

Due Diligence for Your Transition

The Questions Every Advisor Should Ask Before Switching Broker-Dealers

Key Takeaways

- What are the baseline economics and legal terms you need to know before evaluating anything else?
- Does this firm's vision, culture, and operating philosophy align with the business you want to build?
- What costs and risks does the headline transition package obscure?
- What does long-term support look like after onboarding ends?

Two transition packages can look nearly identical on paper and lead to very different outcomes five years later. The most successful advisors evaluate alignment, operational readiness, client impact, and long-term growth potential before making a move. Use these questions to see the full picture.

What Baseline Terms Should Every Advisor Understand Before Evaluating a Package?

Before assessing culture, growth support, or client experience, understand the core economics and legal structure of any offer. These are the non-negotiables:

- Upfront payment structure and forgiveness terms
- Backend or earnout milestones
- Deferred compensation and tax implications
- Equity or revenue-sharing opportunities
- Non-compete and non-solicit review with legal counsel
- Protocol vs. non-protocol transition considerations

Once those basics are covered, the more important questions begin.



“As soon as you start talking numbers with a recruiter, you should get legal counsel. It’s the best investment you can make.”

—**Trevor Wilde, AIF®, CEO & Investment Adviser Representative, Wilde Wealth Management**



Will This Firm Support the Business You Want to Build?

Before evaluating any package, define what success looks like for your practice over the next five to ten years. Without that clarity, headline numbers become the default criteria.

Ask yourself what you're really after: more autonomy, better technology, a stronger client experience, more enterprise support. Then pressure-test the firm against that vision. Does the culture align with how you want to operate? Are you getting thoughtful answers or rehearsed recruiting answers?

Culture reveals itself early. How a firm handles responsiveness, transparency, and hard questions during recruiting signal what the long-term relationship will look like.

What Does the Transition Package Actually Cost You?

Large packages attract attention, but short-term gains can obscure long-term outcomes. Performance triggers, legal limitations, and hidden costs all affect the real value of a move.

Beyond the headline number, account for compliance expenses, staffing needs, technology conversion, temporary productivity disruption, and client attrition. Operational readiness matters more than most advisors expect. Clean CRM data and organized workflows can materially improve transition speed and asset retention.

Advisors who reinvest part of their package into staffing, marketing, and/or client service infrastructure tend to see meaningful long-term value from that choice.

How Will a Transition Affect Your Clients' Experience?

A successful move should improve your clients' experience, not just your economics. Evaluate realistic attrition expectations, what onboarding and account transfer support look like, and what operational help is available in the first 60 – 90 days.

How Do You Evaluate Technology Beyond the Demo?

Ask advisors who've already been through the process: How integrated is the technology in practice? How long did full adoption take? How responsive are support teams once the transition is complete

What Does Support Look Like After the Transition?

The strongest firms don't simply fund a move; they help advisors build stronger practices afterwards. Evaluate what's available after onboarding:

- Marketing and growth support
- Succession planning resources
- Business consulting
- Technology enablement
- Lead generation capabilities

Many successful transitions follow a recognizable pattern: year one focuses on migration and stabilization, year two on growth and optimization, and by year three, advisors who chose the right environment often outperform prior production levels. That trajectory depends almost entirely on what infrastructure exists after the recruiting conversation ends.



"Treat yourself like a client. Review your plan, understand your risk, and invest your time and resources where it matters most."

—Chris Sorsoleil, Managing Director of Enterprise Recruiting and Operations, Cetera



Are You Ready for a Transition?

Every transition looks compelling in a recruiting deck. The real question is whether it fits the business you want to build.

Ready to Have a Transition Conversation?

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