



**5 steps for leveraging values to build a loyal advisor team.**

**Even as the wealth management industry draws growing numbers of clients and ever-larger portfolios, firms are struggling to find and retain talent—and potentially missing a huge opportunity. Despite the rise of digital tools, investors still want meaningful, personalized guidance from human advisors.<sup>1,2</sup>**

The wealth management industry is losing advisors faster than it can replace them. Cerulli estimates that nearly 103,000 advisors will retire in the next decade, representing nearly 40% of the total advisor headcount.<sup>3</sup>

At the same time, wealth management organizations must contend with a rapidly converging industry, evolving investor demands, and a looming generational wealth transfer—all of which makes finding not just enough people, but the right people, critical for long-term success. And, amid these challenges, many firms are overlooking an essential resource in talent growth and retention.

**Organizational values play a larger role than ever in attracting advisors.**

Read on to learn how leveraging your firm's core values can help you find and keep the right people, with five crucial steps for activating values within your firm culture.





**Your most  
valuable asset.**





## YOUR MOST VALUABLE ASSET

Every organization has a set of core values. Company culture is the assimilation and expression of those values, though the degree to which they're expressed can vary. In a values-driven culture, a firm's core values dictate every interaction your team members have with each other, with clients, and with all the stakeholders in your ecosystem.

In an industry beset by change, culture can be a firm's most valuable asset for attracting and retaining advisors. Like many investors, advisors today are looking beyond financial benefit; they're looking for meaning. Many are willing to make a significant personal, and often monetary, investment in a firm primarily because they buy into the values of the people behind it.

Here are a few key areas where developing a values-driven culture can help you build a committed team that's ready to lead your firm into the future.





