evolution Revolution, published by NRS and the Investment Adviser Association

A SNAPSHOT OF ELITE RIAs

Who Are the Elite RIAs?

In the hypercompetitive financial advice market, Elite RIAs represent the rare firms that have been able to stand out. Larger and more productive than their competitors, these firms operate in a league of their own.

Less than 10% of the firms participating in the 2019 *InvestmentNews* Research Elite RIA survey were classified as "Elite." To earn that designation, RIA-affiliated firms had to meet the following criteria:

- A minimum of $250 million in assets under management;
- A ranking in the top half of all surveyed firms when measured by revenue per professional (which includes partners and advisors);
- A ranking in the top half of all firms when measured by revenue per staff (which includes total firm headcount).

Our research also identified a unique category of Emerging Elites – smaller firms that are experiencing the productive growth that may put them on their way to becoming Elite RIAs. The selection criteria for this group and the characteristics that make them unique are discussed later in this report.

The bulk of our research focuses on the established Elite category.

Characteristics of Elites

Elite RIAs are considerably larger than other firms. The median Elite RIA firm manages $812 million in assets, compared with a median of $100 million for other firms in our survey. Median revenue for Elite RIAs was $6.6 million, nearly eight times the $833,000 generated by the other firms.

ELITE RIAs AT A GLANCE:

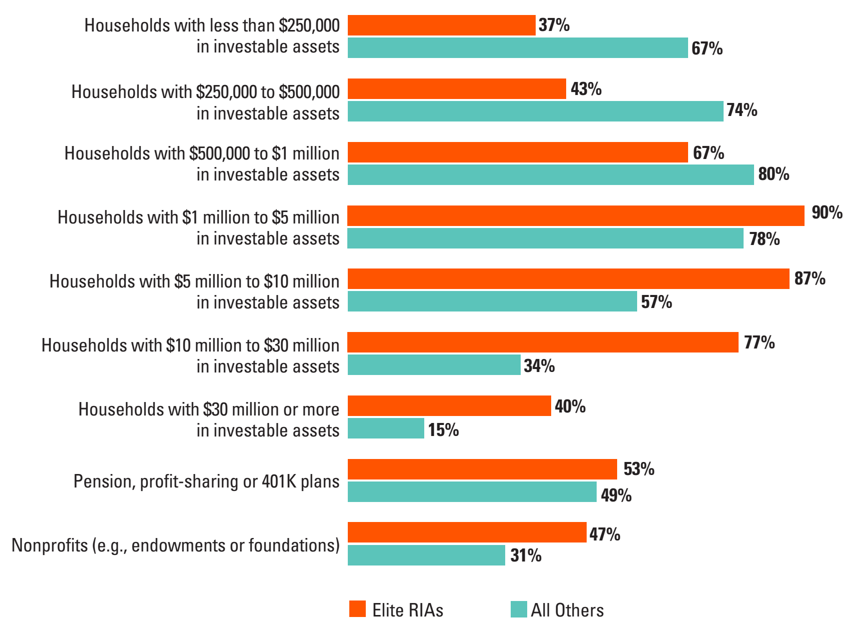
	AUM (12/31/18)	Projected AUM (12/31/19)	Total Revenue (12/31/18)	Projected Total Revenue (12/31/2019)	# of Clients*	# of Employees	# of Professionals	Revenue per Professional	Revenue per Staff
Elite RIAs	$812M	$927M	$6.6M	$7.2M	515	17	7	$805K	$351K
All Others	$100M	$115M	$833K	$972K	228	4	2	$325K	$198K

*Households or institutions served (12/31/18)
Note: Values shown are medians; "All Others" includes all RIA-affiliated firms with a minimum of $250 million AUM not qualified for Elite status.

On median, Elite RIA firms serve 515 clients, more than double the number of clients served by other firms. Elite firms naturally rely on a larger staff to support those clients – the median number of employees at an Elite RIA is 17, compared with just four at other firms. Perhaps more important, Elite RIAs manage these relationships more productively. Median revenue per professional is $805,000 at Elite RIAs, and the median level of revenue per staff is $351,000. Conversely, median revenue per professional and staff is $325,000 and $198,000, respectively, at other firms.

A primary reason Elite RIAs have profitable relationships is that they have been able to attract wealthier clients. Seventy-seven percent of Elite RIAs serve clients who have between $10 million to $30 million in assets, compared with just 34% at other firms. Elite RIAs are also much more likely to work with institutional clients, such as plan sponsors, foundations and endowments.

CLIENT TYPES SERVED BY FIRM:



The differences between Elite RIAs and the rest of the industry go beyond client size and profitability metrics, however. From the client experience to internal operations, Elite RIAs are running their businesses differently. In short, these firms have undergone a metamorphosis, transitioning from a solo practice or confederation of individual practitioners to a large-scale wealth management enterprise that provides a wide range of financial planning and investment management services.

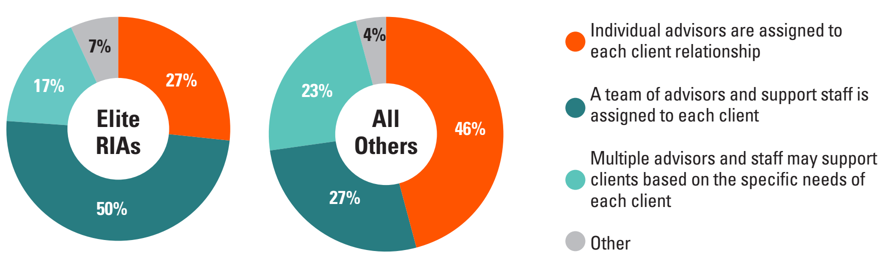
WHAT SETS ELITE RIAs APART

What makes these Elite firms different? We looked at differences in five areas: the client service model, human capital, business strategy, fees and pricing, and investment management capabilities.

