

Secrets from Financial Professionals on Achieving and Sustaining Success

Best practices on driving growth, building relationships, retaining talent, and more.

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Focused on the Future

Mark Tibgerigen, CEO of Pershing Advisors Solutions, on Setting Your Strategy to Drive an Enduring Business



Mark Tibergien, longtime industry thought leader and former CEO of Pershing Advisor Solutions, has many ideas on how firms can achieve success in today's rapidly changing landscape.

Act now to be profitable and sustainable

During this period of profound change for the wealth management profession, it is challenging to build a profitable, sustainable business. Tibergien believes leaders need a different approach.

He favors a linear approach where **strategy** informs **structure**, which informs **people**, which informs **process**, which ultimately informs **profitability**.

Too often, people launch into business as an advisor without a strategy. Tibergien says that while it's important to recognize others' best practices, differentiation is key and should inform everything about how an advisory business is built.

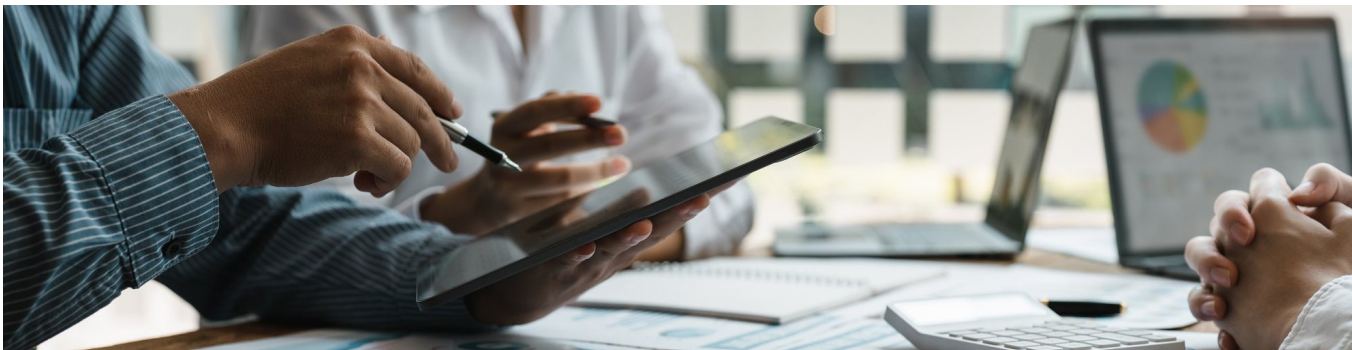
The foundation of strategically building a wealth management business is to be clear about who the firm's optimal client is and "develop this brand among that community of clients so that they're going to be relevant," Tibergien says, ultimately aiming to be among the top three providers serving that client.

Learning to set strategy

Setting a business strategy is similar to how

advisors help clients: it's a framework for making decisions about how to direct the business. Tibergien recommends a four-part strategy.

1. **Define the market.** This is where leaders determine who the optimal client is. Consider the characteristics of your top 20 to 25 current clients, looking beyond net worth, and identify the needs of those clients going forward.
2. **Differentiate service for those clients.** Tibergien suggests identifying who else is serving those clients and determining two or three ways to differentiate your firm.
3. **Assess your firm's core capabilities.** Any gaps that are identified "tell me where I have to invest," Tibergien says.
4. **Define success.** This is personal and comprises numerous variables, as a leader and service provider. Tibergien insists that "the definition of success has to be fulfilled somehow in its own strategy."





The industry needs a recruitment makeover

Tibergien sees four trends driving the industry:

1. **Role.** The role of financial advisors is changing. It's no longer just about investments or investment performance; it's about helping clients navigate financial choices.
2. **Experience.** The client experience needs to match the best experience the client has with any provider of any service.
3. **Talent shortage.** The industry faces an acute talent shortage. Individuals are increasingly interested in the services offered by advisors, but there are not enough people in the field to provide good advice.
4. **Demographics.** The demographics in the profession, especially age and gender, are a challenge. Exit strategies and consolidators mask the lack of succession planning.

The talent shortfall can be attributed to the perception that the industry does not invest sufficiently in its people. Tibergien hopes one consequence of increased consolidation will be that more firms are in a position to invest in talent development. The lack of a clear career path is also a challenge: at each stage of career development it's not clear what has to be done to reach the next tier. Also, too often people are given insufficient time to learn the job before being expected to attract new business.