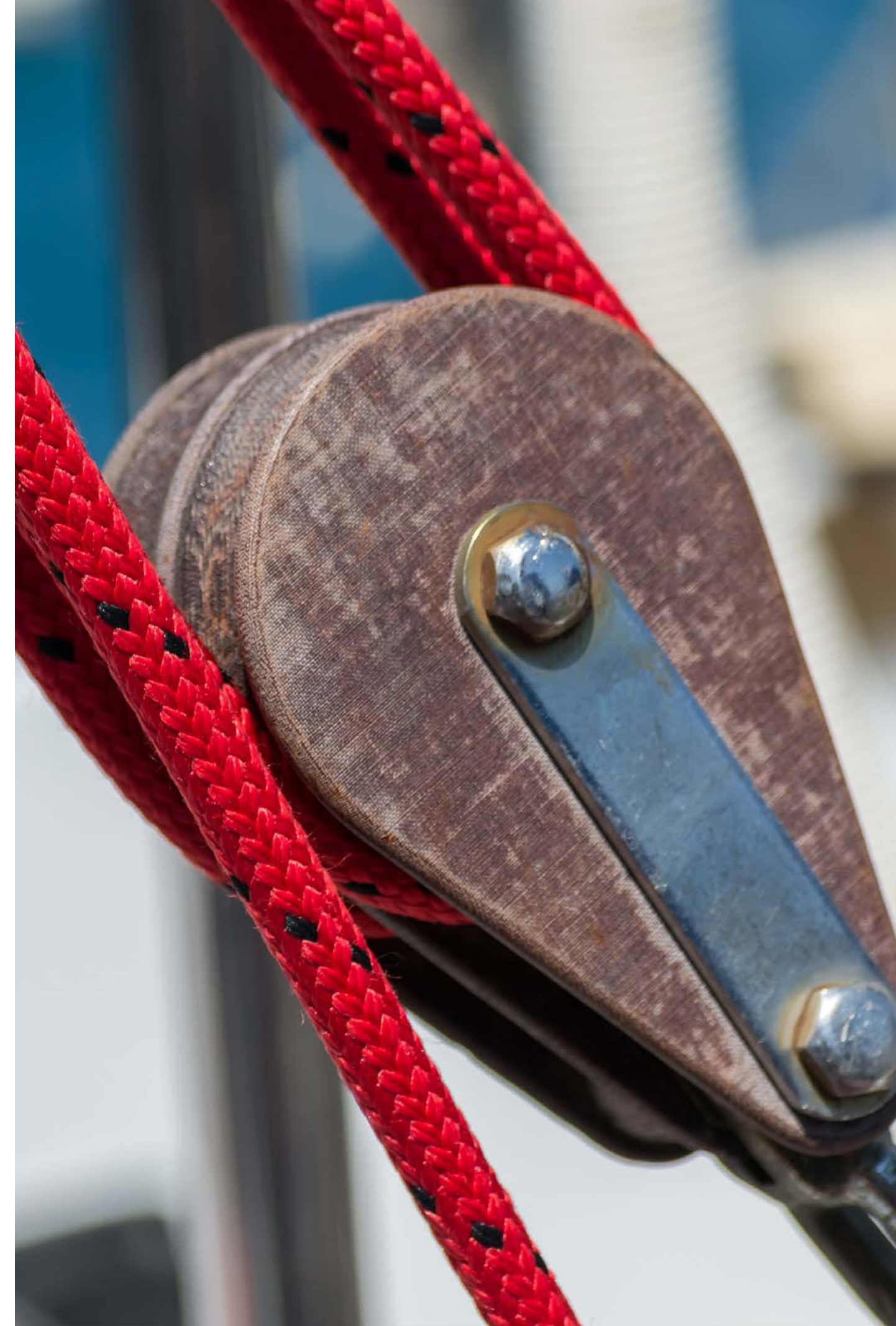
YOUR MOST VALUABLE ASSET

## Create a competitive advantage

While recruiting advisors is a top priority,<sup>4</sup> wealth management organizations are competing for talent in a shrinking pool—and potentially poaching each other's top performers. According to Lisa Salvi of Schwab Advisor Services, only 26% of firms have recently hired students out of universities; 42% planned to recruit from other organizations.<sup>5</sup>

A values-driven culture can give your firm a competitive edge in attracting and retaining advisors, largely because values are often what draws advisors to specific organizations in the first place. Take fiduciary responsibility, as an example. In our experience, advisors often choose to join or leave a firm based on a kind of litmus test: How true is the firm to providing advice that puts clients' needs first? This evaluation goes beyond meeting legal or regulatory obligations; it relates to values around integrity and purpose.

Putting values front and center in your practice will not only help distinguish your firm from other employers; it also builds trust and loyalty among your advisors. As noted in our article on leveraging values in practice management, we've found that firms with a strong values-driven culture are the ones winning the war for talent.





YOUR MOST VALUABLE ASSET

## Empower your people

Beyond talent acquisition, shared values are key to unlocking your team's potential. Advisors want an environment in which they can grow and thrive, and a values-driven culture helps them achieve greater productivity and performance.

Having clear guidance in the form of shared vision, values, and boundaries empowers everyone in the firm to move faster, make better decisions, and take action that supports your firm's goals. As a result, your firm can be much more dynamic and responsive to your clients.

At SEI, we leverage our values-driven culture to enable confident decision-making in our client relationships. How can we trust 30-somethings to manage multi-million-dollar relationships? Because they understand and embrace our organizational values and embed them in everything they do.

Your firm's core values will always be true north for your people. As long as you can push decisions to, and have trust in, your employees, a values-driven culture can lead to greater resilience, stronger performance, and more meaningful client experiences.





YOUR MOST VALUABLE ASSET

## Shore up your legacy

At a time when wealth management firms face an impending wave of retirement, developing the next generation of leaders is critical to building a legacy. Yet, among advisors retiring in the next 10 years, more than a quarter—representing \$1.8 trillion in assets—have no succession plan.<sup>6</sup> One way to help ensure a smoother “buying of the books” is establishing a values-driven culture.

Products and technology will always change. Values are core to the legacy of a firm, helping to facilitate succession and create continuity for clients of retiring advisors. Defining your firm’s core values and hiring advisors who embrace them not only creates better team dynamics, but also helps the team carry forward your particular brand of client service.

In addition, building a passionate, values-driven workforce positions your firm to attract and retain the next generation of advisors, which is crucial for capturing the next generation of wealth holders. In our experience, wealth managers who have had great success retaining younger beneficiaries do so because of two factors: they hire advisors of that generation, and the advisors are aligned with the firm’s values and those of the families being served.





**In the end, being clear and direct about what you stand for will help ensure the continuity of your firm's people, culture, and values as you prepare for the future.**





**5 steps to turn ideas  
into action.**



## 5 STEPS TO TURN IDEAS INTO ACTION

As a leader, you may have a set of values that embody your vision for a wealth management firm. But if those values aren't turned into real action, they're not defining your culture. In addition to communicating and embodying a firm's core values, leaders must also develop the culture and processes to help employees model behaviors and make decisions that strengthen those values every day.