The Client Service Model

Differences between Elite RIAs and their competitors start with the client relationship. At Elite firms, this relationship is rarely owned by a single, star advisor. Half of Elite RIA firms assign a team of advisors and staff to a client, while another 17% divvy up responsibilities between advisors and support specialists based on the individual client's need. These team-based approaches are less common at other firms, where an individual advisor is responsible for the client relationship 46% of the time.

HOW CLIENTS ARE SUPPORTED AT FIRM:

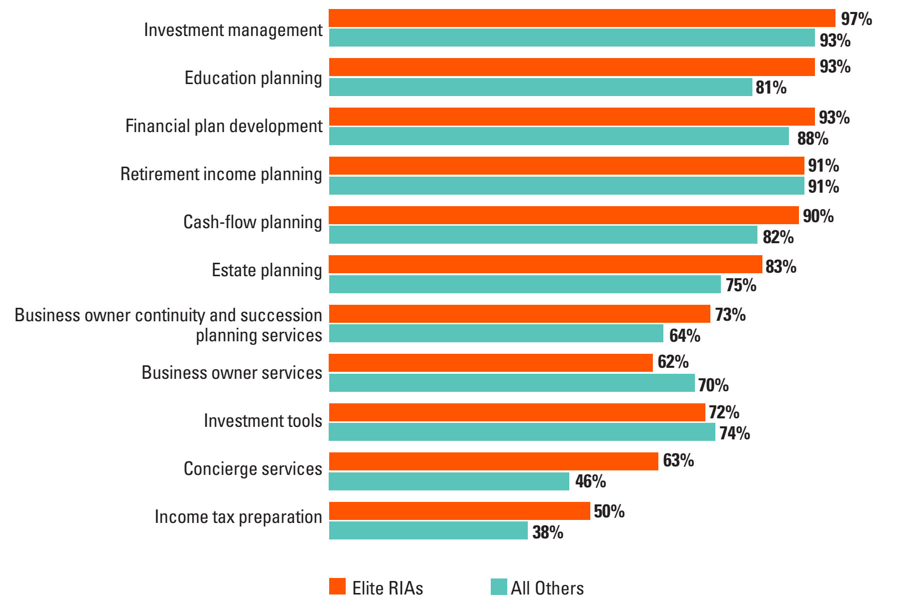


By extending the relationship beyond a single advisor, Elite firms create a closer relationship with the client. They also build a strong brand that extends beyond an individual's name. The reputation that develops from a strong brand makes it easier to attract additional wealthy clientele.

Elite RIAs also offer clients a broader array of services. Education planning, business owner succession planning, concierge services and income tax preparation are among the offerings that most often differentiate Elite firms from the rest of the industry.

The deeper service menu, likely a function of serving larger clients, creates a virtuous cycle for Elite RIAs. By providing a more comprehensive experience, Elite firms continue to distinguish themselves from competitors and attract a greater portion of other high net worth and ultra-high net worth clients.

SERVICES OFFERED:



A deeper service menu and team-based approach aren't the only factors helping Elite firms customize the client experience. Technology also plays a critical role. Seventy-nine percent of Elite RIAs say that technology allows them to deliver more customized service and support to clients. In short, Elites view technology not simply as a conduit for attracting new clients, but as essential to scale the delivery of the high-touch, personalized services they provide.

Human Capital

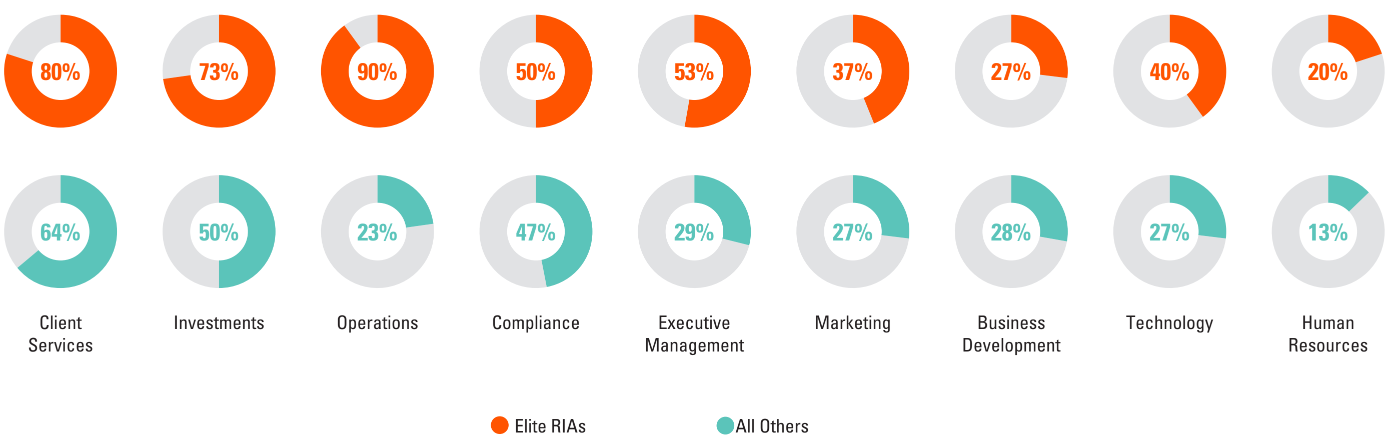
The team-based and customized service models in place at most Elite RIAs have led to different hiring and staffing trends for these firms. Elite RIAs are much more likely to have specialized employees in different roles, particularly in operations, investment management, technology and executive management. Through specialization, these firms create a unique client experience that reinforces the brand and drives client referrals, one of the largest sources of industry-wide growth.