Tibergien thinks the field needs to build greater awareness, which is connected to the general lack of financial literacy in the United States. This is a slow process to change, even though more than 200 university programs offer financial education today.

Individual steps to make a difference

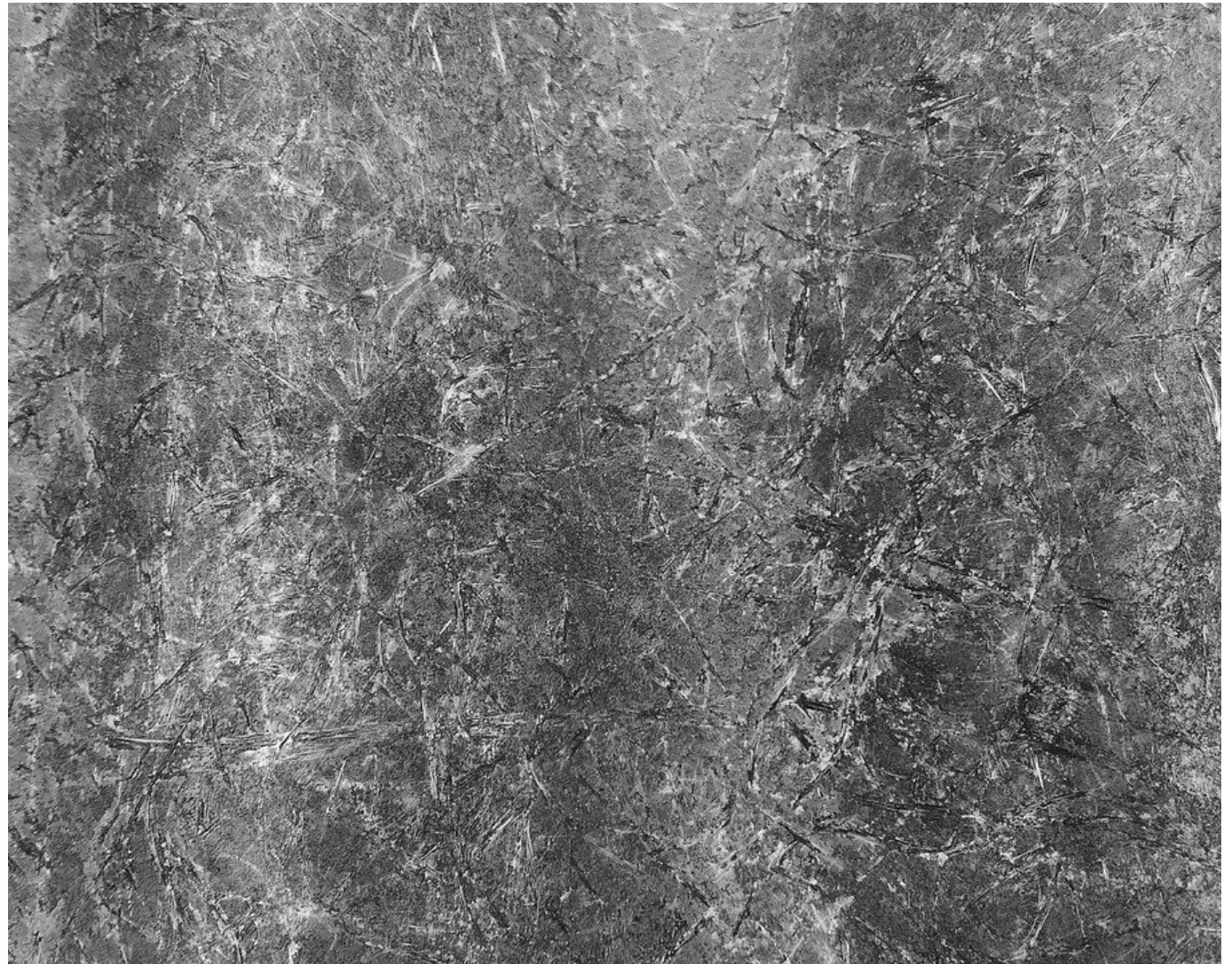
Tibergien personally has stepped up. He has long sponsored an initiative to improve financial literacy in the area in which he grew up, the Upper Peninsula of Michigan. Starting at his former high school, and partnering with a passionate teacher, the financial literacy

initiative has been expanded to encompass K-12 as well as summer camps. More than half of high school seniors in the area now complete a full-year course—and many tell Tibergien about the deep impact it has on them.

