



ADVISOR CHANNELS

Many IFP Advisors Choose to Stay With LPL via Another OSJ

Independent Advisor Alliance, an OSJ of LPL Financial, has no plans to change broker/dealers, citing LPL's technology improvements.

Diana Britton | Dec 10, 2018

Independent Financial Partners, an office of supervisory jurisdiction affiliated with LPL Financial, decided to break away and launch its own broker/dealer last April .

But many of the advisors there are choosing to stay with LPL, and joining a Charlotte, N.C.-based OSJ to do so.

Independent Advisor Alliance, an OSJ with about 170 advisors on LPL's hybrid RIA platform, has recruited 51 advisors and \$2.3 billion in client assets from IFP this year. Another 17 IFP advisors have committed to join early next year. LPL CEO Dan Arnold recently said a big chunk of IFP advisors plan to stay at the b/d.

“A lot of advisors—they don't want to have to change firms again, and I think one of the reasons that they leverage us is because they recognize that we're really integrated with LPL,” said Robert Russo, founder and CEO of IAA.

The OSJ has a strong relationship with the b/d. For one, IAA is located just nine miles from LPL's corporate headquarters in Charlotte. And of the 19 home office employees at the OSJ, 15 came from LPL, Russo said. “I think [IFP advisors] look at that tie-in with LPL as a positive, in that we're not going to leave.”

In fact, if IAA leaves LPL within the first five years after an advisor joins, it will pay back 100 percent of all revenue it receives from those advisors, according to contracts.

Earlier this year, LPL was struggling to recruit advisors from the National Planning Holdings acquisition , and it was also dealing with a growing dissatisfaction among its own reps.

But Russo said the firm has made a number of improvements, especially in technology, including its recent acquisition of AdvisoryWorld and building a proprietary CRM .

The new CRM is primarily for those advisors who want a basic CRM, he says. But it will also make it easier for other CRMs, such as Redtail and Salesforce to be integrated into ClientWorks, LPL's advisor desktop.

“In some cases, it's a CRM for people that want to use a CRM. In other cases, it's a chassis for your own CRM,” Russo said. “By creating it, now all the other CRMs will connect and integrate with the platform.”

Russo said another development that was seen in a positive light by the OSJ was LPL's decision to open up its APIs earlier this year, allowing for integrations with outside tech vendors.

“They used to believe in creating their own technology,” Russo said. “Now they're starting to leverage people that create technology for a living. That's where I've seen the biggest technology gains.”

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