When it comes to personnel trends, the prevalence of specialized executive management roles is one of the most notable differentiators for Elite firms. Fifty-three percent of Elite firms employ a full-time CEO or president, for instance, compared with just 29% of all other firms. The establishment of dedicated senior management roles allows Elites to focus more on strategic planning and mergers and acquisitions to drive growth.

While Elite firms hire more employees, they are very deliberate in how new roles are structured. In fact, they see this as one of the most critical determinants of their firm's success. When asked to select two items that are most critical to their firm's growth in the next two years, 47% of Elites cited "having the right employees in the right roles" as a key determinant, higher than any other factor selected. Conversely, only 21% of other firms cited this item as a key success factor.

Elite RIAs are also doing more to recruit the next generation of talent. In our survey, 86% of these firms agreed that "specific career paths, career development and mentorship programs are important in attracting the next generation of advisors." Only 64% of all other advisors agreed with that statement.

EMPLOY STAFF WHO SPECIALIZE (DEDICATE 75% OR MORE OF THEIR TIME) IN THE FOLLOWING AREAS:



"86% of Elite firms agreed that "specific career paths, career development and mentorship programs are important in attracting the next generation of advisors."

Business Strategy

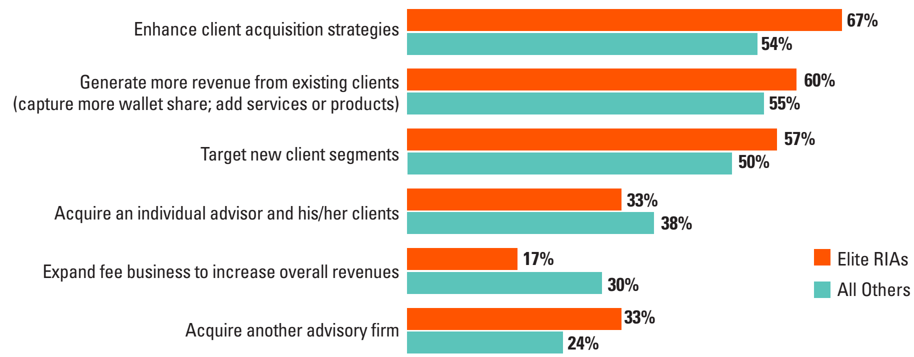
As they look to the future, the Elite cohort is relying on a different set of growth strategies than the rest of the industry. Elites are more focused on enhancing client acquisition strategies, generating additional revenue from existing clients and targeting new client segments to grow their business over the next two years. The Elite group is also more likely to acquire another firm. The All Others group, meanwhile, is more likely to acquire an individual advisor or expand their fee business to drive growth.

The differing priorities sync with current strategies in place at both firm types. As discussed previously, Elite firms are focused on building a high-touch, customized business model. But they are also leaning on technology and a team of specialists in different roles to make that model scalable. Scalability makes it easier to acquire firms and bring them into the current model or introduce that model to new client segments that are up- or down-market.

Meanwhile, other firms are tethered to the individual advisor-client relationship. For these businesses, it may seem more logical to recruit new advisors into the company and give them the autonomy to continue managing their existing relationships in the same way they always have.

When it comes to defining what makes their firm unique, Elites believe service and communication, comprehensive financial planning and a "clearly defined value proposition" are the characteristics that most distinguish them. These answers reinforce the Elite firm's focus on a broad service offering, delivered by an array of specialists who give the firm multiple touchpoints with a client.

AREAS/STRATEGIES BEING CONSIDERED FOR EXPANDED GROWTH:



As they look to the future, the Elite cohort is relying on a different set of growth strategies than the rest of the industry.

FACTORS CONSIDERED EXTREMELY OR VERY IMPORTANT FOR DIFFERENTIATING FIRM'S VALUE PROPOSITION FROM COMPETITORS:

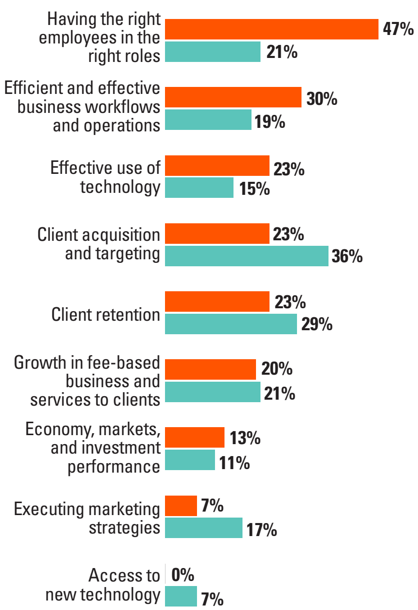
The Road Ahead: Obstacles and Catalysts

Elite firms face the same business risks as the rest of the industry, but they view their success factors quite differently. By far, both Elite RIAs and All Others perceive the economy and market performance as the biggest potential hindrance to success over the next two years.