Reverse mentorship: an innovative way to keep the profession current

On a personal note, Tibergien shared one of the most profound learning experiences in his professional life. He has worked with four “reverse mentors”—young, female coaches—who taught him about topics ranging from technology to how the current generation thinks.

He engaged reverse mentors based on thinking, “The way our business is changing, we would benefit by learning from new people.” Tibergien encourages everyone to seek out a young and emerging person in their firm who can serve in this role.



Focused on the Future:

Trap Klorman From
Commonwealth on How to
Continue Success in an
Unpredictable and Evolving
Market



For the 10th time in a row, Commonwealth Financial Network was ranked #1 in Independent Advisor Satisfaction among Financial Investment Firms by J.D. Power.

Being ranked #1 for 10 times in a row doesn't happen by chance or luck; it is based on a strong foundation, a pattern of organizational behavior, and specific choices about strategies and priorities.

*Commonwealth received the highest score among independent advisors in the **J.D. Power 2010, 2012, 2013, 2014, and 2018–2023 U.S. Financial Advisor Satisfaction Studies**. Presented on July 5, 2023, for December 2022 to April 2023, it is based on responses from 4,183 advisors employed by or affiliated with the firms included in the study. Not indicative of the firm's future performance. Your experience may vary. Study is independently conducted, and the participating firms do not pay to participate. Use of study results in promotional materials is subject to a license fee. Visit jdpower.com/awards for more details.

Commonwealth's President and COO, Trap Kroman, shared eight best practices contributing to Commonwealth's sustained success.



1. **Relationships.** Everything starts with relationships. "You're in business to serve the customer. You start with the relationship and build around that," said Kroman. "Each year is a fresh start and a fresh opportunity to have raving fans. It starts with our existing advisors, making sure we do a great job for them."
2. **Purpose.** Every firm must have a clear, well-defined purpose and a reason for being. This sense of purpose is conveyed to everyone in the organization. A clear purpose is unifying and motivating for the entire organization.

3. **Listening.** Leading organizations constantly listen to their customers. They invite feedback and make it easy for customers to deliver this feedback. Then, they pay close attention to what customers are saying and respond. For example, each morning, a report goes to about 100 people at Commonwealth with the feedback received the previous day. "Our goal is . . . that every advisor knows they've been heard every day," said Kroman.
4. **Balancing** urgent response and long-term solutions. Successful organizations respond rapidly to customers when urgent matters arise, while also allocating resources to identify the root causes of problems and fix issues before they become fires. This requires a constant balancing of resources focused on solving immediate problems and resources dedicated to creating long-term solutions.
5. **Communicating.** Just building strong relationships, listening, and responding is not enough. Constant communication is

essential. This includes communication about the tools and resources currently available for advisors as well as communication about the longer-term roadmap.

6. **Partnering.** Many advisors are smaller, entrepreneurial, independent businesses. Each advisor has distinct strengths and differentiators, as well as areas where they lack scale and expertise. It is in the areas where advisors lack expertise that they can benefit by partnering and outsourcing some specialized tasks. In Kloman's experience, those advisors who tend to achieve greater growth are self-aware; they know what they are good at and also recognize what to outsource and where partners can bring value.

7. **Consulting and supporting.** A major trend in the industry is M&A. For some advisors, this involves building an enterprise practice; for other advisors, M&A may relate to succession, next-generation planning, and/or exiting. To assist advisors with those

scenarios, and more, Commonwealth helps advisors define their goals and provides support in navigating the M&A process—which often takes longer than advisors realize.

Commonwealth also supports advisors by providing capital. This can include acting as a bank in providing loans or providing capital for equity, which an advisor can later buy back. These programs respect advisors as independent business owners and help them achieve their goals. "We bring the right solutions, the right tools to bear, the right consulting," said Kloman.

8. **Culture.** A characteristic of any successful organization is having a strong culture. Important elements of a successful culture include seeing everyone as an individual, engaging in servant leadership, and showing respect and appreciation. Those attributes must be combined with a strong sense of accountability.