Keep in mind that once you publicly express a set of values, your employees are going to hold you accountable. Failing to live up to promised values can signal that they're not really a priority—or, worse, they're inauthentic—and will likely cause advisors to exit.

In over 50 years as a values-driven organization, SEI has adhered to two core principles:

- 1. You can't get people to change if you don't listen.**
- 2. You can't get people involved if you don't act.**

Here are five ways we've learned to channel values into action.





## 1. Listen closely

Core values must come from within your firm, not from external forces, and identifying those values requires understanding what's important to your people. The first place to start is with listening. As a leader, if you don't value listening, you're not going to be able to understand the values of others.

At SEI, we use a technique called active listening, which involves making a conscious effort to fully understand the message being communicated. It requires giving someone your undivided attention, listening for the thoughts and feelings behind the words, and indicating verbally or nonverbally that the speaker has been heard and understood. In our experience, active listening offers a gateway for employees and leaders to learn from one another, and it encourages open communication.





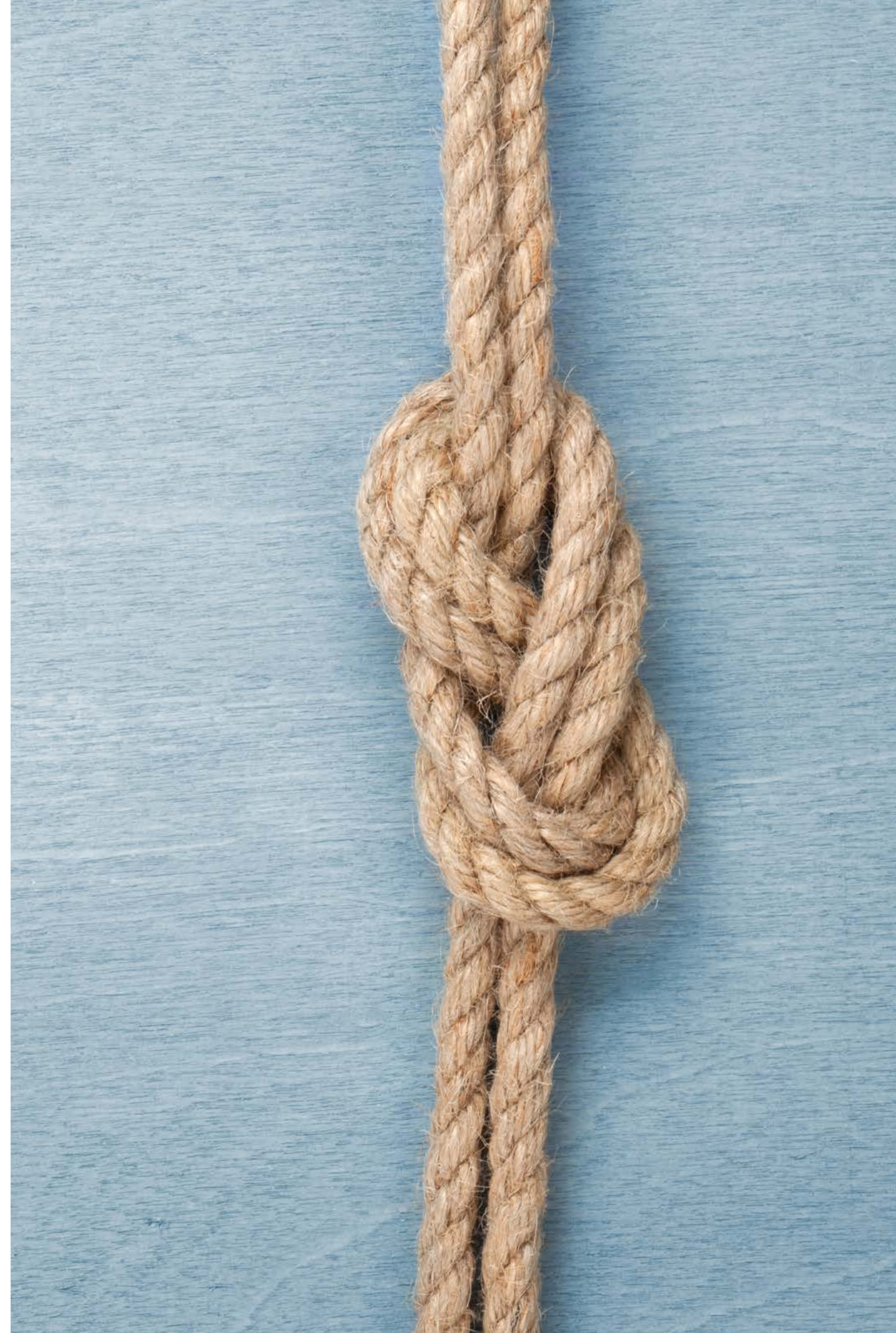
## 2. Build trust

Healthy communication throughout your organization is what establishes a foundation for trust. Without it, your team likely won't be honest about their values or how they relate to the firm's values as a whole—until the day they quit.

Active listening is a good first step toward building trust. Beyond that, we've found that teams respond best when leaders share the good, the bad, and the ugly. It often looks like this:

- 💡 **Here's where we're seeing momentum, and we're proud of it.**
- 💡 **Here's what we're working to improve.**
- 💡 **Here's what you've told us isn't working. Let's attack it.**

Invest time in building trust through open communication. When team members know they will be heard, you'll get honest, actionable feedback.





### 3. Get personal

To help show that you're listening and build trust, drop the standardized tools for employee feedback and leverage direct, personal interactions instead.

Replace automated satisfaction surveys with small focus groups and town hall meetings. Make leaders available for live Q&A sessions. Invite team members to coffee. These are the best techniques to get the pulse of your organization and discover whether your firm's stated values are coming through.

Personal interactions, in-person or remote, also help break down the ivory-tower mindset. When leaders are out of touch with the employee experience, it increases the gap between their perception and the reality of what's happening in a firm. This can not only undermine your culture; it can also send top talent heading for the door.





