

As Good As It Gets

A Different Standard for Relationships

Bradley M. Shepherd

Chief Executive Officer, Founders Financial



There has never been a more important time for you and for Founders Financial Securities, LLC to exist in this industry.

As the CEO of Founders Financial Securities, LLC, I am blessed in many ways. I am blessed to have the privilege of assisting independent financial advisors developing and building the tools necessary to help their clients meet their goals and dreams. I am blessed to work with independent financial advisors who, for the benefit of our unique enterprise, share their entrepreneurial spirit and innovative ideas. I am blessed

to have permanent relationships with these men and women who truly impact each other's lives by constantly raising the standard of trust and respect. And I am blessed to have been called to lead this enterprise and uphold her mission.

As an organization, Founders Financial Securities, LLC is privileged, beyond measure, to serve our Member Partners and their clients - never losing sight of our obligation to help them achieve their matters of importance! When we look at today's market and economy, and tomorrow's challenges, this much is clear — there has never been a more important time for you and for Founders Financial to exist in this industry.



“ We never lose sight of our obligation to help our Member Partners achieve their matters of importance! ”



Change is Constant

Our industry changes quickly. We witness change every day as we read headlines about acquisitions driven by promises of growth, in regulations driven by the “need” to control, product “innovation” because reps need something to sell, and advisors, after realizing promises have been broken on many levels, changing firms.

Our clients also witness changes, including those happening in markets, politics, or cultural shifts. There can be no dispute: change is constant.

As independent broker-dealers and independent financial advisors, our obligation to provide trusted servant leadership in this complex world is critical. In fact, as advisors, we are called to act as gatekeepers during these times of constant change, stalwartly serving the goals and dreams of our clients.

To effectively serve as an independent advisor, one must intimately understand the needs of each and every client. By that same notion, so must a broker-dealer understand the needs of each advisor they are blessed to serve, not just an understanding of production, marketing, operations, and compliance. Rather, there should be a focus on developing a real relationship, anchored on who the independent financial advisor is, their matters of importance, and their dream for their enterprise.

It is a universal rule: ***one can only truly serve another when the proper time is taken to deeply understand the most important needs of that individual.*** Unfortunately, few broker-dealers have this as a requirement in their relationships with independent financial advisors. Founders Financial is a contrarian, for this is the type of relationship we enjoy with each of our Member Partners.



The numbers don't lie. This deficiency in relationship helps to explain why thousands of independent financial advisors seek a new broker-dealer relationship each year. Why do you think so many independent financial advisors feel the need to move away from their broker-dealer? Why do so many leave the 'business partner' so many broker-dealers purport to be? And why do frustration and wariness run rampant through traditional independent broker-dealers?

The answers to these questions reside in the fact that our industry focuses on the wrong outcomes and defines success by many misguided measurements. Our industry celebrates, rewards, and awards advisors based on their gross dealer concession, their assets under management, and the profit they deliver to their broker-dealer. This, in turn, forces advisors to do the same.

I humbly submit that most independent broker-dealers within our industry cannot truly build a trusted relationship with an advisor. Our industry makes decisions that focus on how to increase the broker-dealer's margins by 1/10th of one percent without asking "for what purpose?" or "at who's cost?"

This problem or conflict is evident each time a large "economies of scale" independent broker-dealer gobbles up a smaller firm, promoting that the strategy is good for all parties involved. In reality, the acquisition is fueled by a desire to obtain additional volume, margin, and profitability for the broker-dealer — not build or enhance a relationship. What, then, is left in the wake of this blind grab for growth? The evidence suggests that it is quality advisors and the clients that they serve who are left behind. Sadly enough, the majority of independent advisors just accept this change without truly considering its impact. Unfortunately, this scenario is customary in our industry. I congratulate those who are courageous enough to wonder who actually benefitted from the transaction and the purpose behind it.

Ask Yourself

- Why do so many advisors feel the need to move away from their broker-dealer?
- Why do so many leave the 'business partner' so many broker-dealers purport to be?
- Why do frustration and wariness run rampant through traditional independent broker-dealers?



What will drive your success?

Our industry fills the ego buckets of independent financial advisors with thoughts that they are amazing people simply because of what they produce, how much they manage, and how profitable they make certain stakeholders. I wonder how well those same broker-dealers really know the advisors contracted to represent their firms. On this point, I ask you the following question:

How many independent broker-dealer presidents know their advisors well enough to trust them to handle their personal and family's financial, wealth management, and investment needs?

I suspect your answer is, at best, "few" and, at worst, "none." For years, most broker-dealers have encouraged a belief that the most important areas of focus for an advisor should be the amount of assets under management, their level of payout, and whether they have achieved some sort of acknowledgment or reward status for their production. These truly meaningless statistics add little value to the professional life of an independent financial advisor.



Since these messages are the focus within our industry, I wonder how well most advisors grow to truly know their clients, think about using mission, value, and service as a differentiator, caring for their clients the same way they would care for themselves.

It is evident that, for many advisors, the client is a means to their end. As a result of this misguided approach, our industry has earned a poor reputation. The standard needs to change. The better standard is that the advisor is a means to the client's end, and the broker-dealer is the means to the advisor's end, not the other way around. I am proud to say that this is the standard we uphold at Founders Financial.