Personally, Kloman sees an opportunity to have

lasting impact and pay it forward through mentorship. Through mentorship it is possible to encourage more diverse people to join the



industry and to support them in their careers.

The central theme of these best practices is that they are about people. Despite operating in this era of new and rapidly emerging technology, what truly differentiates successful firms are relationships and a strong service orientation, a culture of respect and accountability, an emphasis on listening and communicating, and a deep sense of purpose.

Focused on the Future:

Heather Fortner From The Finity Group Shares Her Journey, Lessons and Advice on Making it to the C-Suite



Heather Fortner is a leader in the financial services industry who has literally risen from intern to CEO, and now leads SignatureFD—with more than \$7 billion assets under management.

Fortner credits her wide-ranging experiences with preparing her for the C-Suite, bringing together technical financial acumen, operational and technology platform knowledge, and compliance expertise. Her personal experiences also provide the

foundation for her strong support for internship programs.

But Fortner's key lessons were derived from an unexpected place: studying late at night for a graduate degree in professional counseling. This passion has served Fortner well in her CEO role because she sees that human understanding and leading other people are the most important responsibilities of the CEO.

People-centered leadership

Fortner recognizes that the technical aspects of an advisor's job are easier to teach and much easier to learn than skills related to people. Humans are unique and have very different needs. "The technical: the math works. Either the numbers 'tick and tie' or the numbers don't 'tick and tie.'" Fortner added, "But with people, one day it may 'tick' and one day it may 'tie.'" People are different every day, meaning that managing people requires agility and empathy.

A key leadership responsibility is bringing others along. "It is a responsibility to take people by the hand and bring them to the

table," Fortner said. This is a cornerstone of diversity at SignatureFD, which leads to a wider set of perspectives and talents at the table and results in better service for clients. This is embedded in the culture of SignatureFD—with a majority female leadership team—and allows its culture to play a critical role in its success.

In addition, Fortner asserted, "Diversity without inclusion never works." The need for belonging drives the firm's culture, organization, and practices. The structure to serve clients also allows for space to build community. This means that advisors can service the clients they're passionate about, and clients feel respected by the firm. But it also ensures that members of the team feel welcomed, find their community within the firm, and can bring their best to the work. Fortner also believes that this culture helps SignatureFD attract top talent.

Investing in people and their development is the key to the future

To keep the firm focused on the future, Fortner's orientation is her team. It is critical that the culture be one of investing in people



because it is people who will best serve clients. In embracing her role as CEO, she was transformed from “a COO, a doer, the person who’s running all of the things, to the CEO, who is the thinker and the investor in people.”

Differentiated firm messaging reflects its values and culture

Meaningful and differentiated firm messaging is grounded in a firm’s authentic culture, Fortner believes. SignatureFD has a distinctive message of serving clients “at the intersection of wealth and worth,” which emanates from its core mission. The firm starts from the premise that clients have their own unique purpose, beyond simply growing wealth. Client service respects what that wealth will do for that person and their ultimate goal. “Our job as wealth professionals is to be able to come alongside you and help you craft a design that uses the tool of wealth. But wealth is not the purpose in and of itself,” says Fortner.

This core message is not mere sloganeering; rather, it is a consistent thread to everyone in the organization. This authentic messaging

helps SignatureFD stand out in a world where websites are the front doors to introduce the firm to clients.

