



## Writing your next chapter

A tiered strategy for communicating your retirement to clients

Though there are seemingly thousands of steps to ensure your loved ones, staff and clients are taken care of, communicating the transition to all stakeholders is arguably the most important. Here are best practices to help you communicate your decision to retire, with tools and strategies to help make the transition of your business as smooth as possible.

Proactive planning for the future of your business is critical whether you have a retirement date in mind or not. Advisors retire at all times throughout the year, but if you have the flexibility, we often see advisors choosing to retire around a work anniversary, for tax purposes, at year-end, or for other personal reasons. If you aren't sure when you would like to retire, we can still help you talk through your options for the future. After letting your branch manager or regional manager know that you are retiring, the Succession and Acquisition Consulting Group can help you put together a strategy to maximize the value of your business.

### HOW DO I TELL MY CLIENTS?

Though each transition is different, some clients may receive notice of an advisor's retirement announcement with surprise, so it's important to think through the exit strategy. Unexpected challenges or a very large book may make it difficult to reach everyone with a personal touchpoint. But if you have the ability, scheduling individual meetings with each client and your successor is our first recommendation. Six months to a year from your retirement date, begin planning how you'll share the exciting news with your clients. Allowing enough time for the transition to occur will go a long way toward ensuring the legacy your business. Below are best practices for communicating that you can customize and adapt for your business however you like – as you know your business best.

### TIERED COMMUNICATIONS

If you have hundreds of clients, it may make sense to tier your transition communications to maximize client retention. Here we illustrate how you can implement a communications strategy to three tiers of clients: A, B and C.

## DID YOU KNOW?



**FINRA rule** states that you must communicate your decision to retire to your clients in writing prior to your official retirement date.

Each tier can either address the potential value to the future of the practice or the individual needs of the client. Clients in the “A” tier will require the most attention and a comprehensive communication strategy, while the “C” tier may have a low level of assets invested, a lower risk of attrition or a lesser perceived impact on the future of the business. You may choose to tier your book based on assets under management, their potential for growth, their tenure or loyalty, or the personal relationships you have. Prioritizing your communications to clients helps you save time while ensuring that you meet all of your clients’ needs within an efficient time frame.

## “A” TIER COMMUNICATIONS

The first tier are your most valuable, coveted and/or longest-standing clients, and they should receive the most personalized announcement strategy. This means they should hear the news first and from you directly. Consider scheduling one-on-one in-person meetings with these clients as your schedule allows, to personally let them know that you plan to begin your transition into retirement and you are doing everything you can to ensure a smooth handoff to your successor.

### THREE MEETING STRATEGY

If your clients are local, schedule the initial meeting around lunch or coffee at a familiar location outside of the office to ease any tension around the purpose of the meeting. Explain who your successor will be and why you chose them to take over your practice. Once you’ve shared the news, schedule a second meeting to introduce your “hand-picked” successor as the transitioning owner. In the third meeting, we recommend that you let your successor lead a review with you and the client, showing that you trust them with the future of the practice.

### “A” TIER RETIREMENT PARTY

You may have thought about having a retirement party within your office or branch, but have you thought about hosting one for your most valuable clients? Rent out a room at a favorite restaurant, invite them to a local winery, or organize an event at a local sports arena. Invite your top 20% to share in the celebration of your career and the future of the business. Bring your successor along and introduce them to anyone they haven’t met yet as you continue to transition your relationships with these clients.

You can then follow up with a personalized letter to the first tier clients after the initial in-person meeting(s) and/or retirement event. It is essential that you tell these clients early and give them plenty of time to absorb the news before you transition. Make yourself available for questions and concerns throughout the transition process to ensure clients feel comfortable with your successor.

