



Secrets Behind Success: For RIAs, having the right talent requires diligence and investing in the future

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Few business challenges are as persistently difficult as trying to bring the right people into an organization to achieve important goals. The talent challenge extends across industries, economic cycles, international boundaries—and eons of time. And, in today's increasingly fluid job market, where top talent is constantly courted, even the sharpest staffing strategy is always at risk of losing its edge.

In the Registered Investment Advisor (RIA) industry, the talent challenge is even more pronounced because senior advisors continue to retire at a rate that exceeds that of new advisors entering the pipeline. Thus, for growth-oriented firms—including many that I work with every day—securing talent is at the very top of the list of concerns for the future, even above dizzying regulatory changes or the pressure to adopt the latest-and-greatest technology.

I have noticed that firms do best when they view recruiting as a core business strategy rather than a periodic event prompted by a team member's departure or an organizational need that finally reaches crisis stage. That is, they are always in recruiting mode, and treat it as part of a continuum that includes development and promotion into ever-more-critical roles in a firm's success.

Leaders of RIAs often will ask Pershing if there are any extraordinarily effective recruiting approaches we've seen across the industry. In many cases, they're looking for a silver-bullet tactic that can be quickly and cost-effectively deployed. And, although there's no one answer to such a complex question, we constantly work to illuminate best practices in every aspect of the RIA business, including staffing and team performance.

Our quest to discover and share best practices recently led us to bring in two leaders from highly successful advisory firms and two executives from Pershing, so we could discuss strategies to enhance recruiting and development, build capacity for growth, and retain top-performing talent. From the RIA world were Carina Diamond, managing director of Akron-based Springside Partners, and Mark O'Keefe, chief financial officer for Boston-based Bainco International Investors. From Pershing itself were Mark Tibergien, our chief executive officer, and yours truly (I lead relationship management for our company).

The result of our studio discussions is a new, three-video miniseries on staffing success, which continues to expand upon our popular "Secrets Behind Success" thought leadership theme. The first video in this miniseries—



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The Secret to Attracting the Best Talent—focuses on how advisory firms can successfully attract the bright, ambitious talent to build business success.

Here are a few takeaway messages from the video:

1. **Inspect candidates from all angles**—When interviewing a person for your team, make sure to look beyond intellect and experience to gauge how well the candidate will fit in with your firm’s culture. Mark O’Keefe cautions that the wrong hire can create surprising ripples of disruption—across the team, throughout various workflows, and right out to the clients themselves.
2. **Invest (money and time) in fresh talent**—Make it a priority to bring in and develop early-career talent who can grow to shape the firm’s future success. This means hiring people with limited experience (but unlimited potential) and conscientiously mentoring them. Carina Diamond emphasized the importance of internships as a staffing strategy (fact: nearly half of her firm’s employees began as interns).
3. **Leave no stone unturned in your search**—It’s difficult to find people who are both talented and likely to perform successfully in a particular firm’s culture. Think: needle and haystack. So, don’t limit your methods for finding talent. Mark O’Keefe said that his firm found talent through professional recruiters as well as through the firm’s network of contacts—but that no singular method is going to be perfect every time.

4. **Balance your team as you would a portfolio**—An effective human capital plan shares some of the characteristics of a balanced investment portfolio—certain elements are aimed toward longer-term growth opportunities while others are geared to provide greater near-term stability. Mark Tibergien pointed out that hiring experienced professionals may bring greater wisdom to the firm, but that hiring talent just out of college provides the opportunity to mold individuals—as it relates to their performance, their contribution to the firm’s culture, and their potential growth into partners of the future.

You’ve no doubt noticed a common theme here: It’s vitally important that firms proactively engage with the next generation of talent. They—and our industry as a whole—truly need this infusion of new ideas and boundless energy. There are young people graduating from colleges every day who are bright, capable and eager. A career in the advisory business offers them the chance to achieve financial success, work with teams of dedicated professionals, and positively affect people’s lives by delivering greater financial security. It’s our task to connect with these individuals and tell them more about our industry. I hope you’ll find this new video helpful as you fine-tune your recruiting strategy and build new relationships to sustain your firm’s growth in the years ahead. Stay tuned for two more staffing-related installments in our “Secrets Behind Success” series.

BNY Mellon’s Pershing Advisor Solutions provides a comprehensive array of practice management resources, programs and personalized support to help advisory firms manage and grow their business. You can engage with our relationship managers and consultants in multiple ways—receive guidance for implementing one of our programs, attend an event or practice management forum, or take part online through our webcasts. You can learn more at pershing.com.

Gabriel Garcia is a Managing Director for BNY Mellon’s Pershing Advisor Solutions in the Relationship Management group. Mr. Garcia works with registered investment advisers (RIAs) interested in developing and growing their practices, helping them to manage business issues they face. He engages advisers to help them make informed decisions around maximizing Pershing’s resources and evolving their firms to become more scalable, profitable and productive. Mr. Garcia spent his previous 15 years with Charles Schwab & Co., where he held several leadership positions in sales, training and consulting. His last six years were spent working directly with RIAs. Mr. Garcia has consulted with more than 100 firms ranging in AUM from \$50M to \$3B. He also is a frequent speaker at industry and national conferences. Mr. Garcia has 20 years of experience in financial services. Mr. Garcia earned a Bachelor of Science degree in Finance and Business Administration from Radford University. When he’s not in the office, he enjoys CrossFit and spending time with his family at the Jersey Shore.

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