A look at three types of managers

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Advisors surveyed this year say branch managers can be "good," "bad" or "ugly"

By Gian Verano | May 2012

Just as there are many ways to run a book of business, there are many ways to manage a branch. And how financial advisors feel about their branch manager has an effect on the way they view their firm overall.

"A good manager and a great culture can hide a lot of sins," says an advisor in the Prairies with Toronto-based ***CIBC Wood Gundy***.

When it comes to classifying the performance of branch managers, they fall into three distinct categories: the good, the bad and the ugly.

Good branch managers are those who foster a positive work environment. For junior advisors, a good manager is somebody who acts as a mentor and takes the time to answer questions. More seasoned advisors, for their part, appreciate branch managers who excel at conflict resolution.

"If there are any special issues that need to be addressed by head office," says an advisor in Ontario with Vancouver-based ***Canaccord Wealth Management***, "[the branch manager] will personally act as the liaison between the advisor and upper management."

Advisors with Toronto-based ***Richardson GMP Ltd.*** cited easy access to their branch management and open communication as reasons for giving their firm the highest ranking in this category.

"When you're a firm that's about hiring strong, experienced advisors," says Andrew Marsh, the firm's CEO, "you need strong, experienced leadership."

In fact, experience was the No. 1 reason advisors who rated their firms favourably this year did so.

Bad branch managers are those who are not accessible. This was the top grievance from advisors this year.

In branches for which there is no manager in-house, just a regional manager, advisors say they are not receiving as much support as their counterparts in larger branches that have an in-house manager.

"The regional manager is virtually non-existent," says an advisor in British Columbia with Montreal-based ***National Bank Financial Ltd.*** "He's not accessible, and he's not in tune with the daily needs of advisors."

It's a complaint that wasn't unique to just smaller towns and branches. Advisors often noted that their branch manager or regional manager was often "stretched too thin" or that their managers had too many branches to look after.

Says an advisor in Atlantic Canada with Toronto-based ***ScotiaMcLeod Inc.***: "Management always seems to be missing in action. I've had to make appointments a week in advance just to see my manager, and that's just ridiculous."

Then, there are the ugly branch managers. Those who drew advisors' ire most were perceived to be in a conflict of interest. Says an advisor in the Prairies with Toronto-based ***BMO Nesbitt Burns Inc.***: "He's an advisor first and a manager second."

There were many other advisors at other firms who felt the same way. In fact, some say their producing branch managers are often too busy to respond to concerns or to provide adequate training. Worse still, some advisors think their branch managers are taking the high net-worth clients for themselves by "cherry-picking" the books of outgoing advisors.

But many firms have policies in place to ensure producing branch managers put the needs of advisors before their own. At Toronto-based ***Macquarie Private Wealth Inc.***, branch managers are prohibited from taking new leads into the office - and they aren't allowed to take over the book of a retiring advisor. Also, branch managers are barred from allocating portions of initial public offerings. Says Earl Evans, the firm's CEO and head: "That would be like putting Dracula in charge of a blood bank."

At Toronto-based ***TD Waterhouse Private Investment Advice***, there's a heavy emphasis on the *quality* of a branch manager rather than the *quantity* of assets in his or her book. In fact, the firm aims to employ "a manager who produces, not a producing manager," says Mike Reilly, president and national sales manager.

Managers at the firm's 14 largest branches are all non-producing, Reilly explains, while managers in small to mid-sized branches have payout caps - any gross production of more than $500,000 is usually unpaid.

However, despite advisor concerns about conflicts of interest, producing managers bring many important qualities to the table, some say. Says Monique Gravel, Wood Gundy's managing director and head: "We favour producing branch managers because they know what [advisors] are going through. They know what clients are going through and what's going on in the market." IE