## “A” TIER

- ▶ Top 20% of your client base
- ▶ Initially communicate 6-12 months before target retirement date
- ▶ Phone call to schedule in-person meeting
- ▶ One-on-one discussion over lunch or coffee
- ▶ Schedule follow-up meetings with successor to ease transition 3 - 6 months out
- ▶ Follow up with personalized email and letter introducing successor
- ▶ Organize and host client event for the retirement / transition party

## WHAT IF I DON'T HAVE TIME?



If you take a look at your client base and think, “When will I have time for this?” it’s okay. As an alternative to personal meetings, work with the Raymond James Marketing department to create a personalized email or handwritten, designed letter and sign with your future contact information for non-business-related matters. When you distribute this, include an open invitation to schedule an in-person discussion. The important piece here is to add a personal touch. The majority of your clients are in the “A” and “B” tiers, and you want to make sure they feel good about your successor.

If they reach out to you with questions and concerns that need to be discussed in person, you can schedule these discussions when it works for you and your successor. This ensures that your clients have enough time to follow up before you transition to retirement and positions you to have communicated to 80% of your clients before the firm’s 30-day policy comes into effect.

## “B” TIER COMMUNICATIONS

With three to six months to go, plan to make the majority of announcements to clients. The second tier of clients is the middle 60%. These may be clients you meet with 2-3 times a year, your reliable moveable middle. You might find that due to the number of clients in this segment it will be difficult to schedule three in-person meetings. Nonetheless, they will appreciate a personal touchpoint. Schedule individual half-an-hour phone calls or propose a meeting over coffee to each client between 3 – 6 months from your scheduled retirement date.

The “B” tier client communications are also a great opportunity to involve your successor. After you’ve initially discussed your retirement with these clients, send out a follow-up email with the name, photo and contact information for your successor so they can put a name to a face and prepare for the change in management. We’ve created this [transition email template](#) for you to get you started. Then, ask your successor to follow up with a brief personal note introducing himself or herself to your clients. Here your successor can find sample email language to tee up their new role to your clients as the successor advisor.

## “C” TIER COMMUNICATIONS

When you have less than three months left before you retire, develop and schedule a standard email communication and client letter to send out to your clients in the lowest tier. The extent of your regular communication with your “C” tier typically is over email or the phone save their annual year-end review. These may be clients you touch base with less frequently, inherited from another advisor, or you haven’t had time to build a strong relationship with yet. Regardless, you cannot forget to send these notifications out – remember that FINRA requires that you notify your clients in writing prior to retiring.

## “B” TIER

- ▶ Middle 60% of your client base
- ▶ Communicate 3-6 months from target retirement date
- ▶ Reach out via email to schedule a phone call
- ▶ Announce in a 30-minute touch-base over the phone or over coffee
- ▶ Include an open offer to meet subsequently in person if they have questions or concerns
- ▶ Follow up with [personalized email and/or client letter](#) introducing successor
- ▶ Ask successor to follow up with a personal note introducing themselves

## “C” TIER

- ▶ Lower 20% of your client base
- ▶ Communicate 30-60 days before target retirement date
- ▶ Standard email and client letter
- ▶ Give option to schedule a brief phone call to discuss further
- ▶ Firm policy requires you to communicate to all clients prior to 30 days before your retirement date

## CONCLUSION

If you feel a similar strategy could enhance your transition and retirement communications, begin this process by running a Practice Segmentation report in Practice Center to segment your book into three customized tiers. Keep in mind this strategy is a recommendation to get you started, but likely will not apply to all practices. You know your clients and book of business best, and we are here to help you grow and give you the tools you need for a successful succession.

## Retirement Communications Comparison

	"A" TIER	"B" TIER	"C" TIER
Who	Top 20%	Middle 60%	Lower 20%
Timing	6 - 12 months prior	3 - 6 months prior	1 - 2 months prior
Standard Email Communication			●
Standard Letter Communication			●
Personalized Email	●	●	
Personalized Client Letter	●	●	
Offer to Discuss Questions / Concerns	●	●	●
In-Person Lunch or Coffee Meeting	●	●	
Introductory Meeting with Successor	●	●	
Collaborative Transition with Successor	●		
Elite Retirement Event	●		

Thoughts, questions or feedback? Give us a call at **800.235.3892** or email us at [succession@raymondjames.com](mailto:succession@raymondjames.com).

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