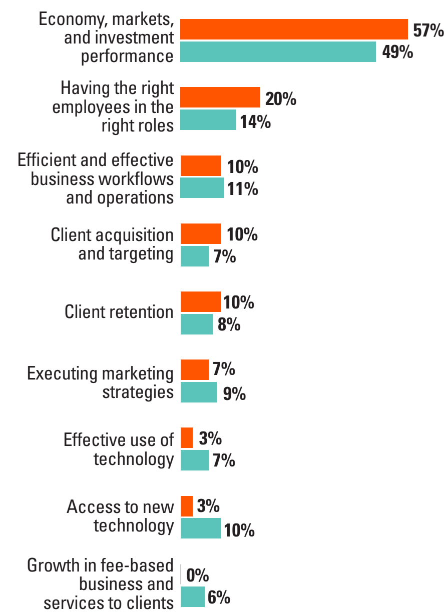
However, Elites view firm structure – or "having the right employees in the right roles" as much more critical to their success. Elite RIAs are also more likely than other firms to cite operational effectiveness and use of technology as critical success factors.

The emphasis on technology does not mean that Elites are early adopters of new solutions in the market. When asked to describe their firm's adoption of new technology, only 10% of Elites described their business as being among the first to adopt new solutions. Instead, 27% of Elite firms say they adopt technologies after they are well established, and 33% adopt new technologies only after they have a proven track record.

FACTORS THAT WILL CONTRIBUTE TO FIRM'S SUCCESS:



FACTORS THAT WILL HINDER FIRM'S SUCCESS:

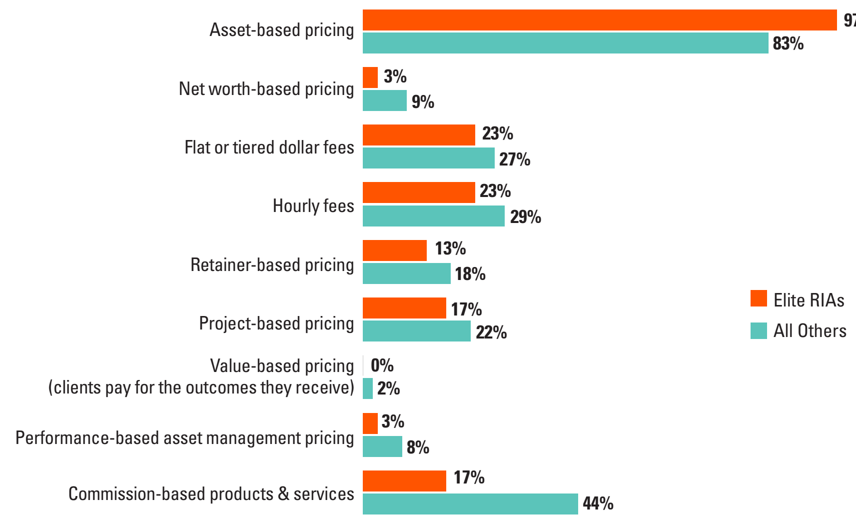


Elite RIAs All Others

Fees and Pricing

When it comes to fees, Elite firms are more likely to stick to an asset-based pricing model. Commission-based services, project-based pricing and other fee arrangements are less common for Elites than for other firms.

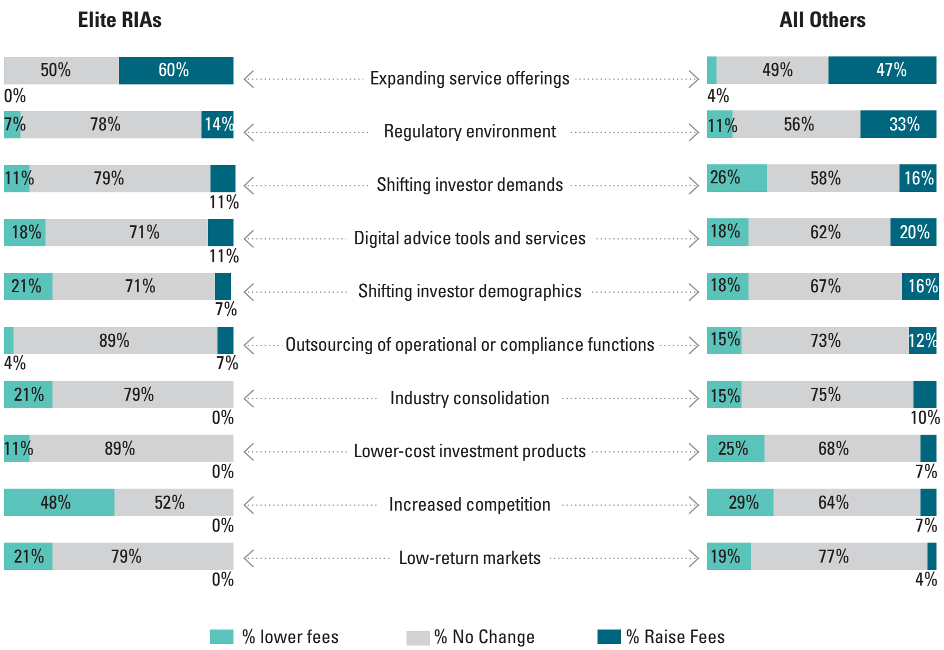
PRICING/FEE STRUCTURES UTILIZED:



The emphasis on technology does not mean that Elites are early adopters of new solutions in the market.