## 4. Do something

Without a bias to action, all of the above steps will fall short. Use the feedback you gain from a foundation of trust to execute on your values. Employees understand and share values through actions and examples more than words. So create a plan to make your actions visible.

At SEI, we use a simple formula: We listen, make sure we heard right, and then assemble people to address what we heard. That effort has spawned employee-led initiatives like SEI Cares, which represents our core value of giving back. Through corporate philanthropy, acts of service, volunteerism, and grant-making, we empower employees to get involved in their communities and bring our shared values to life.





## 5. Celebrate wins

Many organizations equate recognition with awards. But, at a deeper level, recognition is about appreciation. Think about how you demonstrate what clients mean to you by how you interact with them—the same holds true inside your firm.

While we give out awards for a variety of accomplishments, at SEI we constantly recognize employees through regular communication about achievements large and small. It's a good way to spotlight your shared values and the ways in which your team carries them out on a regular basis. Above all, it demonstrates that you truly value your people.





# **A values-driven culture starts with leadership, but it doesn't end there.**

To develop an authentic and effective culture, values must be ingrained into everything leaders do and communicated clearly and consistently. When that happens, values act as guideposts for every aspect of what the firm does, from policies and processes to client servicing and community relationships. The more your firm's core values are integrated into your day-to-day operations, the more powerful and enduring your company culture becomes.



# Sources

<sup>1</sup>Accenture Consulting, “The New Face of Wealth Management in the Era of Hybrid Advice,” 2017, pg. 6.

<sup>2</sup>Erin El Issa, “Humans vs. Robots: Americans Prefer Financial Advisors Over Algorithms,” Nerdwallet blog, Mar. 17, 2020.

<sup>3</sup>Cerulli Associates, “The Impending Succession Cliff: Implications and Insights for Advisors,” 2020, pg. 2.

<sup>4</sup>Charles Schwab, “2021 RIA Benchmarking Study,” 2021, pp. 4 and 41.

<sup>5</sup>Michael Thrasher, “The Untold Story of the Professor, Advisor, and University That Plan to Save Wealth Management,” RIAIntel, Mar. 2, 2020.

<sup>6</sup>Cerulli Associates, 2020, pg. 2.



# Connect with SEI.

Are you investing in solutions that help build a more connected, agile, and empowered workforce? If not, why?

Join a growing community of forward-thinking wealth managers who are ready to reimagine the possibilities for their people. Reach out to our Enterprise Wealth Management Services team to learn more.

Contact us to learn how we can help by emailing [SEIWealthPlatform@seic.com](mailto:SEIWealthPlatform@seic.com).



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