

# PROS VS. CONS

## Riding Out a Broker-Dealer Acquisition



## SHOULD I STAY OR SHOULD I GO?

They're not just catchy lyrics from the 1981 hit by The Clash. Heightened broker-dealer acquisition activity is making this a very real dilemma for financial professionals evaluating their current situation and potential next move.

It's all too common that small, culture-rich broker-dealers are gobbled up by huge firms, leaving financial professionals who enjoyed their small firm asking, "Now what?"

While you may not have had the privilege to decide for yourself whether or not to move to your new firm, you do still have control over where you go next.

If you're evaluating whether to stay or go, use this Pros vs. Cons list to help guide your decision-making.

## PROS OF STAYING

### **Large Back Office Infrastructure**

Larger broker-dealers offer service & support with a large back office team providing guidance on marketing and communication, market commentary and compliance.

### **Access to Technology**

Large firms typically open up access to new technology platforms for your practice.

### **Level of Security Behind Established Firm**

Being a part of an established, long-tenured organization with massive reach provides security and peace of mind.

### **Promise of Strong Culture & Values**

Large firms promise a strong culture that delivers a positive financial professional experience, recognizing that if firms can't provide and support financial professionals, then the service they can offer clients will suffer.

### **M&A Means Growth, Which Means More Favorable Clearing Agreements**

As firms consolidate and grow, they're more likely to negotiate favorable clearing agreements that lower their costs.



## CONS OF STAYING

### **Lack of Personalized Attention**

Support team is spread out over thousands of financial professionals, leaving you playing phone tag to get answers.

### **Difficulty Transitioning Tech Platforms**

Some broker-dealers will allow you to continue using your own tech stack, while others will require you to move onto their platform. Meanwhile, support resources are often tied up and unable to provide personalized IT support.

### **Becoming 'Just a Number'**

Financial Professionals find that the hierarchical structure of their new, larger organization lends itself to difficulties voicing their opinions.

### **Inflexibility in Running Your Business**

Financial professionals who come from smaller firms typically value a culture of service, where they have the freedom and support they need to provide superior customer service to their clients and manage their business the way they deem appropriate.

### **The Larger the Firm the Larger the Fee**

Unfortunately, lower costs associated with more favorable clearing agreements aren't usually passed along to financial professionals.

### **Not Delivering on Their Promise**

Large broker-dealers promise vast resources at your disposal, but the reality is those resources are often tied up in the constant flow of merger & acquisition activity that financial professionals are left to fend for themselves.

### **Learning a New Rulebook**

It's not just business as usual. With a new firm comes learning a new rulebook and shifting your systems to that of your new firm.

### **Adjusting to New Organizational Processes**

Additionally, with a new organization comes new processes to get used to. No two broker-dealers are the same, and therefore, every firm approaches processes differently, potentially adding administrative burdens for you to navigate.

# YOUR PROS VS. CONS WORKBOOK

Use the space below to evaluate your own pros vs. cons when deciding your next broker-dealer relationship.

## PROS OF STAYING

## CONS OF STAYING



## DISCOVER THE SMALL FIRM WITH BIG IDEAS.

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