

For Immediate Release:

Bank BDs Produce Almost a Quarter-Million Dollars per Employee

Annual BD Survey Includes Bank-Centric Metrics

CHAPEL HILL, NC JUNE 24, 2015: The typical bank-owned broker dealer generated \$239,531 in revenue per BD employee last year, according to the 2014-2015 Kehrer Bielan Bank Broker Dealer Survey released this week. “At a time when many banks are reining in hiring across the whole banking enterprise, this finding highlights the fact that broker dealer employees are a revenue machine,” remarked Peter Bielan, a principal. “If a bank were to hire one more person, it is useful to know where that person would create the most value,” he continued.

“We created the dashboard for our survey findings to be a mix of BD-centric and bank-oriented metrics,” said Dr. Kenneth Kehrer, another principal. “We have long sought to convince top bank management to assess their investment services businesses relative to the opportunity in the bank’s customer base, rather on traditional bank metrics such as expense or efficiency ratios. But there are some banking metrics—such as revenue per FTE—that make sense in both worlds.”

The study’s dashboard includes benchmarks that assess performance against the bank’s opportunity (e.g., gross revenue and net income relative to consumer deposits and the number of bank customer households), traditional brokerage benchmarks [gross revenue per Advisor and revenue on assets), and such banking metrics as efficiency ratio, year over year growth, and revenue and net income per FTE.

Tim Kehrer, Senior Research Associate, who directed the survey, explained that the data are drawn from 17 major bank-owned broker dealers. Each participant receives a detailed dashboard comparing its performance with dozens of industry benchmarks.

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.

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