Another key difference between Elites and All Others is that Elites believe their fee structure is more defendable. As the chart below shows, Elites are far less likely to change their fees in the face of several potential headwinds or changing industry dynamics. In fact, "increased competition" was the only factor that would cause at least a quarter of Elites to lower fees.

INFLUENCE THE FOLLOWING WILL HAVE ON CHANGES TO YOUR FIRM'S FEES OVER THE NEXT ONE TO TWO YEARS:



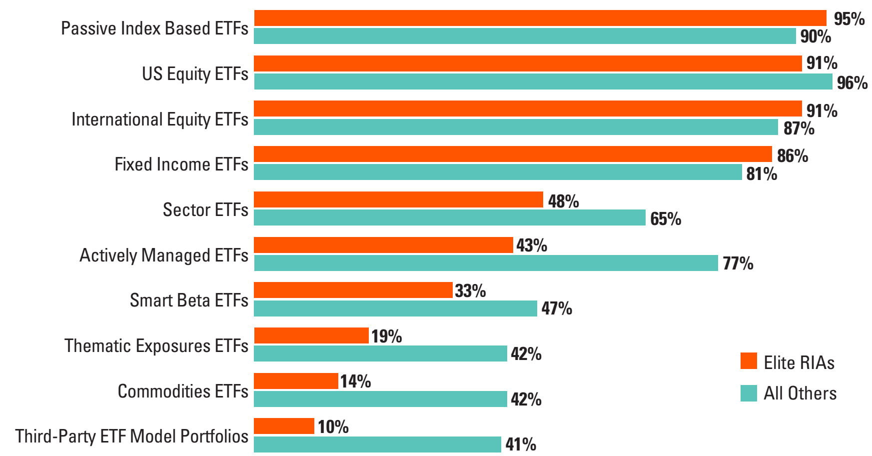
	Elite RIAs: % lower fees	Elite RIAs: % No Change	Elite RIAs: % Raise Fees	All Others: % lower fees	All Others: % No Change	All Others: % Raise Fees
Expanding service offerings	0%	50%	60%	4%	49%	47%
Regulatory environment	7%	78%	14%	11%	56%	33%
Shifting investor demands	11%	79%	11%	26%	58%	16%
Digital advice tools and services	18%	71%	11%	18%	62%	20%
Shifting investor demographics	21%	71%	7%	18%	67%	16%
Outsourcing of operational or compliance functions	4%	89%	7%	15%	73%	12%
Industry consolidation	21%	79%	0%	15%	75%	10%
Lower-cost investment products	11%	89%	0%	25%	68%	7%
Increased competition	48%	52%	0%	29%	64%	7%
Low-return markets	21%	79%	0%	19%	77%	4%

Investment Management

The final area in which Elites set themselves apart from the rest of the industry is in their investment management capabilities. A much higher portion of Elites RIAs (70%) than All Other firms (52%) utilize dedicated in-house staff to build and manage custom investment portfolios. Meanwhile, roughly one-third of both Elites and All Other firms say they manage comingled or model portfolios across clients.

For the first time, this year's Elite RIA study also looked at how advisors are using and evaluating ETF products that comprise many model portfolios. We found that Elites have been slower than other advisors to adopt some of the niche products such as smart-beta or thematic ETFs, but that passive, index-based ETFs are ubiquitous across all advisor groups.

USAGE OF ETF PRODUCTS



	Elite RIAs	All Others
Passive Index Based ETFs	95%	90%
US Equity ETFs	91%	96%
International Equity ETFs	91%	87%
Fixed Income ETFs	86%	81%
Sector ETFs	48%	65%
Actively Managed ETFs	43%	77%
Smart Beta ETFs	33%	47%
Thematic Exposures ETFs	19%	42%
Commodities ETFs	14%	42%
Third-Party ETF Model Portfolios	10%	41%

While passive ETFs have become a mainstay in portfolios, advisors show increasing interest in actively managed ETFs, with 33% of Elite advisors and 48% of All Others indicating they plan to increase their use of such products in the next year.

When considering their existing ETF lineup, Elite advisors listed the expense ratio, the underlying index and tracking error as their three most important evaluation criteria. The All Others group listed expense ratio, the underlying index and the ETF provider as their three most important criteria.

A LOOK AT EMERGING ELITES

With less than 10% of surveyed firms qualifying as Elite RIAs, reaching this designation is indeed challenging. But smaller firms are knocking on the door. Our research looked at these "Emerging Elites" to find out how they operate, and what sets them apart from the rest of the industry.

Emerging Elites were identified by examining RIAs in our sample with assets under management between $100 million and $250 million, and scoring them based on productivity, in terms of staff and professional productivity (50% weight), and by their management strategy (50% weight). Firms received points for utilizing teaming structures and having two or more specialists on staff.

