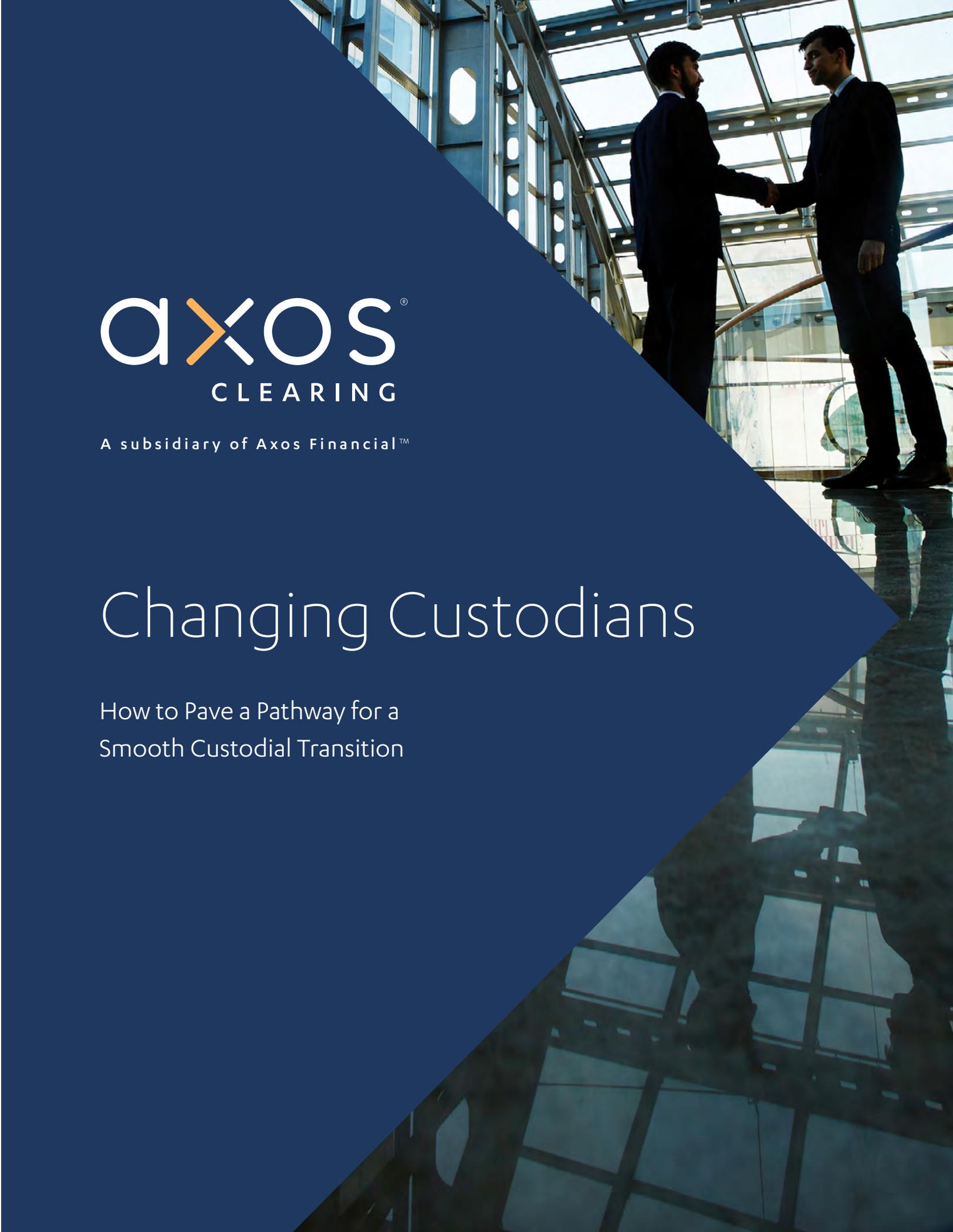




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Changing Custodians

How to Pave a Pathway for a
Smooth Custodial Transition





Switching custodians is a big undertaking for any RIA. The hope, of course, is that the process will be smooth and seamless. And it can be — with the right preparation and a supportive custodian.

When considering a custodial change, it is important to look for a new custodian that not only meets your business needs but also has a proven method for leading firms successfully through transitions. Choosing a custodian that demonstrates the ability and desire to support your firm during and after a move is the best way to ensure a successful transition and positive experience going forward.

> Recognizing the Need for Change

Over time, RIAs may find that custodians don't deliver the hands-on support they expected. As a result, it is harder to provide top-notch service to clients. Yet, since switching custodians is thought to be a harrowing process, RIAs tend to be reluctant to pursue other options — even when custodial relationships are not ideal.

