BRIDGEMARK STRATEGIES

BEYOND THE PAYOUT:

HOW ADVISORS SHOULD EVALUATE FIRM TRANSITIONS IN TODAY'S LANDSCAPE

A Deeper Dive Into Feel, Fit, and Financials™

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Executive Summary

Every year, a significant number of financial advisors contemplate switching firms, Industry studies measuring advisors that have had at least one conversation with another firm show that number may be as high as 20% in any one year. Why are so many advisors willing to look around? This may be to attain autonomy or control, access better tools or technology, or to improve their overall economics. Many decisions are initiated to pursue upfront signing bonuses that may be available, including equity in the new firm.

Many advisors approach this life-changing decision with an imbalanced lens, largely because of inexperience. Unknowingly, they give undue weight to factors that may be easier for them to assess, such as recruiter likability and headline compensation including payout or upfront money. Unfortunately, advisors often overlook deeper systemic and structural factors that are critical to longer term success.

It can be overwhelming to evaluate changing firms as there are so many choices and too many different data points to compare. The first decision which needs to be made is what firms do you even speak with, and why? It then extends to how do you compare firm A to firm B? Most financial advisors don't change firms regularly; the last time they changed firms may have been ten or more years ago.

Oftentimes, advisors don't know where to turn or who to speak with. They begin by asking trusted friends and wholesalers when they start their research. While these sources will have good intentions, they will have limited scope of expertise in providing any real guidance. This leaves the advisor's decision largely based on the information a recruiter representing a firm shares and the advisor must educate themselves about the firm, including potential pitfalls. The end of the research often comes down to the recruiter at a particular firm that "connected" with the advisor, someone they liked the most. This can be a critical mistake.

Another factor that often determines the final firm is the firm that is offering the best payout, or upfront money. While this is a critical item to evaluate, it should not be the sole factor to making this decision.

This is where the Feel, Fit, and Financials™ framework comes into play.

Designed to educate and help advisors better prioritize and evaluate firms, Feel, Fit, and Financials™ was created by Jeff Nash, CEO and Co-Founder of Bridgemark Strategies. This white paper expands on the Feel, Fit, Financials™ outline, drawing on industry studies, advisor sentiment research, and expert insights to provide empirical grounding for why feel and fit are so critical to determine long-term success – much more than financial incentives alone.

With refined guidance, illustrative (hypothetical) case studies, and a structured evaluation process, advisors can make their transition decisions with the confidence that they have a secure footing.

1. The Pitfalls of the “Money-First” Mentality – Why Some Transitions Fail

Emotional Drivers Behind Transitions

Industry research shows that advisor transitions are often emotionally driven. Compensation is the top lure, but dissatisfaction with leadership, culture, or strategic direction typically drives departures. Studies like Why and When Financial Advisors Change Firms[1] and Inside the Mind of the Modern Advisor[2] emphasize that mentorship, autonomy, and culture increasingly outweigh compensation.

The Data Behind Retention and Attrition

- Culture and leadership rank as top retention predictors. J.D. Power and NAPA studies both show advisors who remain loyal rate leadership and culture highest.
- Technology and succession planning also affect satisfaction and retention (Cerulli/BISA 2023).
- According to Herzberg’s two-factor theory[3], compensation is a hygiene factor; true retention stems from motivators like growth and fulfillment.

The Hidden Costs of a Misaligned Move

Choosing the wrong firm can lead to lost clients, stress, operational friction, and reputational damage. Advisors must resist the lure of upfront money and instead assess long-term alignment.

2. Strengthening the Framework — Feel, Fit, and Financials™

Feel: Culture and Philosophy

Feel is the foundation. It encompasses a firm's mission, leadership, and alignment with an advisor's philosophy.

Key Components:

- Firm vision, ethics, and leadership behavior
- Decision-making transparency and advisor inclusion
- Values and business philosophy

Some Questions to Ask:

- How is leadership structured and how accessible are decision-makers
- What defines the firm's service philosophy?
- How have the priorities shifted over time?
- What are the firm's goals?
- How do you assess the culture of the firm?
- What distinguishes the firm from competitors?

Understanding a firm's culture and philosophy and making sure they are aligned with the advisors' is critical to a decision.

