

# Picture Perfect Succession Planning

Building the vision for a successful transition of  
your financial advisory practice



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# Why a clear vision matters

When it comes to the successful transition of your financial advisory business, the first—and often hardest step is asking yourself: “What do I want my practice to look like after I leave?”

Building a vision will enable you to picture exactly what you want your future practice to look like, to ensure a continuity of care for your clients, to plan the various steps required to get there, and to identify the people required to achieve your end objective.



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This playbook will guide you through this crucial first step of succession planning. Create a vision for your succession that zooms in on your non-negotiables and ensures you can seize the benefits of targeted planning and inclusivity.



STEP ONE:



# Define your vision

The vision of a successful transition may vary considerably for different owners and lead advisors. The key, however, is that the vision you create reflects your personal desires and terms.

Your initial task is to determine exactly what your terms are and get them on paper. This is the crucial first stage of the planning process needed to help you move from the “if only...” to the “what if...”



## »»» Action points:

1

**Carry out a written exercise to define the attributes and culture that are important to you, so you can carry them forward or implement them. Do that by answering these questions:**

- Attributes
  - If you could snap your fingers and a succession was done perfectly, what are the essential ingredients—the things that would be ‘must haves’ for you?
  - What attributes does your individual successor, or bench of successors, need to have?
  - Which of those attributes are nice to have and which are non-negotiable. List out into two columns, so you can prioritize the non-negotiables.
- Culture
  - Describe your culture by listing 5-10 words that your team would agree defines your current culture?
  - Which of those cultural attributes are nice to have and which are non-negotiable? Again, list out into two columns.

2

**Summarize your findings in a clear, concise statement that others can easily articulate on your behalf. This does not need to be overly long, but it will pull out the key components from the exercise above to ensure everyone is on the same page.**



STEP TWO:

# Set your pathway

Once you've defined your vision, it's important to set out the different steps to achieving it—including how you bring the rest of your team along on the journey.



## »»» Action points:

- 1** Write down your next 90-day goals and use that exercise to identify what will help you get there; and what may hold you back. Having these listed out will enable you to leverage the positive ones and create a plan to overcome the negatives.
- 2** Identify the people in your life who can hold you accountable for the transition journey and list out how they can help you maintain focus. This can be achieved through regular status catch ups or by setting a timetable with them for different stages of the journey.
- 3** Transparency is essential. Flow Theory is maximized when the entire team is pulling in the same direction. As you build toward your vision, enact your strategies by sharing them with the wider team to get everyone pulling together.

**Flow theory** can help to set your pathway and avoid the pitfalls to succession planning. Flow theory states that three conditions must be met to achieve a successful transition, or “flow.” This means the succession plan must: 1) have clear goals to establish structure and direction; 2) be able to navigate changing demands, with real-time reviews of challenges, skill sets, and training; and 3) have development requirements to ensure business continuity.



## STEP THREE:



# Build inclusivity into your future

Diversity remains a tremendous challenge to our industry. Progress on improving diversity has been slow and, as we embark on a massive wealth transfer event, those lacking the right levels of diversity will be at a distinct disadvantage.

In short, clients/wealth holders are becoming more diverse and they expect their financial advisory teams to evolve in the same way. In fact, our own Women and Investing research shows that almost half of women clients would prefer to work with women advisors.

Therefore, building inclusivity into your vision and into your business—as early as possible—is crucial to ensuring your practice is futureproofed.





## »»» Action points:

1

**Consider who your potential successors might be, but keep an open mind when doing so. Embracing *all* talent is essential.**

Many women in this industry are still operating in Client Service Associate or back office operational roles because historically that was the only way women could enter the profession. Refocusing your approach, so that all team members get the training they need to advance and progress, will help you identify diverse talent for your transition.

2

**As the business becomes increasingly complex, with clients expecting a highly personalized approach, consider the need for building a bench instead of focusing on a singular successor.**

3

**Identify new pools of talent to match the demographics of future clients. To advance existing staff needed for improving your diversity, consider where you can find new talent to recruit that also matches your future client profiles.**

4

**Do not just factor in physical attributes, also think about mental and emotional attributes, such as:**

- Empathy
- Alignment/trust builders
- Excellent communicators
- Patient educators
- Resilient team members
- People from outside our sector (e.g., teachers, nurses, social workers, etc.)

5

**Transition your recruitment to “skills-based hiring,” which focuses on the specific skills and abilities of candidates rather than solely on their educational background or work experience. It emphasizes the assessment of candidates’ competencies that are directly relevant to the role.**

# The risk of failing to act

The key is to begin building your vision for a successful transition as soon as possible. Failure to build your vision and put the plans in place to progress could have serious repercussions for advisors, clients, and the industry.

## **For clients...**

It can create a genuine risk to the smooth transition of the trusted advisor-client relationship—impacting clients’ ongoing financial objectives.

## **For firms...**

Failure to plan can fuel a scenario where larger advisory teams capitalize on the opportunity to approach and acquire smaller practices.

## **For advisory practices not acquired...**

The risk is being devalued, jeopardizing the futures of employees at the firm and clients.

## **At the industry level...**

The risk is a rise in consolidation, meaning a loss of client choice—and a loss of confidence in the industry.

## »»» Where next:

To advance your succession, engage with centers of influence who can assist you in moving forward proactively and with confidence.

At New York Life Investments, we have extensive experience helping businesses like yours successfully define and build transition plans—and are ideally placed to help guide you through every stage.

Speak to your New York Life Investments Advisor Consultant today to learn more about how we can help you progress your succession journey.

## About the Advisor Advancement Institute

In a constantly evolving financial services landscape—where a sea of financial guidance and investment options are just a click away—we understand you face a challenge in demonstrating your value to clients in a manner that goes beyond product and performance. And we understand that achieving continual growth depends on building deeper and longer-standing relationships.

At the Advisor Advancement Institute, we partner with colleagues, clients, and their clients to uncover essential insights that can help financial advisors be better at their roles, and then turn those insights into learnings designed to better-equip you to achieve your organizational goals.

We do this by carrying out regular proprietary research that delivers valuable insights on the demographic trends, topics, and themes that will help you create better client engagement.

In short, we believe that when financial advisors create better client engagement, you will not only get more clients but also increase client loyalty and advocacy.

The role of our Institute is to help you achieve greater success.



**Theresa Gralinski**  
Head of Advisor  
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Motivational Speaker  
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To find out more about the Advisor Advancement Institute and how we are working to help people and businesses like yours grow through insights and the sharing of best practices, contact your regional Advisor Consultant, or visit our Practice Management site at [newyorklifeinvestments.com](http://newyorklifeinvestments.com).

For more information:  
888-474-7725 option 1, then option 2



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