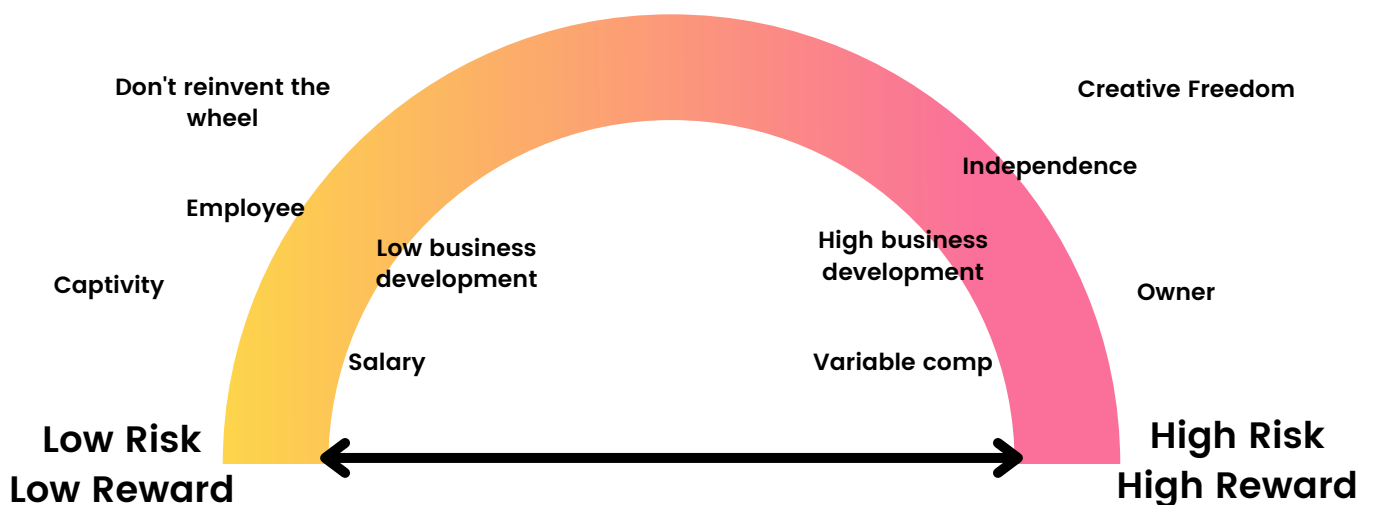


Advisor Risk Tolerance Tool Kit

Congrats! You now have a great tool kit to help you hire awesome talent and build models that match their needs!

