

For Immediate Release:

Good Advisor Hire is Worth \$12 Million to the Financial Institution

Study Demonstrates that Retaining Advisors is a Driver of Performance

CHAPEL HILL, NC JULY 9, 2015: An Advisor that stays at a bank or credit union will produce over \$12 million in revenue during the course of a 20-year career, with annual production increasing each year. That is one of the findings of a new study by Kehrer Bielan Research & Consulting.

“For years the industry has used a single number—the average production of an Advisor in a Financial Institution—to assess an Advisor’s performance,” commented Peter Bielan, the author of the *Advisor Tenure Study – Benchmarking key performance metrics of Advisors throughout their careers*. “All Advisors in a firm are measured against that single benchmark. But what about an Advisor with two years of experience with the firm? Is that single industry benchmark useful? How about the Advisor with 15 years tenure? This new study will enable management to assess Advisor performance against Advisors with similar tenure,” he continued.

The *Advisor Tenure Study* provides tenure specific performance benchmarks for each of these important measures of success:

- Annual production
- Revenue mix by commission, advisory and trail business
- Size of book in total assets
- Size of book in commission versus advisory assets
- Production ranges for different years of tenure
- Revenue on an Advisor’s book of assets (ROA)
- Lifetime production contribution of an Advisor

“In an environment where banks and credit unions are reluctant to add headcount,” Bielan commented, “our study highlights the value of an additional Advisor hire, and how that value grows with the Advisor’s tenure. An Advisor who stays with the firm for 20 years will produce more than \$12 million in revenue over the course of the Advisor’s career.”

“The present value of that career revenue is almost \$7.2 million. Why wouldn’t a bank or credit union be willing to provide incentives to attract and retain an Advisor with a high likelihood of making a career at the institution?” he asks.

The *Advisor Tenure Study* is based on analysis of individual performance data from over 1,500 Advisors who work in financial institutions. Study metrics are provided for every tenure level from a few months to 20 plus years. Terrapin Technologies provided data for the study, as well as analytic support.

The *Advisor Tenure Study* complements other Kehrer Bielan research on Advisor recruitment and retention incentives, compensation plan design, and the impact of incentives on Advisors and business performance.

Peter Bielan is a founding principal of Kehrer Bielan Research & Consulting, where he manages the firm’s consulting practice on compensation and talent management, including compensation research. He conceived of the firm’s highly regarded *Career Connections*, the employment exchange microsite, and consults for firms on improving their business performance.

About Kehrer Bielan Research & Consulting. KBR&C provides the financial advice industry with insights based on a melding of research and experience in managing the delivery of investment, insurance, and wealth management services. The firm provides performance assessment and benchmarking, human resource management and development, due diligence, consumer insights, and interpretation of industry trends through its original research, unbiased consulting, and peer study groups.

Please visit us at www.KehrerBielan.com or e-mail info@kehrerbielan.com for more information.

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