

But there are tradeoffs.

Compliance and Legal Setup. You'll need to file your ADV, draft your advisory agreement, and establish a compliance calendar. That might mean acting as your own CCO, or hiring a compliance consultant. It's doable – but time-consuming and high stakes.

Startup Costs & Time. Launching isn't cheap. Expect to spend on legal fees, insurance, tech, payroll, office space, staff and more. Most advisors should plan for a three-six month pre-launch window – and a six-figure investment.

Operational Burden. Billing systems, cybersecurity, data management, HR protocols – none of it comes turnkey. You either build it, buy it, or outsource it. And if you get it wrong, you pay for it later.

It Can Be Lonely. If you're coming from a team-oriented culture, or had a strong CSA, the solo journey can feel isolating. You'll need to be proactive in building a community of peers, vendors, and consultants.

Pressure, Pressure, Pressure. For the first 12–18 months, you'll be the CEO, COO, CCO, and sometimes even the IT guy. It's rewarding – but it's also exhausting, especially if you're the primary (or only) revenue producer. Starting your own firm is ideal if you have a clear vision, operational stamina, and desire full control and equity in your business.

The Case for Joining an Established RIA

Starting from scratch isn't for everyone – and it doesn't have to be. Joining an existing RIA can provide the independence you crave, without the infrastructure headache you don't.

Why does it work?

Built-in Infrastructure. The custodian is set, the tech is ready, and billing, compliance, reporting, and HR are already handled – freeing you to focus entirely on what truly drives growth: building deeper client relationships.

Faster Revenue Ramp. Because the systems are turnkey, onboarding and billing start sooner. In some cases, advisors are billing within 30 to 45 days of resignation.

Lower Financial Risk. Instead of footing the bill for every software license, you're often sharing costs – or having them absorbed by the firm entirely. That makes the financial risk of transitioning much lower.

Support Systems. Many RIAs offer internal marketing, paraplanning, and business development support. You get leverage without the overhead.

Peer Network. You're not flying solo. Between study groups, advisor summits, and firm-wide meetings, you have access to a built-in community.

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Limited Customization. Some RIAs have rigid investment menus, tech requirements, or branding guidelines. You may have to adapt your approach to fit the firm's standards.

Reduced Payout. You'll likely trade ownership for convenience. Payouts vary – but generally, they're lower than what you'd keep if you built your own firm. Some firms offer equity or profit sharing, but many don't.

Cultural Fit Matters. The firm's leadership, values, and processes become your own – whether you like it or not. If it's a mismatch, you'll feel it fast.

Relative Independence. Yes, you're independent. But you're still under someone else's ADV. That can mean limitations on client types, fee structures, or marketing efforts.

You're Building Their Brand. At the end of the day, your work adds value to their enterprise. That may be a feature or a bug, depending on your goals.

For many advisors, joining an RIA is a strategic way to de-risk the transition, and learn the ropes, before eventually launching their own firm. For others, it's the perfect long-term home.

Conclusion

Some of the best advisors I've worked with joined an RIA first, learned the ropes, then launched their own firms, while others went independent immediately. The advisors who struggled lacked intentionality, misjudged ownership responsibilities, or expected more support than provided. This decision isn't just about transitioning – it's a blueprint that defines your systems, equity, lifestyle, income, stress, and future succession. **So... Which Path Is Right?** That depends on who you are – and who you want to become.

Ask yourself:

- » Do I want to build a firm, or build my book inside someone else's?
- » Is control more important to me than convenience?
- » How much risk – financial, operational, emotional – am I willing to take?
- » Do I thrive on autonomy, or need structure and support?
- » What does my exit look like – and who owns it?