

charles SCHWAB

BUSINESS CONSULTING SERVICES

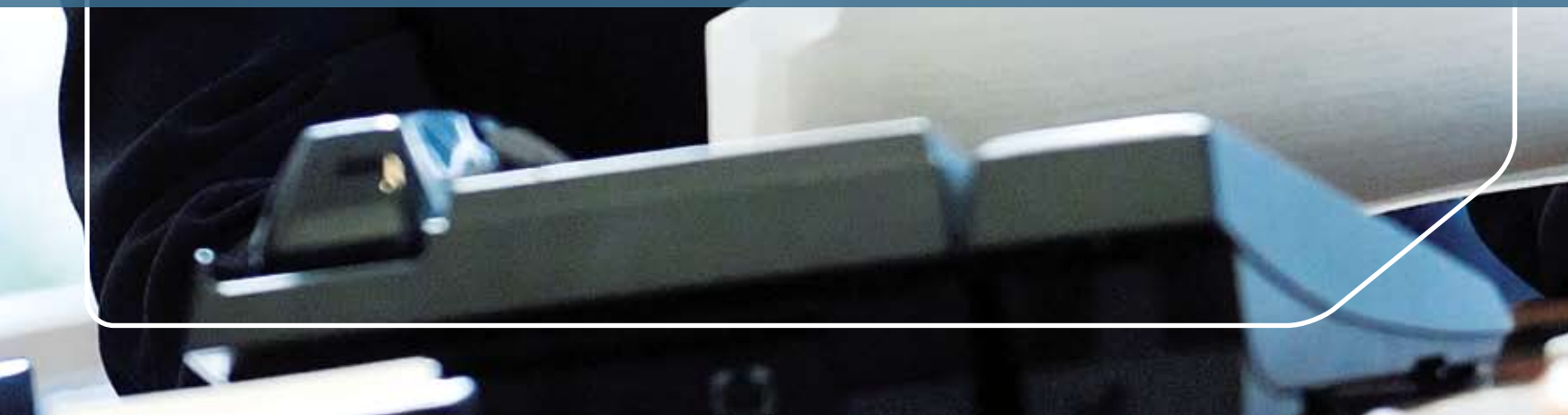
Comprehensive practice management solutions for independent investment advisors



Insights, tools and resources to help you Accelerate Your Growth,
Scale Your Business and Elevate Your Service Model



INDEPENDENT ADVISORS continue to strive for long-term growth by investing strategically in their businesses. Based on Schwab's 2009 Registered Investment Advisor (RIA) Benchmarking Study, 84 percent of firms plan to grow aggressively or moderately over the next five years. Despite this overall confidence, 82 percent of firms see at least one potential barrier to growth.¹



Successful advisory firms trust nothing to chance. They construct and implement carefully thought-out plans for their practices with a view to generating maximum value for themselves and their clients.

Do you feel confident that your business plan can take you to the next level? Do you have a strategy in place for accelerating your growth? How will you scale your firm for growth? What steps should you take to elevate your service model?

DRIVING CONTINUED SUCCESS

To empower advisors to address these challenges, Schwab created Business Consulting Services, a comprehensive practice management platform that draws on more than two decades of experience working with some 6,000 advisors. Through **one-on-one support**, **robust online resources** and **industry events**, we help advisors turn their successful practices into sustainable businesses.

ACCELERATE YOUR GROWTH

Building a strong foundation for growth remains a top priority for successful firms. We can help you differentiate your firm, implement a plan to deepen existing relationships and attract new clients through communications and referrals, and even explore growth through sources outside your firm, like acquiring a firm or adding an advisor with an existing book of business.

SCALE YOUR BUSINESS

Successful firms are committed to providing high-touch service while building a profitable and efficient business. We have found that Best-Managed Firms²—the top 20 percent of firms based on productivity, profitability and revenue growth—effectively leverage their human capital and technology to lay a solid foundation for growth. Business Consulting Services help you tap into the best practices employed by these firms, such as automating processes to free up staff time, in order to translate productivity gains into real competitive advantage.