It's not easy to know when the time is right to cut ties with a custodian or bring on an additional custodian. However, there are several signs that indicate the breakdown of a custodial partnership and the need for change. Some of the most common signs include:

- Not having direct access to a single contact person or small team that is dedicated to supporting your firm
- Feeling that your RIA is "lost in the shuffle" because of the large volume of RIAs your custodian serves
- Rigid solutions and an inability to provide customized products, services, and technology solutions to meet your clients' needs
- Frustration over competition from a custodian's internal advisors

Today, it is a common and frustrating occurrence for some advisors to have to reintroduce themselves to their own custodian each time they place a service call. As frustrations grow over diminished personal relationships, RIAs need to decide whether to remain with their current custodians or seek out better support.

If you're unhappy, don't ignore your instincts. Ultimately, if a custodian isn't providing what you need, the effort it takes to move your business to a new custodian is more than worthwhile.

> Preparing for a Smooth Transition

If you decide that changing to a new custodian is in the best interest of your business and your clients, you'll definitely want to conduct a thorough search to find a custodian that aligns with your needs. As you evaluate custodians and look for one that fits your business and clients, you can take these steps to pave a pathway for a smooth transition:

1. Look for a custodian that will assign an experienced conversion team to help your firm throughout the process.

It takes a team to execute a smooth and efficient transition. Before you commit to working with a custodian, ask questions about the support team that will be available to you. Some helpful questions to ask are:



- *Who is the team that will be responsible for leading my business through this transition? What are the names of the individuals I will be working with?*
- *Can I meet the individuals who will be responsible for leading my conversion?*
- *How will I reach my support team when I need assistance? Will I have direct phone numbers I can call to reach the people on my conversion team?*

Don't just ask questions about who you will be working with. Ask to meet and engage with your team before you sign on the dotted line. If you only interact with a custodian's sales team, you won't really know what type of service to expect once you're onboarded. However, if you meet the people who will be responsible for onboarding and servicing your account, you can make a more educated decision when you select your new custodian, and you'll feel more confident about moving your business.



2. Ask questions to learn about and understand the conversion process.

It is important to have a clear understanding of the conversion process before you begin transitioning to a new custodian. Each custodian handles onboarding RIAs differently. It is essential to ask questions and learn what processes your new custodian has in place to help you efficiently transition. Ask questions like:



- *What will the transition entail for my team?*
- *What training will you provide my staff to enable them to use your platform and technology?*
- *How will you facilitate the transfer of my clients' assets?*
- *What solutions do you have in place to make the conversion easy for not only my firm, but also my clients?*

The goal is to find a custodian that makes the transition as simple as possible for both you and your clients. A custodian should be able to share detailed information about the roadmap the conversion team will use to ensure a successful transition.

3. Request help to communicate the benefits of your custodial change to clients.

A custodial transition is an opportunity for RIAs to reinforce to clients the benefits of doing business with their firm. During a transition, advisors can communicate that their commitment to providing the best service and products is the reason for changing custodians. Advisors can explain how the new custodian will enable an enhanced experience for clients. Of course, selling clients on that message will only work if a transition goes smoothly. Your new custodian should be able to help you craft messaging and communicate with clients about your transition. Prior to the start of a transition, consider asking your custodian:



- *How can you assist me in selling the benefits of your company to my clients?*
- *What messaging do you suggest I use to make my clients feel excited about transitioning to a new custodian?*

Choosing to work with a custodian that can help you communicate and sell your clients on the benefits of the partnership can help secure your clients' long-term business.

The benefits of finding and transitioning to a custodian that provides quality support far outweigh the convenience of staying in an unsupportive partnership. However, the transition experience for RIAs and their clients is not the same with every custodian. Due diligence can help you know what to expect from a custodian in terms of support during and after a transition. The right custodian will provide a team and a roadmap to lead you through the conversion process. As an RIA, your job is to ask questions, be informed, vet the support team, and make your needs and expectations clear.

> Transitioning to Axos Clearing

If you are considering making a switch to a new custodian, we invite you to:

- Learn more about [Axos Clearing and our flexible custody solutions](#).
- Schedule a meeting to discuss how Axos Clearing can help you successfully serve your clients.

Why Choose Axos Clearing

Axos Clearing LLC is a full-service clearing firm and custodian that solves the pressing challenges facing RIAs. We are committed to knowing and having personal relationships with our clients and to providing outstanding support to firms of every size.

Our focus is on providing flexible solutions, responsive service, innovative technology, and convenient pricing. Our experienced team provides relationship-based service, getting to know each business to provide the support needed. Our technology offerings and partnerships with top industry providers enable the firms we serve to effectively navigate changes and employ the latest advancements in the financial services space.

Get Started

Book a meeting

Learn more

about who we are,
who we serve, and
what we offer.



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