

Business Models

	Definition	Growth potential	Pros	Cons
Solo	An individual practice with one advisor and one more multiple staff members	Low	> Simple organization structure > Low expenses if managed, can be highly profitable to a threshold > No to low staff management > Full autonomy over business	> Lowest capacity of all models, limited by individual > Need to wear many hats > Business valuation likely less versus other models
Silo	A collection of individual practices (solos) into a single firm who maintain their own book. Clients belong to advisor, not the firm.	Low to moderate	> Shared overhead expenses and resources > Can market as larger a solo > Autonomy over clients	> Operationally inefficient > Branding can be difficult > Business valuation likely less versus team-based models > No or limited career pathing for staff
Ensemble	A multi-advisor business that delivers their services as a team. Clients belong to the firm, not the advisor.	High	> Increased scale and capacity > Integrated services and infrastructure > Team-based approach > Career pathing for staff > Opportunities for internal succession > Increased firm valuation potential	> Requires people investment and management to maintain capacity and scale > Short-term investment for long-term pay-off > Additional business complexity require active business management
Enterprise aka Enterprise Ensemble or Super Ensemble	An ensemble practice who's brand and presence extends beyond individual advisors. The brand itself stands on it's own as trusted and valuable. They seek high-levels of growth.	Very high	> Highly scalable with unlimited capacity > Integrated services and infrastructure > Team-based approach > Career pathing for staff > Opportunities for internal succession > Highest level of firm valuation potential	> Requires consistent, strong growth > Dedicated business management to maintain consistency > Most complex business structure



Information provided by Independent Advisor Solutions by SEI, a strategic business unit of SEI Investments Company (SEI). Visit SEI's Growth Lab, for actionable practice management advice and tools.