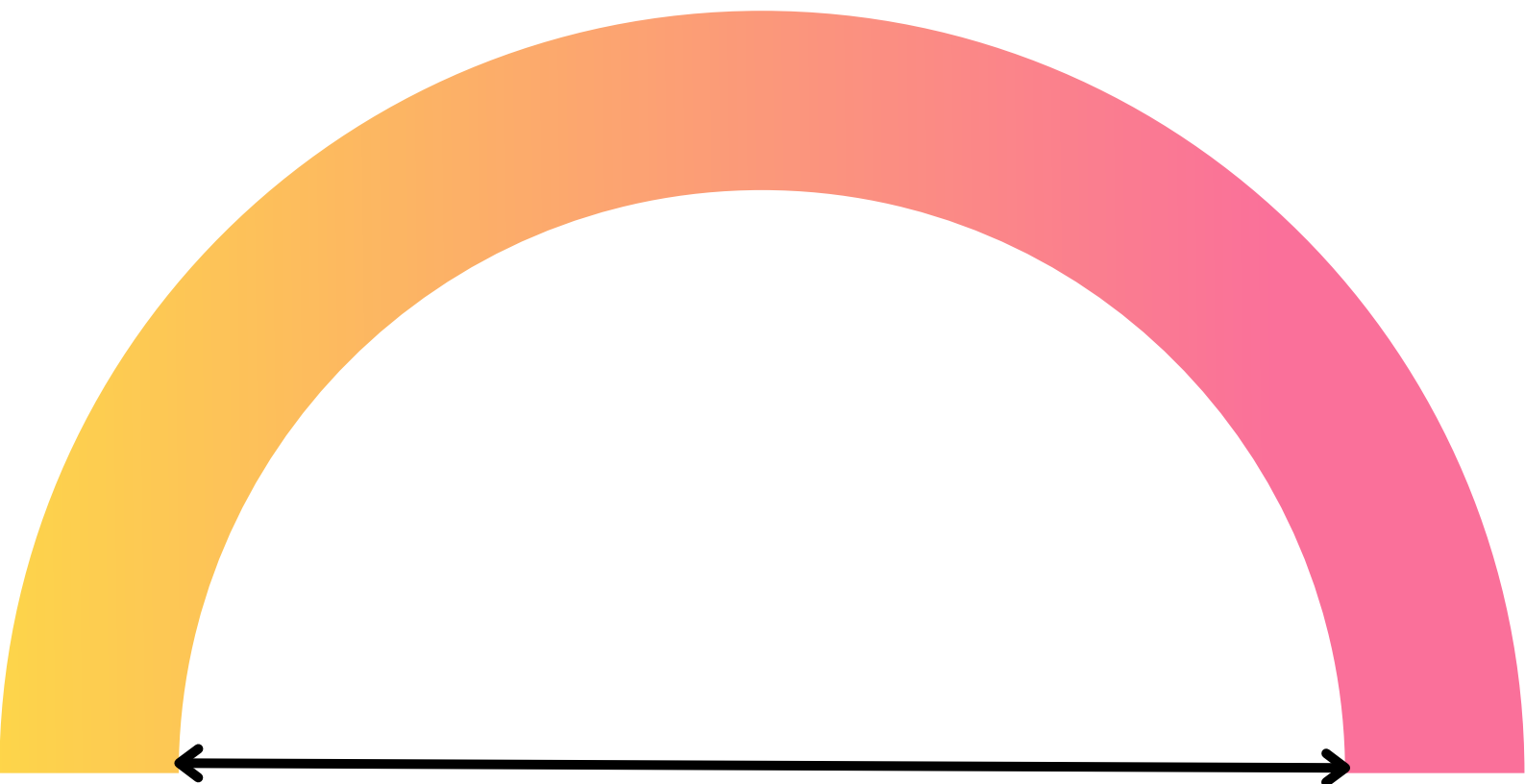
What you will get in this tool kit:

- **The Spectrum of Opportunities**– A template to draw on and educate new advisors and candidates about the spectrum of opportunities in the industry. This visual helps educate them about the features of different firms and roles in our business. It is meant to be used in the interviewing process or after you have hired someone to help them understand the macro view of the industry. The image below is a sample of what you might draw out.
- **The Advisor Risk Tolerance Discussion**– A conversation guide for assessing your advisor's risk tolerance, risk capacity, goals, and desired work structure. This guide includes questions for you and a worksheet to take notes. This conversation pairs well with our Advisor Risk Tolerance Assessment, which helps to score your candidate to match them to a role structure. This assessment can be completed with one of your Launch Lab Co-pilots.
- **The Advisor Models Chart**– A set of example models you may use to bring in a new advisor. It outlines four examples– Traditional, Hybrid, Para-Advisor, and Salaried– with elements that can be mixed and matched for a perfect role fit for your candidate.