Why does our industry not celebrate advisors based on how many of their clients actually achieve their unique financial goals and personal dreams?

Why haven't we thought to assess advisors by the testimony given by their clients instead of the revenue generated from them?

Again, the answer is clear. Our industry focuses on the wrong measurements. Independent financial advisors have been taught that success is a lifestyle measured only by money. I am of the opinion that our industry should promote to advisors that true "success" lies in achieving the goals and dreams of their clients under their leadership. This is where our true calling lies as independent financial advisors. Fulfilling this calling certainly yields "success" for both the advisor and their client, which then feeds upon itself...ultimately providing more reward than any independent financial advisor will ever truly need. Now that is something to celebrate!



The Proof

Further evidence of the industry's misguided approach can be seen in how broker-dealers compete based on nothing more than a price or a platform. They try to differentiate themselves by offering up their "unique" toolbox as a means to help an advisor manage their business more effectively. On top of that, many broker-dealers provide "capital" to move an advisor's book of business because they see their transition as nothing more than a financial exchange. Period!

Competition among independent broker-dealers for quality advisors is fierce. But where the divide between broker-dealers is the greatest is how they define an advisor's quality. What criteria should an independent broker-dealer use to help identify an advisor seeking a long-term relationship?

What criteria are most critical for identifying quality advisors who wish to engage in a true partnership to help them grow, manage, and exit their business?

Well, the truth is that most independent broker-dealers cannot answer these simple questions, nor do they care. To them, a quality advisor is not defined by the relationships they have built with their clients, the service they provide, or even their level of expertise and knowledge. Rather, these broker-dealers define quality with little more than traditional measures of production and a review of the advisor's U-4

Founders Financial is different. We understand how remarkably simple it is to measure quality, especially when it is grounded in a relationship of trust and respect.



A Better Standard

Let's compete based on mission! Let's compete based on our values proposition! Let's compete based on the true impact we have on the lives of the independent financial advisors we are blessed to serve, as evidenced by their testimony.

Sure, Founders has competitive payouts, user-friendly technology, and access to capital, compliance, support services, and wealth management platforms; but this will never differentiate any independent broker-dealer in our industry. Items such as these are nothing more than what is expected to be in the common "toolbox" of every broker-dealer in our industry.

The better standard – the Founders Financial standard – is one that is rooted in the desire to truly serve each independent financial advisor in our community and is expressed clearly in our mission:

To positively impact the lives and professions of those we serve, always building a community of spirit and purpose as we grow our collective Human Quotient™.

Our mission is how we make and keep our promises and the baseline to measure our success.

Unfortunately, most large independent broker-dealers cannot operate like this because their mission does not lend itself to discovering, supporting, or growing such a relationship.

A mission statement defines an entity's reason for existence. It embodies its philosophies, goals, ambitions, and morals. The bigger the company, the harder it becomes to stay mission-centric, as conflicting interests, perspectives, and egos push different agendas. With that said, how many broker-dealer mission statements can you find that speak to the only thing that really matters – the shared opportunity of meaningful human relationships? Very few!

So, how does an independent financial advisor successfully operate a business while dealing with the misguided intentions of their broker-dealer?

If you're reading this, chances are that you or someone you know is an independent financial advisor; one who is in conflict with today's world, chasing measurements of success rather than the achievement of their client's unique financial goals and personal dreams. Imagine if this conflicted advisor could operate under a shared and common purpose, rich with values, and focused solely on the client. Imagine how deep that relationship would be!

Now, pause...

Our Mission

To positively impact the lives and professions of those we serve, always building a community of spirit and purpose as we grow our collective Human Quotient™