Here's a portrait of these Emerging Elite firms:

- Serve more clients* (215) than other firms their size (188), but far fewer clients than our Elite cohort (515).
- Enjoy more profitable client relationships. Median revenue per professional and revenue per staff at Emerging Elite RIAs was $549,000 and $272,000, respectively. At all firms outside the Emerging Elite and Elite categories, median revenue per professional was $305,000, and revenue per staff was $191,000.
- Typically have smaller staffs than Elite RIAs and slightly larger staffs than other small firms in our study, suggesting these firms are taking a page from Elite RIAs and creating more specialized roles. While Emerging Elites had larger staff, on median, the All Others cohort – which for this section includes all firms that had between $100 million and $250 million in assets but were not Emerging Elites – had more professionals (partners and advisors). This discrepancy also suggests other firms are more likely to use the individual advisor-client service approach, as opposed to a model where a team of specialists works together with the client.
- Tend to serve larger clients. Eighty-nine percent of Emerging Elites serve clients with upwards of $5 million in assets, compared with 74% of All Others in the study.

EMERGING ELITES AT A GLANCE:

	AUM (12/31/18)	Projected AUM (12/31/19)	Total Revenue (12/31/18)	Projected Total Revenue (12/31/2019)	# of Clients*	# of Employees	# of Professionals	Revenue per Professional	Revenue per Staff
Emerging Elites	$172M	$218M	$1.6M	$1.8M	215	6	3	$549K	$272K
All Others	$180M	$200M	$1.1M	$1.3M	188	5	4	$305K	$191K

*Households or institutions served (12/31/18)

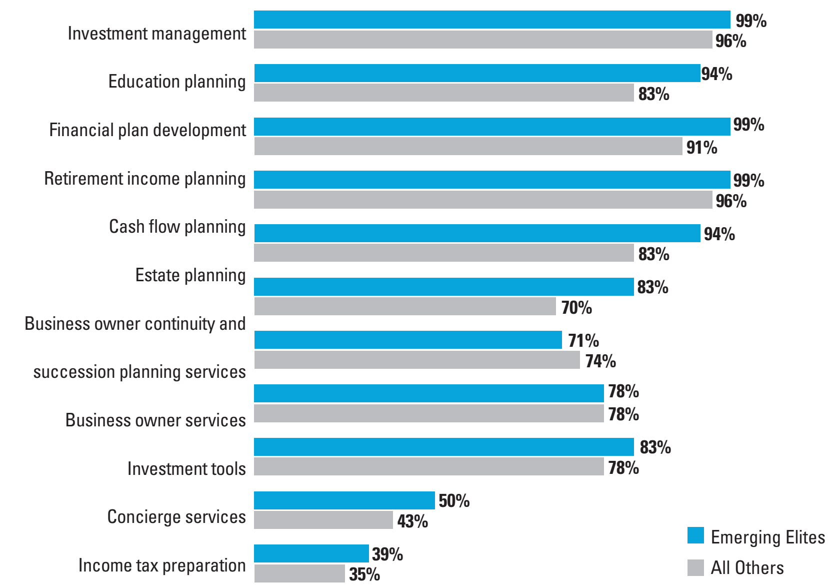
Note: Values shown are medians; "All Others" includes all RIA-affiliated firms with $100M-$250M AUM not qualified for Emerging Elite status.

How are Emerging Elites distinguishing themselves? Our study found several key factors that set this cohort apart. Below is a summary of those key differences:

Emerging Elites are moving to a team-based client service model. Early in their development, Emerging Elites are moving away from the single, advisor-centric approach in favor of the team-based client service model in place at most Elite RIAs. For perspective, 50% of Emerging Elites use a team-based approach to client service, compared with just 29% of All Others.

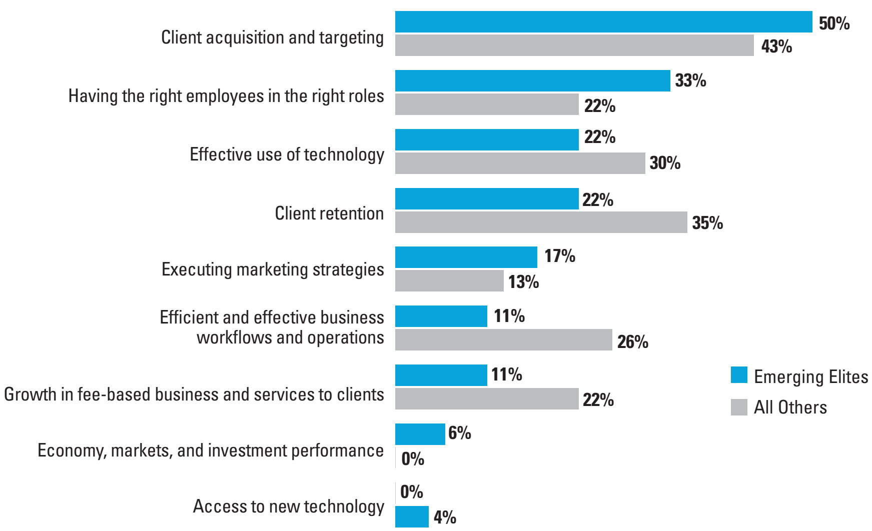
Smaller firm size isn't preventing Emerging Elites from expanding service offerings. As the chart shows, Emerging Elites are more likely than All Others to offer just about every type of wealth management service. Specifically, Emerging Elites are much more likely than competitors to offer education planning, financial plan development, cash flow planning, and investment tools.