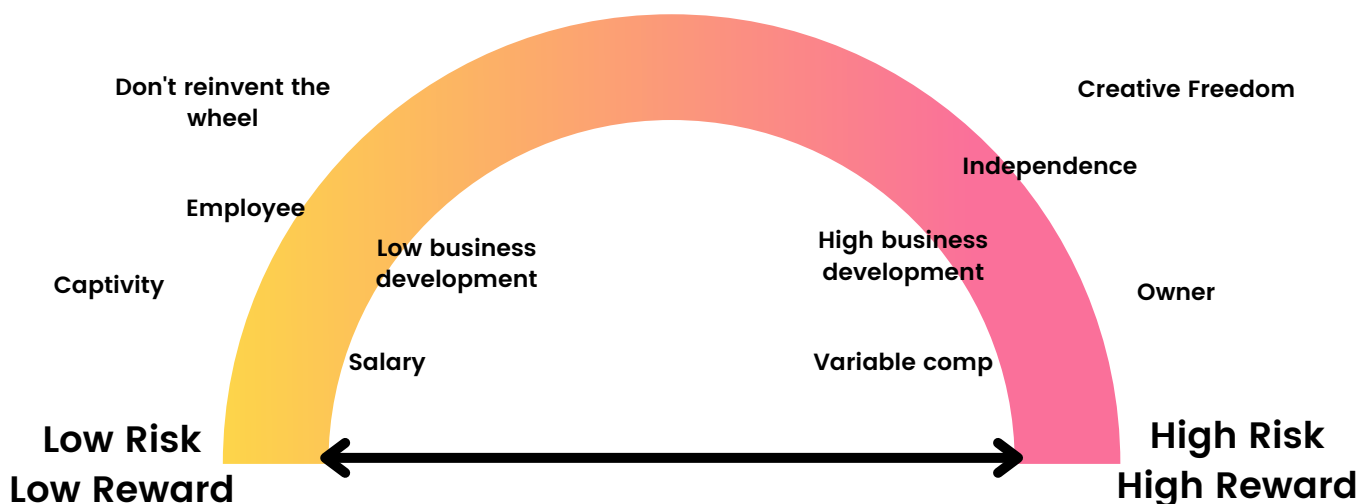
Spectrum of Opportunities

Copying the sample spectrum on the previous page, use this template to talk through the landscape of the industry with your next-gen candidate.



Advisor Risk Tolerance Discussion

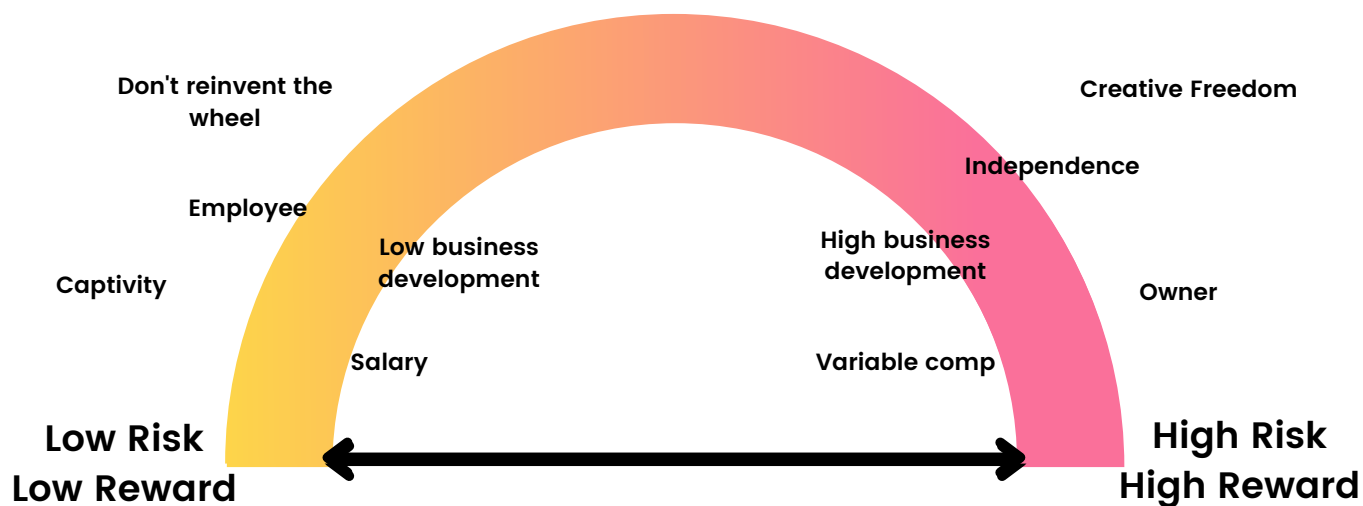
Use these questions to guide your discussion with your next-gen advisor and find a model that works for them.



General Risk	How would you describe your tolerance for risk?	Do you prefer a higher salary and lower variable comp? Higher variable comp and lower salary?	What financial responsibilities do you have today? Kids? Spouse? Parents? Mortgage? etc
Business Development	How excited are you about prospecting for new clients?	Where would you find a new client if you had to find one tomorrow?	How do you feel about marketing, networking etc?
Creativity	Do you love to create new things? Or think outside of the box?	How do you feel about following existing processes?	Do you have a vision of who you would like to work with and/or how you would like to work with them?
Ownership and Control	Do you see yourself as a business owner?	What excites you about owning and running a business?	Do you like to have control over the work you do and the work of others? Are you a visionary or an executor?