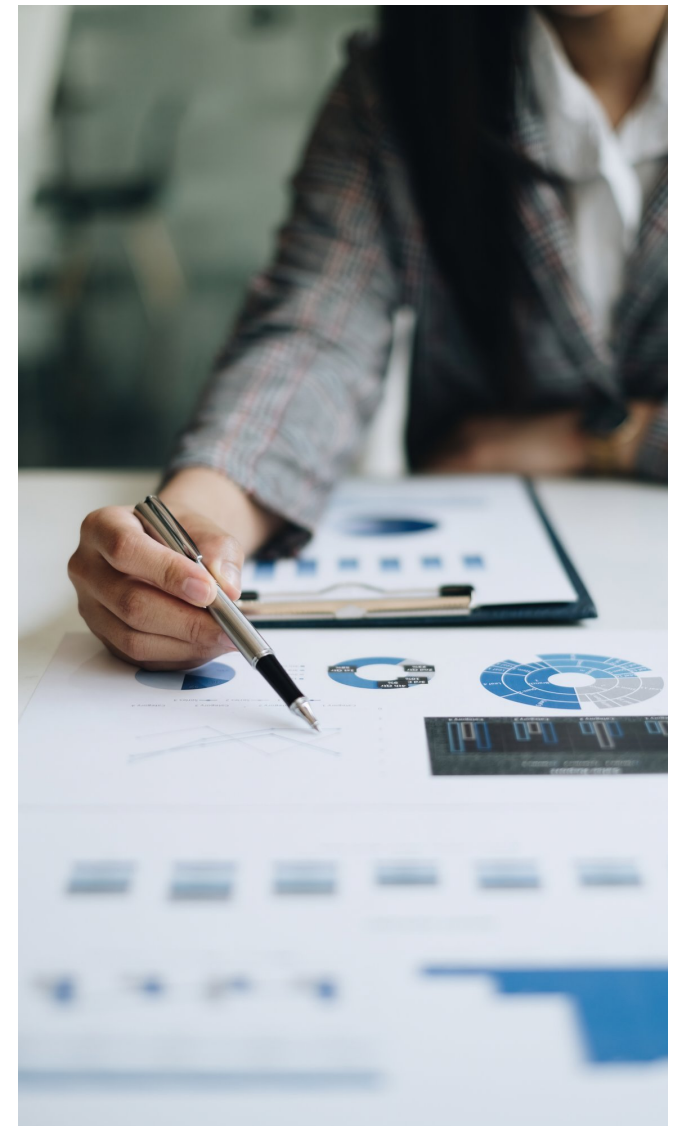
Keep it simple

Fortner’s current focus is removing complexity. “I believe a key to unlocking a lot of other progress in the organization is that it’s ok for things to be simple. We don’t have to make things more complex and more complicated

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Our job as wealth professionals is to be able to come alongside you and help you craft a design that uses the tool of wealth. But wealth is not the purpose in and of itself

Heather Fortner, CEO of SignatureFD

than they already are.” Fortner’s leadership approach involves reducing those complexities to their essence to help the organization and its clients move forward to achieve their goals.



Focused on the Future:

Kristi Rodriguez From The Nationwide Retirement Institute on Redefining Retirement, Attracting Gen Z, and Making an Impact



Kristi Rodriguez, Senior Vice President of the Nationwide Retirement Institute for Nationwide Financial, has keen insights into how advisors can best serve clients' retirement needs by looking to the future.

Rodriguez emphasizes the importance of redefining retirement planning to account for clients' uncertainty in today's highly uncertain world.

Most people bring a safety-first approach to retirement income and are looking to professionals to provide assistance through tools and resources, as well as helping each individual understand what they need to do. As an example, Rodriguez cites survey data showing that most people are looking for guaranteed income during retirement. Based on this need, Rodriguez reports of Nationwide Financial: "Embedded in our retirement solutions business, we have in-plan guarantees."

Rodriguez favors taking a complete approach to serving clients. "When you think about



combining insights with actions, and then bringing a solution . . . it gives a very holistic approach to help individuals not only understand but to engage."

In her work, Rodriguez brings a special focus to the GenZ generation. Individuals in this cohort are entering the workforce and are already voicing deep insecurity around retirement. This generation is not confident about traditional

supports like pensions, Social Security, and Medicare—and they present a perfect target for education. At their age, learning about accumulation strategy, the importance of compound interest, and employer plans can provide tangible benefits. Engaging them sooner to save and plan for their retirement can result in a secure retirement for them.

Future-proofing the industry through diversity

Rodriguez identified a vital step in bringing the financial services industry forward: diversifying the people working in the industry. In particular, Black professionals are severely underrepresented, and Rodriguez realized it would take major industry-wide action to change that trajectory.

To address this problem, Rodriguez formed the Financial Alliance for Racial Equity (FARE), a 501(c)(6) organization, where she serves as the president. To foster inclusion in the financial services industry, Rodriguez launched this partnership with stakeholders from across the industry as well as individuals from a number of

historically Black colleges and universities (HBCUs).

