

# ASKING THE RIGHT QUESTIONS OF YOUR NEXT TRANSITION TEAM



You've made up your mind, it is time for a change. The next steps may seem daunting; however, you know deep down it is the right decision for you and your clients' future.

According to a recent study by Fidelity Institutional®, 64% of advisors who were preparing to change firms were concerned about the time it takes to make a transition, and 51% were worried that many of their clients would not follow them to their new firm<sup>1</sup>.

The same Fidelity Institutional® report found that 96% of advisors were happy with their decision to move. While these common concerns over a transition are valid, the numbers show that you know your clients best and understand when a move is necessary to benefit your practice. In fact, the median increase in assets under advisement (AUA) after a transition was 30%.

Ultimately, preparation is key to identifying the right partner firm for you. If you have a short-list of firms you wish to complete due diligence on, a key area to assess is the firm's transition capabilities.

## Ask your next partner firm's transition team how they can back your business during this critical time with this guide:

### ✓ PRIORITY CLIENT IDENTIFICATION

Every client is a priority for you, but it's important to identify which clients may have to be taken care of first and foremost. Your new partner firm should cater to varying needs among your client base.

Discuss an "A, B, C" client strategy in which you categorize top tier clients as A, middle tier as B, and so forth. The A-clients could be the clients who have been with you the longest, hold the most assets, or may be the most sensitive to change. Whatever parameters you define, ask if your new partner firm is willing to take extra measures to be sensitive to those clients' transition.

### ✓ DEDICATED SUPPORT TEAM

It's never been more critical to make sure you have a dedicated team at your side. Ask questions to get the details of who will be supporting you through your transition.

It is important to have the right people – and technology – in place to execute your transition. Finding a firm that has a transition support team and technology already in place is highly advantageous. However, depending on the answers to your questions, you will need to consider dedicating your in-house staff to transition and adding technology resources to make the process more efficient.



**What will you do to meet the needs of my priority clients?**

**Can I customize the escalation path for the transition of priority client accounts?"**



**Who will be available during my transition and what will their intended roles be?**

**Will I get a dedicated main contact I can call and email directly?"**

## ✓ PROACTIVE TRANSITION PLAN

Your next partner firm should act as your trusted guide throughout the transition journey. Everyone – you, your team, and your transition contact – should be on the same page with trackable, defined milestones.

Can the firm prove they are prepared for your transition by providing you with a written transition plan? Ask if they will customize your transition plan to your book of business and supply you with a checklist to supplement your team's organization efforts. Don't forget to request a list of current advisors who you can talk to candidly about their transition experience.

## ✓ PROCESSORS THAT DELIVER

Your business doesn't stop during a transition. Ensure the firm you are considering has adequate staff to process your volume of accounts on time and in good order. A firm needs experienced staff ready to help you repaper and move your client accounts on time.

Ask what their average transition time is and how many people are on the team to assist with repapering and transferring your client accounts. Ask if there is transparency for you to see the status of every client's transition.

## ✓ ASSETS MOVE OVER IN-KIND

Ask the right questions to ensure your products and assets are eligible to move over in-kind so your clients experience as little disruption as possible. Don't assume anything; do your due diligence to ensure the third-party money managers and products you use are available for continued use or have an alternative solution.

Check to see if any investments you currently use are proprietary to the firm you are leaving. If your clients own any investments or alternatives such as interval funds, leveraged and inversed exchange-traded funds, 1031 exchanges, penny stocks, marijuana stocks, crypto funds, or other alternative investments, these may not be supported by your new partner firm. They may allow the investment to move over, however, ask if they will allow you to continue selling these kinds of offerings going forward.



**Will you be creating a transition plan specific to my book of business – with clear milestones and a checklist?**

**Do you have advisors I can speak with?"**



**What is your average transition time?**

**Can I see the status of my clients' accounts, on-demand, throughout the process?"**



**How will you ensure all my client assets will move over in-kind?**

**How will you handle items that aren't supported by your firm at this time; do you make exceptions?"**



## Transition Made Simple

It's human nature for change to create a sense of uncertainty. That's why, at Cambridge, we believe every advisor deserves an efficient, easy-to-follow transition guide. When you align with us, you'll gain a team to walk alongside you during the transition process. You can expect:

- ✓ **Transition Team:** Whether you are joining Cambridge direct or through an existing office, you will gain access to a transition team who is always available to you. Your team will connect you to the firm's subject matter experts and resources in the areas of technology, compliance, marketing, and operations.
- ✓ **Customized Transition Plan and Timeline:** We will spend time getting to know you and your business so that together we can create a detailed, customized transition plan and timeline. As a result, you will know what to expect before, during, and after your move.
- ✓ **Swift Processing:** When you join direct, our Operations Client Onboarding Team will use key technology capabilities like eSignature, LaserApp, and Docupace to help you move your client accounts quickly and efficiently. You will have access to our online Paperwork Status Monitor to see detailed information on the progress of your transition.
- ✓ **Client Communication Materials:** We understand the last thing you want to do is leave your clients in the dark. We will help you stay in touch with your clients by supplying access to pre-approved communications and brochures so everybody is on the same page.
- ✓ **Flexibility for Assets to Move Over:** After transition, our universe of company and product offerings is available to you, featuring a wide range of investment choices and third-party money managers designed to put you in the best position to serve your clients.

Regardless of why you're choosing to make a move, we understand that a seamless transition isn't possible without the ability to adapt quickly along the way. No matter where you are in your transition timeline, you can expect to receive the flexible support you need from Cambridge.

# YOU DESERVE THE BEST OF THE BEST DURING YOUR TRANSITION JOURNEY

Call Cambridge today for a transition consultation with  
a Business Development representative at 833-741-0499.

## About Cambridge

Cambridge Investment Group, Inc. is a financial solutions firm focused on serving independent financial professionals and their investing clients. Cambridge offers a broad range of choices for independent financial professionals regarding solutions for advice, growth, technology, and independence. Cambridge's national reach includes Cambridge Investment Research Advisors, Inc. – a large corporate RIA; and Cambridge Investment Research, Inc. – an independent broker-dealer, member FINRA/SIPC, that is among the largest internally controlled independent broker-dealers in the country.

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<sup>1</sup>2020 Fidelity Advisor Movement Study

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