CHANGING ADVISORS

Short Term Pain for Long Term Gain

We often speak with individuals who are considering switching their financial advisor or the firm managing their investments and wealth planning.

In some cases, the reasons for making a change are clear-cut, such as poor service, lack of communication, or unsatisfactory performance. At other times, the decision is driven by a more subtle feeling that "things could be better," even if it's hard to pinpoint exactly why.

When the reasons for changing are obvious, it's usually straightforward to inform the current advisor, express appreciation, and request their assistance in transferring the accounts to the new advisor. However, when there's a long-standing relationship - especially one involving personal connections like friendship or family - making the change becomes more complicated. Feelings of guilt or obligation can make it difficult to leave, even when a change is clearly in the best interest of the client.

When a change should be made but isn't - due to guilt or emotional barriers - it can create an underlying tension in the relationship. This often leads to a communication gap that the other party may not even be aware of, which can affect the relationship going forward.

So, What to Do?

Changing advisors is both an intellectual and emotional decision.

Before making the move, it's essential to fully understand the approach of the new firm and advisor.

Take the time to evaluate who you genuinely want to work with over the long term. This means looking ahead three to five years and considering what's best for your family, your financial needs, your investments, and your future.

Once you've determined that switching advisors is the right choice, the next step is to communicate your decision to your current advisor.

The most straightforward approach is to pick up the phone and call your current advisor directly. Be clear and honest, letting them know that you've decided to move your business to another advisor at a different firm. You can also express that this decision wasn't made lightly and involved careful consideration.

As you close the conversation, take a moment to thank the advisor and their team for the guidance and service they've provided throughout your relationship.

If the relationship hasn't been particularly close, an email or letter conveying the same message is entirely appropriate. It's always better to provide some advance notice rather than leave the advisor blindsided by transfer documents.

Once the change is made, it's common to feel a sense of relief = a weight has been lifted, and you can now move forward with your new plans. Ultimately, having a strong and comfortable working relationship with your advisor will make it easier to achieve your personal and financial goals in the long run.

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