Examples of culture can be a firm that caters to high-net-worth clients when an advisor has mass affluent clients or vice versa, or a firm that has a proprietary technology stack when an advisor is looking for open architecture on technology.

Fit: Operational Alignment

Fit addresses deal breakers. Advisors should identify must-haves and can't-haves, including items like technology, products, support, and compliance.

Dimensions of Fit:

- Technology, including CRMs and planning tools, performance reporting, clearing or custodian, proprietary vs. nonproprietary, integrated vs. stand-alone, etc.
- Products including money managers, alternative investments money management philosophy, annuities, and other insurance products
- Compliance, including approval on outside business activities, oversight trading or replacing products, advertising and marketing approval
- Service model and staffing depth including hold times for service and support areas for staffing depth - who are the people that are providing their support, what is their experience?

Industry Findings:

Technology dissatisfaction is among the top reasons advisors change firms (Cerulli 2023). Additionally, operational misalignment undermines client trust and satisfaction. There is often no such thing as a perfect fit with a firm having or doing everything an advisor needs. What's critical is to identify critical needs and to make sure a firm can't just accommodate those items but supports and embraces those items.

Financials: Negotiation and Total Value

Financials are also important, thus rounding out the three legs of the stool, however financials come last. The discussion of compensation should clarify and refine the decision, not drive it, especially at the sacrifice of Feel and Fit.

Beyond Payouts:

- Base and variable pay
- Transition bonuses and deferred compensation
- Platform fees program fees and expenses
- Succession and equity programs

Negotiation:

Most elements are negotiable. Advisors should leverage market benchmarks and consultant insights to ensure total value (not just cash flow) supports long-term growth.

Expert Consensus:

Don’t let a firm give you more money to win your business at the expense of the firm not having the Feel and Fit that are being sought after. Money doesn’t replace happiness when signing a long term note.

3. Applying the Framework

Step-by-Step Advisor Process

Phase	Focus	Key Actions
Discovery	Define values and goals	Review where you are and where you are headed
Filtering	Prioritize culture fit	Hold exploratory talks with leadership
Due Diligence	Test operational fit	Assess technology, compliance, and client experience tools
Negotiation	Finalize compensation	Leverage market data and consultants
Decision	Evaluate tradeoffs holistically	Confirm long-term alignment

Hypothetical Case Examples

Case 1: An advisor offered a large bonus discovers product limitations that compromise client needs — a poor fit despite strong financials.

Case 2: Two firms offer similar cultures; one provides stronger tech integration but lower payout. The advisor chooses alignment over immediate compensation and thrives long-term.

(While these examples are hypothetical and provided for illustration only, they have happened.)

4. Expert Perspectives and Industry Trends

- **Culture over Cash:** Experts consistently stress that cultural alignment outweighs short-term incentives.
- **Retention Focus:** Firms investing in culture and leadership transparency experience higher retention rates.
- **Advisor Mobility:** Over 9,600 advisors switched firms in 2024, reflecting greater demand for independence and cultural compatibility.
- **Technology as Differentiator:** Platform quality now ranks alongside payout as a key decision factor.

Academic and practitioner sources converge on a single insight: **Advisors succeed where they feel aligned.**

5. Bridgemark Strategies' Role

Curate

Clarify advisor goals and screen firms for alignment, saving time and avoiding mismatches.

Evaluate

Provide due diligence with structured comparison tools and insight into must-haves versus deal breakers.

Negotiate

Leverage deep market intelligence to negotiate favorable, comprehensive packages beyond payouts.

Bridgemark consultants speak with advisors daily. They collectively have more years of experience and knowledge that they leverage to gain market intel to support advisors' transition research. They know the ins and outs of market trends and opportunities, and will provide non-biased, thoroughly researched options.

Conclusion

Changing firms is among the most consequential decisions an advisor will make. The **Feel, Fit, and Financials™** framework empowers advisors to prioritize culture, operational alignment, and value structure in the right order.

Key Takeaways:

- Lead with *Feel*: Culture first, always.
- Confirm *Fit*: Ensure operational alignment and eliminate deal breakers.
- Then address *Financials*: Negotiate only after alignment is established.

By following this disciplined framework - and partnering with a firm like Bridgemark Strategies - advisors are able to make confident, values-based transitions that serve both their clients and their long-term business success.