

Advisor Recruitment Mystery Shop Study

April 17, 2019

Background

The advisor recruitment market is highly competitive. Financial services firms have built distinctive programs to attract the best individuals to deliver advice to its client base. DALBAR would like to launch a mystery shop study focused on the recruitment efforts by financial service firms. The study will assist firms to strategically grow its investment advice teams. DALBAR is specifically interested in uncovering recruitment practices and onboarding efforts that improve the recruitment experience.

Study Objectives

- To compare recruitment and onboarding efforts amongst leading financial services firms.
- To gather physical and digital collateral material that accompanies the recruitment process.

Areas of Focus

- Recruitment Approach
 - Identify the recruitment approach used to attract and secure the prospect
 - Map the recruitment process specific to each firm
- Interview
 - Identify the interview stages required to secure a position
 - Identify titles of individuals who are involved at each stage of the interview
- Compensation
 - Identify compensation structure for varying asset levels
 - Base
 - Commissions
 - Bonus
 - Profit sharing
 - Award levels
 - Collect compensation & payout schedule material where available

- Expenses
 - Identify expenses covered by firm and advisor

- Onboarding
 - Outline training program
 - Mentorship availability
 - Probation period

- Sales Expectations & Support
 - First year targets
 - Ongoing targets
 - Sales tools
 - Sales support
 - Continuing education

- Other
 - Non-compete clause upon exiting

Mystery Shopper Profile

- Demographic profile
 - Males and Females
 - 25-45 years old
- Each firm will receive 2 shops each
 - Rookie prospect
- All visits will be inquiry based only
- Prospects will submit a full application where possible

Test Group

A total of **30** mystery shops will be completed for this study. Each of the 15 firms will receive 2 mystery shops from rookie prospects.

US Firms ¹	
1.	Ameriprise
2.	Axa Advisors
3.	Cambridge Investment Research
4.	Charles Schwab
5.	Commonwealth Financial Network
6.	Edward Jones
7.	Fidelity
8.	LPL Financial
9.	Merrill Lynch
10.	Morgan Stanley
11.	Raymond James
12.	Securities America
13.	TD Ameritrade
14.	Waddell & Reed
15.	Wells Fargo

Methodology

Examples of proposed script for the mystery shops:

Rookie Prospect Script

- *“I’m considering a role as an investment advisor. I’m currently meeting a couple of firms to determine which would be the best fit for me. What programs do you have for new advisors like myself?”*

Examples of prompts shoppers may use during the visit:

- *“How much more attractive can you make this offer if I decide to join your firm?”*
- *“Can the compensation structure be negotiated further?”*

¹ Companies subject to change

Cost

- **Before May 15th, 2019**
 - \$17,500
 - Firms subscribing by April 30th will have the opportunity to finalize the survey ensuring key areas of interest are considered.
- **After May 15th, 2019**
 - \$22,500

Deliverables & Timeline

- Results will be presented in raw data format (excel spreadsheet).
- A presentation deck of up to 20 slides summarizing the overall results.
- Data will be delivered no later than September 30, 2019.

Next Steps

For more information about DALBAR's Advisor Recruitment Study, please contact:

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