SERVICES OFFERED:



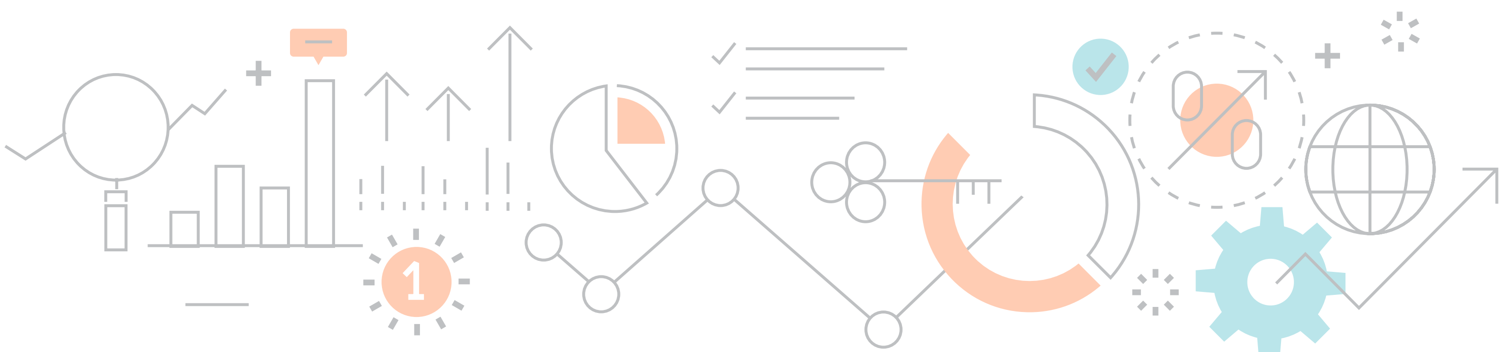
Client acquisition and targeting strategies are essential to Emerging Elites' future growth. We asked survey participants to select two factors that they felt would most contribute to their firm's success over the next two years. Emerging Elites cited client acquisition and targeting strategies far more often than other firms. Conversely, Emerging Elites were less likely than All Others to list client retention as a key success factor.

FACTORS THAT WILL CONTRIBUTE TO FIRM SUCCESS:



Emerging Elites place more emphasis on employees and firm structure. The Emerging cohort's focus on staff and organizational structure shows itself in two ways in our survey. First, Emerging Elites were 1.5 times as likely as All Others to cite "having the right employees in the right roles" as one of the key determinants to their firm's success over the next two years. Second, Emerging Elite RIAs are putting more focus on career growth. An overwhelming 89% of Emerging Elite firms agreed with the statement that "specific career paths, career development and mentorship programs are important in attracting the next generation of advisors." Only 65% of All Other firms agreed.

Technology is a gateway to customization. Just like larger Elite RIAs, Emerging Elites believe a customized approach to client service can distinguish their firm, build its brand and drive client referrals. Emerging Elites view technology as the gateway to providing this customized experience. In their response to a list of agreement statements, 95% of Emerging Elites believe "technology is allowing me to deliver even more customized service and support to clients." Seventy-four percent of All Others agreed with that statement. The Emerging cohort believes their clients see use of technology as a differentiator; A greater portion of Emerging Elites (89%) than All Others (65%) believe their clients "clearly see my use of technology as a benefit to them."



LESSONS FROM THE ELITE AND ACTION STEPS

Client Service

One of the biggest differentiators for Elite RIAs is the client experience they provide. That experience starts with a team-based client service model. These leading firms are decoupling from an advisor-centric model in which a single, star asset gatherer owns the relationship. Instead, multiple advisors and other professionals have a hand in serving the client. The team-based approach has two benefits. First, having multiple client touchpoints makes the client relationship stronger. Second, it creates brand awareness that extends beyond an individual advisor's name. That more recognizable brand and reputation drives referrals and makes it easier to attract new wealthy clients.

Elite RIAs are also improving the client experience by offering a broader array of services. Less traditional services, such as education planning, income tax preparation and business owner succession planning, allow these firms to create a personal, customized experience the client can't find elsewhere.

For other firms considering Elite RIAs' client-service practices, there are a couple of actionable steps and insights:

- Hiring more advisors is not the only way to grow. Some of the most successful firms in the industry are focused on scaling their core competencies and building around their existing lead advisors. While it's easy to see a direct line between new advisors and new clients, other new roles could improve internal processes and workflows, raise brand awareness, improve the client experience and drive client retention. Emerging Elite firms serve as an example of how focusing on new roles can work. These upstarts have fewer advisors on median than other small firms, but have a larger overall staff. This approach has helped them attract wealthier clients and, in turn, create superior revenue-per-staff and revenue-per-advisor metrics than competitors of a similar size.
- Small size is not an impediment to broad service offerings. Our study found that niche services, such as education planning and business owner succession planning, were just as prevalent at Emerging Elite firms as at their larger Elite counterparts. This suggests small firms can find ways to extend their services strategically to their existing client base. Ideas include giving each partner or advisor a specific role to develop expertise in; establishing partnerships with specialists (a CPA, for example); or training newer employees to become a specialist in a firm's niche to develop their subject matter expertise and go deeper in a priority market.

Human Capital

In addition to a team-based approach to delivering advice, Elite RIA firms are more likely to have staff dedicated to Operations, Investments, Technology and Executive Management. This allows advisors to be hyperfocused on client-facing work and business development, while specialists devote their time to management and execution in their respective roles. This type of balanced human capital strategy is a key characteristic at almost all Elite RIAs.