Advisor Risk Tolerance Discussion

How to assess the perfect position for your next-gen talent.



**Risk
Tolerance**

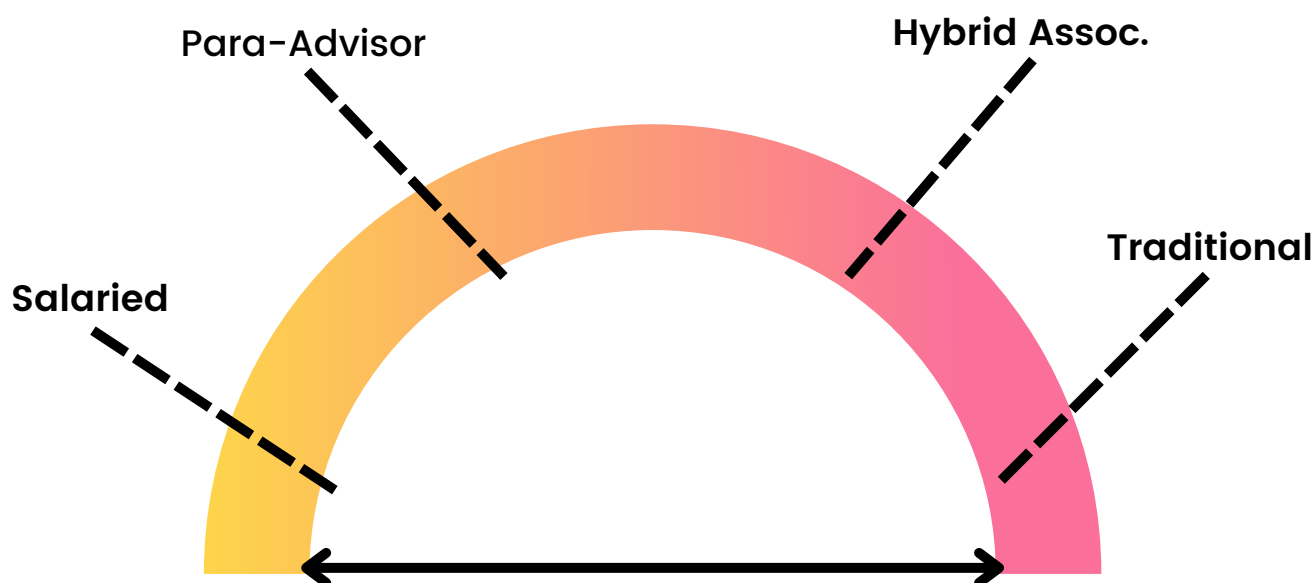
**Risk
Capacity**

Goals

**Ownership
and Control**

Advisor Models

The descriptions below can help you build a model that works for you and your next-gen advisor.



Traditional	Traditional Advisor Track • High risk • High reward • "Eat what you kill" • Find clients by selling info • Low training • Low supervision	100% commission based	High variance of success Industry rate: 16% Smallest Pool of candidates
Hybrid Assoc.	Hybrid Junior Track • Assign a block of opportunities • Might start as an intern • Intrapreneurial • High freedom • Doing marketing too • Medium training • Medium supervision	100% commission based OR Salary for base work. OR maybe they take a 30-50% of revenue from assigned block of clients + whatever business they find.	Lower variance of success for a candidate that knows enough
Para-Advisor	Junior Para/Advisor Track • "Zoo Bear" ◦ Sits by your side • Might start as paraplanner • Grows into talking in meetings • High training • High supervision	100% commission based but with a floor. Because you do everything together, maybe they take a 30-50% split based on the work they do. MDRT splits for reference	Lower variance of success Requires a lot of time, but ensures that someone knows exactly what they're doing
Salaried	Salaried Advisor Track • Paid a salary ◦ bonus for metrics • Might start as an intern • Clear cut list of reqs and tasks to complete • High training • Medium supervision • "House bear"	100% salary and bonus for certain metrics. Base salary is ~ 50% what you think they would do Other 50% bonuses based on activity Track business they bring in to be used as base revenue	Lowest variance of success For the lowest risk tolerance or needing more structure