ELEVATE YOUR SERVICE MODEL

Delivering great client service is necessary to ensure a firm's continued growth. Business Consulting Services are designed to help you efficiently manage your people, processes and technology so that you can focus your unique core strengths to benefit clients.



Schwab's Business Consulting Services comprise six offerings that cover the key areas of running a successful advisory firm.

¹2009 RIA Benchmarking Study from Charles Schwab.

²Best-Managed Firms are the top 20 percent of qualifying firms ranked by productivity, profitability and revenue growth from Charles Schwab's 2007 RIA Benchmarking Study, which comprises self-reported data from advisory firms that custody their assets with Charles Schwab. The top 20 percent of firms is calculated after removing those with less than \$1 million in revenue.



BUSINESS STRATEGY & PLANNING

Successful advisory firms are rigorous in their approach to business strategy and planning. They take time to develop a vision that considers all aspects of their practice—from organizational structure to automation to hiring practices and client service model.

To help your firm develop a plan for long-term success, the Business Strategy and Planning offering provides:

- Insight and best practices that will help you drive financial, organizational and operational performance
- Knowledge of industry trends that can affect your practice
- Resources to benchmark your firm against peers and learn from the experiences of these firms as they face challenges similar to yours

GET STARTED

- **Gain an understanding of your firm's performance, strengths and opportunities**

Schwab's annual **RIA Benchmarking Study** enables your firm to gain an understanding of strengths and opportunities relative to peers across a range of business functions—from financial performance to marketing, technology and staffing. If you participate in this industry-leading survey, you will receive a customized **Peer Benchmarking Report** with results tailored to your firm's size and business model.

- **Partner to create strategies for success**

The personalized guidance offered by our **relationship managers** and **business consultants** can help you take a disciplined approach to achieving success—whether you're looking to develop long-term strategic plans for your firm or address short-term tactical issues.

- **Stay on top of trends and best practices**

Schwab Market Knowledge Tools® (MKT) can help you stay abreast of industry trends and best practices. These in-depth reports—covering a range of RIA-specific topics, from establishing the right organizational structure to using technology to create back-office efficiencies—are a comprehensive source of insight that can help inform your business planning.



MARKETING & BUSINESS DEVELOPMENT

Good service alone is not enough to grow your business. In today's competitive environment, the key to your success lies in establishing a disciplined strategy to acquire new clients and expand existing relationships.

To help your firm achieve these goals, the Marketing and Business Development offering provides:

- Assistance in creating a compelling “story” that captures your firm’s unique approach to serving clients
- Guidance in developing and implementing an effective marketing and business development plan
- Strategies to help you cultivate a pipeline of referrals from clients and centers of influence
- Communication strategies to help you keep clients engaged throughout the year
- Guidance in understanding client needs and preferences through client surveys and using this information to enhance relationships
- Best practices for determining a suitable business development structure for your firm and creating accountability for achieving your goals

GET STARTED

- **Identify and appeal to your target clients**

Schwab helps you identify which prospects and clients offer the greatest potential for long-term profitability with the **Ideal Client Profile worksheet**. The **Unique Value Proposition worksheet** can help you articulate your firm’s differentiated “story.” Access these tools on your own, or work with a Schwab professional to start the process.

- **Focus your marketing efforts**

Our **Marketing Diagnostic Tool** allows you to quickly evaluate your current marketing and business development efforts and identify strengths and areas for improvement. A customized results report recommends strategies and tactics that will have the greatest impact for your firm. Work with us to develop a personalized action plan or access our tools independently online.

- **Apply best practices**

We offer more than 80 **RIA-specific tools, templates, how-to guides and worksheets**—from sample marketing plans to referral assessment plans and scripts. We also offer a team of professionals whose purpose is to help you navigate this wealth of information and take appropriate action—always bearing in mind your firm’s particular goals.



HUMAN CAPITAL

A firm's talent is its most valuable asset. Successful RIAs work to develop a scalable organizational structure that will support ongoing growth. They also have a plan in place to find, compensate and engage key employees while grooming the future leaders of their firms.