While the composition of the management team will vary at each firm depending on size, strategy and specialization, there are several considerations that can be applied to any firm that is looking to model itself after the industry's Elite:

- Consider creating an executive role. Having a full-time CEO or president in place allows firms to focus more on strategic growth, such as mergers and acquisitions, as well as business operations and human capital management or
- Evaluate the need for a chief operating officer. Firms that have between $100M-$250M in AUM are large enough that they should be focused on business operations, human capital and technology – but not necessarily large enough to justify roles dedicated to each of these functions. A COO can often be a utility role that focuses operational responsibilities on one individual, versus several people throughout the firm who have primary responsibilities for managing or attracting clients.
- Create mentorship programs. RIAs need to recruit and retain younger talent to preserve the firm's culture and reinforce the brand. A mentorship program or specified career development path can keep talented employees at the firm.
- When adding staff, create a degree of specialization for each new hire. Even if the employee must perform a variety of tasks, there can still be an understanding that they are expected to develop expertise in a particular area.

Business Strategy

Many of the Elite firms' business strategies tie directly to how they can make their high-touch, personalized service model scalable. Elite firms do so by employing a technology strategy that focuses not on being a first mover into new solutions but on finding ways to streamline as many workflows as possible so that the service delivery to the client is seamless and consistent.

Firms looking to become Elite can take the following steps to make their own client experience more scalable:

- First, firms must take the time to map out all the operational steps their employees currently conduct. This should include any routine procedures such as account openings, transfers, annual portfolio reviews, risk assessments or even planning around client events.
- After a review of the processes and pain points at their firm, RIAs can set their technology spending strategy by prioritizing which new software applications will go the farthest in simplifying workflows, increasing efficiency and creating repeatable steps throughout the organization.
- On an annual basis, ask employees to create a breakdown of their current job description and how much time they spend on different tasks. This will give a clearer picture of the actual work taking place at a firm and how those workloads are changing over time. The annual process can go a long way in designing more efficient workflows and informing the hiring strategy for future roles the firm will need.

Fees and Pricing

Elite RIAs are less likely than other firms to offer a wide range of pricing options. Instead, they are focused on offering a comprehensive set of services and tucking them into an asset-based fee arrangement. Elite RIAs believe this pricing arrangement is more defendable than their competitors; our research revealed they are much less likely to raise or lower fees in the face of headwinds or changing industry dynamics. What can other firms take from Elites' pricing model?

- While fee compression is a reality, the largest and most successful firms in the industry are maintaining – and in some cases increasing – their fee levels. The reason? They have clear value propositions and can easily demonstrate and articulate where they are creating value for their clients, and, perhaps most important, why they deliver services and results that cannot be found elsewhere. The lesson: Your fee strategy should not be based on pricing. It should be rooted in value. If you are transparent and make this part of your regular discussion with clients, they will recognize the premium services that you provide and see clear value in your relationship.

Investment Management

When it comes to investment management capabilities, Elite firms are much more likely to build and manage custom investment portfolios in-house. That doesn't mean smaller firms can't compete and find ways to make their own investment services stand out. The following steps can help:

- For starters, the range of outsourced investment management resources continues to broaden. New investment vehicles make them easier to access. For a small firm with fewer internal investment resources, being able to select and monitor the asset managers who provide these products can be as valuable as managing the portfolio in-house.
- Find a niche. Firms can establish themselves as ESG experts, for example. This is a growing area of client interest, yet previous *InvestmentNews* research has found few advisors feel they are experts on the subject. Providing ESG expertise and direction may be a bigger perceived value added than building and managing a portfolio internally.
- Emphasize the asset allocation process and the ability to be more dynamic in making portfolio changes. ETFs make it easier than ever for advisors to create model or custom portfolios for clients and to change the allocation of different asset classes. Clients could see more value in this process than selecting specific stocks and bonds internally.

CONCLUSION:

There are a number of quantitative and qualitative factors that separate Elite RIAs from All Other firms. However, there is a common thread that connects the industry's Elite firms. Specifically, they take an active and strategic approach to managing their businesses – and most important, managing their growth toward clearly defined opportunities and objectives.

These Elite RIAs are aware of what they can control, as well as the specific levers that they can pull to accelerate their growth. In particular, there is a consensus focus among Elite RIAs to actively manage their human capital – and an appreciation that an organizational chart is not static. They are aware of the roles they need to grow to provide a better client experience and how they can set their employees and teams up for success. The leaders at Elite RIA firms are intensely focused on aligning the success of their business with the success of their clients and employees.

They also have a ruthless focus on the needs and demands of their clients – which may be the most defining characteristic of an Elite RIA firm. They consistently customize and personalize their services to meet their clients' evolving needs and strategically invest in their businesses so they can scale the delivery of their investment, wealth and planning services.

By incorporating some of these best practices into their own firms, all RIA firms can create a differentiated client experience and drive more productive growth in the future.

ABOUT THIS RESEARCH

About INResearch

The mission of *InvestmentNews* Research is to provide advisory firms with the industry's most comprehensive and informative practice management resources, benchmarking reports and targeted research studies. Our benchmarking studies and tools are a leading source of strategic intelligence for the industry's top advisory firms, custodians, broker-dealers, consultants and professional organizations. *InvestmentNews* Research is a dedicated business unit of *InvestmentNews*, which officially launched in 2009 with the acquisition of the former Moss Adams benchmarking studies. The business now offers, in addition to the legacy benchmarking studies, a subscription-based research dashboard, custom research services, dedicated research webcasts, national and regional workshops and in-person presentations.

For more information about *InvestmentNews'* benchmarking and custom research, please contact Mark Bruno at mbruno@investmentnews.com

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