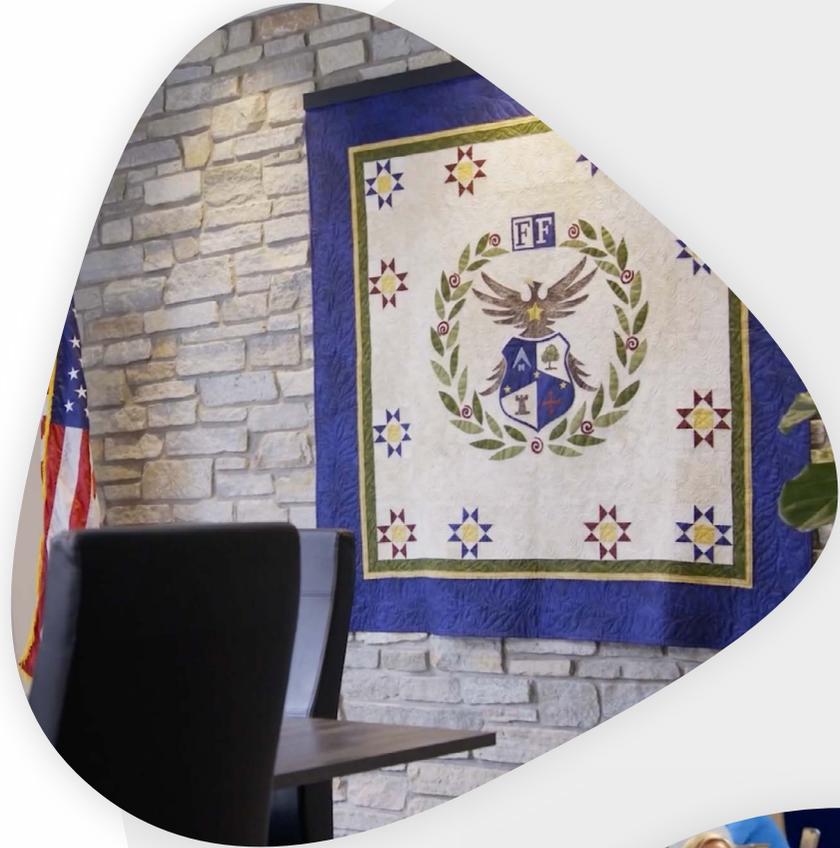


Imagine this standard's positive impact on thousands of advisors seeking to change broker-dealers each year. It could revolutionize the industry!

As the saying goes, "We cannot control the length of our lives, but we can control the depth and breadth of it." So, consider this – when the end arrives, and you are in that big box looking up at your family and friends who visit during your wake (because we will all be there one day), what stories will be told about your life lived? What rivers did you cross? What mountains did you climb? Who did you touch through your life's work? What difference did you make?

Very few broker-dealers would ever go this far.

At Founders Financial, our purpose is to build trusted, honest, transparent relationships with each Member Partner. We help them build their path and then act as a guide along their journey toward the achievement of their dreams. And we're good at it!



I Am Truly Blessed

I am blessed because I am the CEO of Founders Financial, Inc. and Founders Financial Securities, LLC. We are an uncommon private member enterprise serving independent financial advisors seeking a rich, purpose-based relationship. At the time of our launch in 1994, great emphasis was placed on building our “toolbox” to align with our mutual purpose. This purpose is found and represented by our mission and value proposition.

Founders Financial offers all Member Partners within our enterprise a full suite of services that enables them to effectively manage and efficiently grow their business in an ever-changing environment. The unique difference between our service offerings compared to most others in our industry is best found in the purpose of our actions.

We provide our Member Partners with the tools that will best allow them to serve their client’s goals and dreams. We seek the unique insight and feedback of each Member Partner so we can apply it to the development of our services and resources. This additional perspective allows us to deliver the most effective resources to our Members.



Stakeholder Support Services
Your Personal Advocates

Technology
Integrated, Intelligent Tools & Technologies

Investment Management
Comprehensive Planning & Investment Platforms

Administrative Support
Create Scale & Streamline Business Operations

Marketing
For Attracting New & Enhancing Existing Relationships

Compliance & Operations
Protecting & Serving Your Firm



Founders Financial
Strategic Enterprise Program™

Strategic Enterprise Program™
A Discovery of Servant Leadership

Succession Planning
Establishing and Protecting Your Legacy

Apprenticeship Program
Developing Wealth Management Professionals

The Difference of Founders

In summary, it remains my firm belief that the game should change. As an industry that cares for the well-being of our clients, we should equally care for and share leadership with our community of advisors.

- ▶ We should be empowering, not limiting.
- ▶ We should be supporting, not blocking.
- ▶ We should be inspirational, not self-serving.

Founders Financial has changed the independent broker-dealer space forever. While other broker-dealers focus on the volume of their advisors' production, Founders Financial is founded on something we believe to be more significant...our Human Quotient™ enterprise philosophy. Our tagline, **Shared Resources, Shared Values**, exemplifies and remind us of this purpose daily.

I firmly believe that no other broker-dealer in our industry can demonstrate that it has been **Built by and For** independent financial advisors as we can. We enrich and impact one life at a time, and we value the voice of our private community above all else.

As an advisor for Founders Financial, you are part of a community that seeks to expand their horizons, venture into deeper waters, and break free from the past in pursuit of an authentic dream, not someone else's version of it.

If you have ever asked yourself, "Is this as good as it gets?" and decided that you won't settle any longer, then consider becoming a Member Partner of Founders Financial.

Thank you for taking the time to read this statement of purpose. I am proud to be a part of an organization that values trust, integrity, and relationships above all else. I encourage you to explore not only the obvious capabilities of Founders Financial but also our greatest natural resource: the shared values and vision of our people.

[Discover Our Difference](#)





About Bradley M. Shepherd

CEO, Founders Financial

Brad's primary responsibilities include overseeing Founders' overall strategic vision, upholding its mission, and Member Partner development.

As the company's visionary, Brad is also focused on the company's future growth.

"Founders Financial is a unique enterprise built by and for our Member Partners. Unlike the typical broker-dealer driven strictly by financial gains, we are motivated by the professional success of our Member Partners and the trusted relationships we have with each of them. This differentiates us and will allow us to continue to thrive."

[Continue Your Exploration](#)

Founders Financial Securities, LLC is an *inter*dependent RIA and broker-dealer. Member FINRA/SIPC and Registered Investment Adviser.