The Human Capital offering provides:

- Guidance in developing an organizational structure that supports ongoing growth
- Strategies for hiring, including help in conducting effective searches and in identifying qualified candidates
- Best practices for creating retention programs that foster employee satisfaction—including career-path development and ongoing performance management
- Resources to help you define your firm's compensation strategy—including salary, benefits, incentive programs and ownership privileges
- Succession planning support that enables you to pass the firm on to the next generation of leaders

GET STARTED

- **Find the right talent**

Search for and connect with experienced staff and professional candidates using the **Career Opportunity Service**, a database that allows you to post job listings, provides access to thousands of candidates, and offers confidential matching between candidates and firms.

- **Determine fair compensation**

Using the **Compensation Benchmarking Tool**, you can get a fair and accurate starting point to determine compensation for more than 20 RIA-specific job titles.

- **Support your human capital initiatives**

We provide over 70 **practical tools, templates, how-to guides** and **worksheets** to help you address specific human capital needs—from sample organizational models, job descriptions and interview questions to compensation guides and employee performance management templates. These resources can be accessed directly, or you can work with Schwab professionals to help you get started.



TRANSITION PLANNING

For firms considering a transition—whether it's buying a firm, selling your firm, adding advisors or passing on your business to the next generation of leaders—developing a strategic plan is essential to ensure the greatest value for you, your employees and your clients.

Schwab provides the tools, insights and resources to help you facilitate a smooth transition. Our Transition Planning offering provides:

- Guidance in helping you to gain a full understanding of the benefits and complexities of different transition options
- Assistance during the decision-making and transition process involved with adding an advisor
- Services that connect your firm with other firms that may be interested in a transaction
- Access to third-party consultants and resources that can inform your decision-making process
- Guidance in facilitating a smooth transition for employees and clients

GET STARTED

- **Conduct due diligence**

Our insights and resources provide a wealth of information to help guide you through every phase of the transition process; materials include **workshops**, **webcasts**, **articles**, **checklists** and more.

- **Connect with compatible firms**

One of the few RIA-specific services of its kind, the confidential **Mergers & Acquisitions Listing Service** can help you find potential candidates and evaluate their compatibility with your practice, culture and management style.

- **Add an advisor**

Strengthen your firm by adding qualified financial services professionals. Access our **Career Opportunity Service** to find experienced candidates with existing books of business.



TECHNOLOGY & OPERATIONS

Best-Managed Firms use technology as a strategic tool to improve efficiency, scalability and client service. These firms realize the importance of operational efficiency and the automation of key tasks—both of which can provide a true competitive edge.

The Technology and Operations offering provides:

- Proven best practices for integrating technology into your firm
- Guidance on streamlining workflows to effectively and efficiently allocate resources
- Help identifying opportunities to enhance productivity and client service
- Ongoing education and training on Schwab technology
- Research and insights into the latest technology advances

GET STARTED

- **Evaluate your firm's efficiency**

We have developed several tools to help you take advantage of opportunities to optimize back-end processes and operational workflows. Our online **Technology Adoption Scorecard** provides current and historical data on the number of online and offline transactions completed by your firm, lets you benchmark against peer firms, and helps you identify where training is needed.

- **Promote and implement operational best practices**

Give your staff the training they need to help streamline and enhance firm operations. **SOLUTIONS® Operations and Technology Workshops** and **On-Demand training sessions** cover a wide range of topics, from use of specific tools to strategies for increasing back-office efficiency. Training sessions are segmented by role and can be attended in person or accessed online.

- **Obtain guidance from Schwab professionals**

A specialized **team of technology consultants** is available to offer guidance on how technology can best accomplish key business objectives. These experienced professionals can help you identify strategies to increase profitability, ensure security and scale your operations for growth.



COMPLIANCE RESOURCES

Staying abreast of compliance requirements, legal rulings and regulatory changes that affect how you run your business can be overwhelming and time-consuming. Schwab works with third-party firms to provide select resources that can help you keep current on important regulatory and compliance developments, freeing you to focus on serving clients.