From Nationwide, Rodriguez brought a deep well of data to encourage the participation of the HBCUs, which welcomed this initiative from the industry that was aimed at making sustainable change. HBCUs preferred this initiative to other efforts that were perceived as industry throwing money at the issue after the death of George Floyd. Today, at participating HBCUs, there are FARE “ambassadors,” who help educate others about financial services and financial literacy.

FARE allows young people to be exposed to the financial services industry early in their careers. The ecosystem FARE has built includes interns, scholarships, and full-time employees in the field. “With the Financial Alliance for Racial Equity, tangible outcomes are critical,” Rodriguez says.

The cross-section of industry partners is looking to build a pipeline to recruit and attract talent, combined with the development

necessary to sustain diverse individuals in different paths in the industry.

Rodriguez believes it is important to recognize that there is no singular career path to bring people into the financial services industry. It is important to meet young people where they are and provide them with a way to see themselves in the industry. The pathways that are offered are not limited to a finance track but include bringing in young people who have an interest in marketing, legal, compliance, and even journalism. To be effective, these initiatives combine cultural relevance for young people with traditional elements required to launch their careers.

A lasting legacy

Considering her career in its entirety, Rodriguez shared this insight. “If I could only be remembered for one thing, I really want to be remembered as giving back. That is, to me, most important.” Rodriguez elaborated, “I feel like early in your career, you learn. Then you earn. And then it’s your opportunity to teach.”



In that vein, the work of FARE is meant to be leveraged and shared. This is Rodriguez’s personal legacy, a sustainable project that can extend beyond her, and which she hopes can serve as a model for other underrepresented groups.

The most important thing to keep in mind with the next generation of clients, Rodriguez said, is to go beyond providing a product and remember to serve them with empathy.

Focused on the Future:

Leslie Tabor From Charles Schwab on Why Every Financial Advisory Firm Needs to Have a Talent Strategy





With a background in operations and risk management, as well as a passion for advancing diversity, equity, and inclusion in the financial services industry, Leslie Tabor oversees the strategic direction of talent management programs at Charles Schwab. As Schwab's Director of Education and Consulting, Tabor shared insights from the company's 2022 benchmarking report that surveyed over 1,000 financial services firms.

The most pivotal finding from the 2022 benchmarking report was that advisors see "recruiting staff" as their top priority—a first in the study's 17-year history.

The pursuit of top-tier talent has become a cornerstone for sustained success, with staffing making up a significant portion of a firm's expenses and investment. "Why wouldn't you have a strategy for a line item that comprises three-quarters of your firm's expenses? Having a talent strategy that covers everything from recruiting, onboarding, development, and retention is critical," said Tabor.

Noting that top-performing firms stand out for their strategic approach to staffing, Tabor suggested various programs that advisory firms can implement to improve their efforts to attract and retain talent.

- Articulate an employee value proposition (EVP): An EVP is a representation of the relationship between employees and the firm—what employees are expected to give and what they get in return. It is not simply aspirational but is a current reflection and articulation of what the firm offers in return for an employee's skills, attitude, and experience.

The EVP must acknowledge the unique blend of workplace culture, benefits, career growth, and beyond. Recognizing these various aspects and openly communicating them, even on a careers page, can significantly

impact how a firm attracts and retains talent.

- Develop branded signature programs: Apart from standard compensation and career development offerings, what truly distinguishes firms are their branded signature programs. Creative, unique initiatives such as sabbaticals after extended employment periods, technology stipends for remote employees, and wardrobe stipends for customer-facing roles can make all the difference. Such distinctive programs also become an integral part of the EVP, elevating a firm's appeal as a workplace of choice.
- Leverage networking platforms and programs: Leveraging platforms like RIA Connect Talent Advantage or participation in externship programs provides direct connections between firms and potential talent pools. It is a strategic move that aligns with recruiting efforts, enhancing networking opportunities and showcasing the firm's offerings.
- Manage your talent: Recruitment is just the

beginning. Nurturing and managing talent involves continuous investment and strategic planning. Examples include offering defined career paths with resources, mentors, and other structured support; prioritizing education through tailored in-house content (or leveraging external resources); and integrating coaching as a behavioral approach to employee development.

The Schwab benchmarking report showed that 60% of top-performing firms have defined steps for advancement versus 40% of the firms that are not top performers. Similarly, 80% of the top-performing firms offer training and development programs versus only 60% of those firms that are not top performers.

