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The First 365 Days: How to Set Up For a Successful Career as a Financial Advisor

By Shareen Pathak



Financial Advisor 2010 Special Report

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Say goodbye to your friends, family and loved ones, and have a cup of java at the ready: You're about to be a [financial advisor](#), and long nights are the norm.

The first year after passing those dreaded Series 7 and Series 63 exams can be crucial for your career. Expectations are high to build your client book, meet production goals and become a networking whiz.

It stands to reason that the first year is also the busiest. For independent advisors or those working with boutique firms, the pressure is on to build a network for client referrals, brand your own name, and make some money while you're at it.



At the wirehouse firms -- [Morgan Stanley](#), [Smith Barney](#), [Wells Fargo Advisors](#), [Merrill Lynch](#) and [UBS](#) -- rookie advisors can expect to undergo a highly-structured year: with regimented studying and exam-taking.



Wirehouse Workhorse

Here's what a typical first year looks like for wirehouse advisors.

Phase 1: Pre-certification

Barry Krouk, head of talent management at Morgan Stanley Smith Barney, said that the first four months are essentially devoted to fulfilling licensing requirements like the series 7 and the series 63.

Meanwhile, newbie FAs also are assigned a coach to teach them the basic fundamentals of the business. The FA is taught the ABCs of investment excellence, business planning and client acquisition. At the end of month four, the FA has to pass a test of basic proficiencies.

From there, they can start hunting for clients.

Phase 2: Months 1-8

For eight months after the basic test, FAs undergo structured coaching, which includes regular homework assignments. But this isn't like college: recruits are expected to be filling the firm's coffers while learning.

"They are producing, either as self-proprietors or as part of a team," said Krouk. "But we highly recommend that they work as part of a team." He declined to detail the exact production goals that are set for the period, but emphasized that there are monthly and quarterly hurdles.

Phase 3: Months 9-24

Krouk said that at some point after month nine, client acquisition moves to the forefront. Around the end of the first year, FAs also begin studying for the CFP exam, which can take up to four years to complete.

Production

Bill Willis, president of Los Angeles-based financial recruiting firm Willis Consulting, said that the first year at a wirehouse you are given a specific number that you must meet. "At major firms, it

can be \$20 million for the team" he said. According to Registered Rep magazine, the [minimum for survival at a wirehouse is \\$250,000 in production for the first year](#).

Independents/Boutique Firms

The journey from FA rookie to veteran is mapped out every step of the way at the wirehouses. Not so at independent firms. Every FA shop has its own development program. Still, there are milestones that are fairly consistent between firms, like production and networking goals. While not as scripted as at wirehouses, there are steps you can take in your first year as an FA at an independent shop that will help ensure long-term success.

Production

Production goals are slightly lower at smaller firms. Though every firm will set their own goals for its advisors, about \$117,500 in production in the first year is the hallmark of a high-achieving FA, according to Liz Farrar, a partner at New York-based recruiting firm Vousden Associates.

In the beginning, at smaller firms, the focus is on networking with potential clients and building relationships, rather than production -- hence the number is vastly lower than at a wirehouse.

"So much of the year was spent in figuring out what kind of clients I wanted to prospect," said Jason Crowley, an investment advisor at Atlanta-based Buckhead Investment Partners. "I was focusing more on building a personal relationship with people."

Networking

Carolyn McClanahan, founder of Jacksonville-based Life Planning Partners and the head of the basic training program at The National Association of Personal Financial Advisors (NAPFA), said that networking is one of the most important things an FA should be doing in her first year. She went to three conferences in her inaugural 12 months -- one at NAPFA, one at the Financial Planning Association, and one residency program that actually counts as three months of experience towards your CFP.

"Especially for those starting their own practice, the networking and meeting vendors at these annual conferences is the number one thing," McClanahan said. She also advised joining study groups organized by NAPFA, which allows up-and-coming FAs to "suck everybody's brains."

Marc Shaffer, a financial planner at Overland Park, Kan.-based Searcy Financial Services, said that he prefers local networking efforts. "Join charity groups, social clubs, and find a group that meets weekly, not monthly," he said. "It's like farming, not hunting -- plant your seeds and wait for them to harvest."

Centers of Influence

Advisors need referral partners and people they can work with: [accountants](#), [insurance](#) brokers and estate planning attorneys. Sometimes, the firm has its own team that a new advisor can work with, but firms are always looking for new referral partners -- people they can work with and collaborate on ideas with that will also send clients their way.

For newbie advisors, a significant amount of time in your first year is spent in deciding who will take on those three roles. Crowley met with almost 75 accountants before he found the perfect one for him. "These are the people who will refer clients to you, and you will refer yours to them," he said. "Find someone with the same ideals and standards of service as you and your firm."

Wirehouses v. Boutiques: Which Is Best?

For entry-level FAs, the wirehouse is the best place to start your career, said Willis. "Smaller firms don't have the training means for entry-level points," he said. "Your best bet is to pass your series 7 and get assigned to a team as a junior broker and work your way up."

But those with previous experience as lawyers or accountants, for example, are undoubtedly at an advantage. At Morgan Stanley Smith Barney, a "good percent" of folks are coming in from [sales](#) and finance roles, said Krouk. Willis agrees: "Second-career candidates already have a pretty good circle of contacts that will become clients or referrals," he said.

Checklist: By Day 365, What Should an FA Have in Her Vault?

"A thorough understanding of the business." -- Barry Krouk, Morgan Stanley Smith Barney

"Some speaking engagements at industry conferences." -- Marc Shaffer, Financial Planner

"A list of contacts." -- Carolyn McClanahan, NAPFA

"A good percentage of assets that would be transferable with you if you left your firm." -- Liz Farrer, Recruiter

"Pride in the business you've brought in and your company." -- Jason Crowley, Financial Planner

"Money." -- Bill Willis, Recruiter

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