We provide access to a variety of compliance resources, including:

- Timely research and targeted compliance communications
- Guidance on how to be proactive in meeting regulatory requirements
- Outside consultants and specialists who can help you stay compliant

GET STARTED

- **Stay informed**

For over 20 years, we have produced *Compliance Review*, an in-depth newsletter devoted to a discussion of timely compliance topics. This is one of several resources available through the compliance area of the **Schwab Advisor Center website**, which also includes checklists, “hot topic” regulatory updates, a convenient rulemaking calendar and access to insightful webcasts and events.

- **Gain an outside perspective**

From contact information for **third-party compliance consulting firms** to informative **government and industry association websites**, you can learn about resources that may help you meet compliance requirements—some of which are offered at a discount to our advisor clients.

CREATE AN ACTION PLAN

To make it easier to take action, we've highlighted the primary steps you can take to achieve your goals, along with some of the key tools and resources that Schwab provides to help. You can obtain guidance on these action steps from your Schwab team, attend events that address your needs, or access resources directly through the Schwab Advisor Center website.

ACCELERATE YOUR GROWTH	Need	Action Step
	What are reasonable growth goals, and how do I achieve them?	✓ Benchmark your firm across financial, organizational and operational categories <ul style="list-style-type: none"> □ Access Schwab's RIA Benchmarking Study □ Work with your relationship manager or business consultant to set clear, achievable goals
	How can I maximize referrals from existing clients?	✓ Actively encourage a "culture of referrals" at your firm <ul style="list-style-type: none"> □ Read the <i>Maximizing Referrals from Clients</i> MKT □ Access referral tools and resources
	What if I'm interested in buying another advisory practice?	✓ Conduct M&A due diligence, and find a compatible firm interested in a similar transaction <ul style="list-style-type: none"> □ Access research and contact vetted professional consultants through our website □ Create a buyer listing on the Mergers & Acquisitions Listing Service
SCALE YOUR BUSINESS	Need	Action Step
	How do I get the most from available resources?	✓ Measure capacity and identify gaps and opportunities for time and cost savings <ul style="list-style-type: none"> □ Read the <i>Best Managed Firms: It's about Time</i> MKT □ Complete the Estimating Capacity worksheet
	How can I make my staff more efficient?	✓ Invest in technology that streamlines back-office processes <ul style="list-style-type: none"> □ Start with the Technology Adoption Scorecard to assess your firm's use of technology
ELEVATE YOUR SERVICE MODEL	How can I ensure I'm making smart hiring decisions?	✓ Attract the right kind of candidates and compensate competitively <ul style="list-style-type: none"> □ Create effective job postings using our templates and sample job descriptions □ Access the Compensation Benchmarking Tool
	Need	Action Step
	How can I best engage clients throughout the year?	✓ Deliver timely and relevant communications <ul style="list-style-type: none"> □ Implement a client feedback program, using client surveys to better understand client needs and communication preferences □ Build a client communications calendar, and leverage our guides and templates
	How can my firm provide a consistent client experience?	✓ Develop client management protocols—from onboarding through reporting <ul style="list-style-type: none"> □ Attend SOLUTIONS® Operations and Technology Workshops or view On-Demand training sessions to get ideas for streamlining workflows and automating key tasks
	How do I motivate employees to provide exemplary client service?	✓ Set client service goals for all employees—and align compensation accordingly <ul style="list-style-type: none"> □ Access our performance management guides, worksheets and templates

HOW TO BEGIN

By using Business Consulting Services, you can make better-informed decisions and proceed with confidence down a path that will help transform your successful practice into a sustainable business.

- **Contact your Schwab team:** Our relationship managers and business consultants are dedicated to providing you with personalized solutions and support.
- **Attend an event:** Workshops, conferences, roundtables and webcasts are available throughout the year, providing you with opportunities for practical learning and the exchange of ideas and best practices with peers and experts.
- **Access online resources:** We bring you best practices tools, insights and resources to address a range of RIA-specific needs.

LEARN MORE

Contact your relationship manager or visit the Schwab Advisor Center website, go to the Resource Center, then click on Practice Management.