- Foster a culture of inclusivity: Inclusive leadership lies in recognizing personal biases and fostering curiosity. Leaders who actively acknowledge their biases create environments where diverse perspectives thrive. These practices, though especially critical for leaders, resonate across all levels



of a firm, nurturing an inclusive culture.

Emphasizing the importance of leadership involvement, Tabor said, "The tone set from the top of the organization has a huge influence on workplace culture. To quote our CEO at Schwab, 'We are people first, employees second.'"

- Embrace curiosity and vulnerability: In the quest for inclusivity, embracing curiosity and vulnerability can be a catalyst. Engaging in conversations and asking uncomfortable yet meaningful questions allow for an exchange of perspectives and insights, ultimately fostering a culture of openness and understanding.

Securing top talent requires intentional efforts, inclusive practices, and a commitment to nurturing and harnessing the power of a diverse workforce. A robust talent strategy can often determine a firm's trajectory and maximize the potential of talent investments.

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Focused on the Future:

Michael Nathanson From
The Colony Group on
Retaining Top Talent
Through Purpose,
Sustainability, and Culture



Michael Nathanson was a successful lawyer when he decided to leave his legal practice and join The Colony Group as Chair and CEO. In his new role with the financial firm, Nathanson discovered a passion for sustainability within his company and a desire to bring other financial firms along on the same journey—culminating in a collective commitment to a more sustainable industry.

Noting that past strategies may not suffice for the future, Nathanson shared his best practices for business sustainability, including the need to evolve, adapt, and collaborate.

- Have an evolutionary mindset: In today's rapidly changing business environment, the need to evolve isn't a choice—it is an imperative. This evolution requires not simply adapting to the present, but proactively anticipating the future. Survival lies in adapting to new challenges, including moving away from traditional silos like asset and wealth management and toward holistic life enrichment.

"We believe in constant innovation," said Nathanson. "It's about shaping lives far beyond the scope of financial security. It's about concierge medicine, travel, cybersecurity, nutrition, fitness, philanthropy, and more."

- Attract and retain top talent: A sustainable workforce is about more than just competitive compensation and career paths. "You have to pay people well and offer good benefits, but those are fundamental to all organizations," Nathanson noted. "What differentiates companies is their culture of purpose and connection." Companies that foster a culture of purpose and connection attract and retain the best talent.

The approach must be to *describe* the culture rather than *prescribe* it as a mandate. With a focus on kindness, valuing super teams over superstars, and ensuring that individual purpose is aligned with the organization's mission, the workplace becomes a community where individuals drive toward a collective vision.



- Achieve sustainability through six key traits: Referencing an observation from Martin Reeves of BCG, Nathanson shared that drawing parallels from these six traits of the human immune system is an effective way for firm owners to future-proof their businesses:
 1. **Prudence.** Never assume you have all the answers and be careful about the way you operate.
 2. **Modularity.** Build self-sufficient systems so that if one system fails, all systems do not inevitably fail.
 3. **Redundancy.** There must be some redundancy within organizations. Avoid over-reliance on any one individual or system.
 4. **Diversity.** Just as the human immune system cannot survive without diverse elements, businesses cannot be sustainable without diverse perspectives.
 5. **Adaptability.** The ability to change and adapt as needed is dependent on the ability to see things differently, which comes with the previous trait of diversity.
 6. **Embeddedness.** The human immune system understands that it is embedded in something greater than itself—the human



body. If the body goes down, so does the immune system. Similarly, businesses must be mindful of their place and role in the larger industry and economy.

Net Positive Pledge for a Greater Impact

With the goal of recruiting 500 financial services firms to make a commitment to giving more to the world than they take, The Colony Group will be holding a Zoom call on June 21, 2024, for all financial services firms to join the movement of making a collaborative net positive pledge. Firms can express their interest in joining by contacting Nathanson at mnathanson@thecolonygroup.com.

Interdependence

Finally, Nathanson emphasized the importance of interdependence and working together, rather than clinging solely to independence and operating within one's immediate orbit. Survival and growth hinge on working collaboratively with others.

Offering final words of wisdom, Nathanson cautioned, "If you seek for your company to be the most highly effective version of itself, embrace interdependence or face the alternative, which is ultimately, in my opinion, extinction through natural selection."