Make the Transition to Fee-Based

Is it right for your practice?

Considerations when transitioning to a fee-based practice:

1. **Make sure you are ready.**
You are committing to a new way of doing business in which you will be receiving ongoing fees. Client service is a must in this model. If receiving a fee, you are required to have regular, documented meetings with clients that show you are managing both the investments and clients.

2. **Conveying your value to clients.**
Are you able to show clients that you provide enough value for the advice you are charging them for?

3. **Trial approach.**
Present your new business model to 3-5 clients. Solicit feedback and pay attention to particular questions and concerns. This will help you identify roadblocks you may face during your transition.

4. **Don't attempt to move all your clients at once.**
Divide your client base into groups according to assets. Start moving those clients on the lower end of the spectrum initially to enable you to work through any obstacles that may arise.

5. **Understand tax free share class exchanges.**
Clients may have ability to transition existing mutual funds that you wish to manage to institutional share classes on a tax advantaged basis. Typically your clearing firm can help identify eligible mutual funds.

6. **Contingent deferred sales charges & custodian transaction fees**
Certain share classes of mutual funds have CDSC's if moved within a specified period of time. In addition no transaction fee mutual funds and ETF's may have fees associated if sold too soon after purchase.

7. **Fees are tax-deductible on most accounts.**

8. **Have the necessary support structure.**
Having the right technology and team in place is crucial. To be truly successful you need to maximize time working on your business vs. in your business. Successful practices have a solid, scalable foundation that creates easily repeatable processes.

9. **Determine if you want to be an asset manager or a relationship manager.**
As a business person you will need to evaluate your best use of time. Although it's fun for many of us to pick investments and watch a screen, many successful advisors have determined this is not what they do best. Only you can determine what's appropriate for your clients.

10. **Build a plan but be flexible enough to change if necessary.**
A good plan should identify goals, client needs, and services to be provided. Regularly evaluate plan and adjust course as needed.

Partner with a professional team with a *record of successfully transitioning practices.*

Concorde has helped many advisors transition their practice in a profitable, scalable, fiduciary responsible manner.

Concorde Asset Management