



CHECKLIST

The Ultimate Checklist for Starting an RIA Firm



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Starting your own RIA firm can be one of the most rewarding, yet challenging tasks you can undertake.

To help you navigate this process, our team has created the following checklist which categories each task under a specific business function. While no two companies are alike, we are confident that this checklist provides a reliable guide to get started down the road to independence.



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“Risk Comes from not knowing what you’re doing”

Warren Buffett

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As you go through the process of creating your company, we encourage you to take the time to define the essence of your firm, or your brand. As part of the brand building process, you should:

- Discover the purpose of your firm
- Conduct competitive research
- Determine your firm’s ideal client
- Establish buyer/client personas
- Establish a mission statement
- Identify the key qualities and benefits of your firm
- Establish a brand voice and style
- Take everything you have learned from the above to finalize a company name, logo, website, etc.

Legal

- Choose business structure/entity (i.e. Limited Liability Company, Corporation, etc.)
- File entity paperwork with state (*if necessary)
- File for Federal EIN
- File for state EIN (if applicable)
- Apply for local business license
- Search online and state database to ensure company name and domain name (i.e. URL) are available
- Register d/b/a name with state or county (if applicable)
- Obtain Operating Agreement/By-Laws (if necessary)

Marketing

- Identify target market
- Name your company
- Purchase domain name (aka URL for website)
- Develop 12-month marketing plan
- Contract a website and graphic designer
- Design logo
- Establish brand standards (colors, fonts, imagery, etc.)
- Develop website
- Get new headshot photo(s) taken (*if needed)
- Design business cards and marketing collateral
- Set up social media accounts
- Sign up for email marketing platform such as Mailchimp, Constant Contact or HubSpot
- List your company on relevant business directory websites such as Google Places, RIABiz, etc.
- Join industry associations including NAPFA and FPA
- Join online communities like LinkedIn groups
- Draft press release announcing your new firm and send it to local media and trade publications
- Prepare welcome packets for new clients

Financial

- Draft a business plan
- Create a marketing and operations budget
- File for federal EIN if you have not done so already
- Open business bank account
- Apply for company credit card(s)

Regulatory Compliance

- Complete Series 65 unless you have CFP®, CFA, ChFC, CIC, or PFS designation
- Determine if you want to hire a consultant to manage your RIA registration or manage this process on your own.

If you decide to hire an RIA registration and compliance consultant...

- Research firms
- Get a minimum of three vendor quotes

If you plan to manage the RIA registration process on your own:

- Create IARD Account
- Transfer funds to flex funding account
- Complete online form ADV Part 1A and 1B
- Draft and submit form ADV Part 2A and 2B
- Write compliance policies and procedures manual
- Contact state regulatory to determine additional documents needed
- Respond to regulator comments and obtain approval of registration
- Draft client agreements
- Establish compliance files for firm

Note: A reputable firm can help you streamline the registration and compliance process. On average, registering a firm takes about six weeks.

Technology

Communication & Compliance Management:

- Set up email address
- Set up email and social media archiving

Select Following Hardware:

- Computer
- Phone System
- Scanner/Printer/Copier

Select Following Software:

- Accounting/Payroll/Invoicing system(s)
- Client relationship system (CRM)
- Email newsletter management (Mailchimp, Constant Contact, etc.)
- Financial planning software
- Social media management
- System backup for electronic data and software
- Virtual meeting software (i.e. Zoom, GoToMeeting, etc.)

Business Operations

- Establish professional services fee structure (i.e. hourly, monthly, retainer, AUM, etc.)
 - Find office space
- (*if necessary)
- Create business workflows and processes
- Purchase business liability insurance
- Apply for E&O insurance
- Establish books and records required by SEC and state regulations.

Tax Information:

- Register with CTEC if applicable (CA Only)
- Take tax class or EA prep if applicable
- Get your PTIN from the IRS if applicable
- File form 8633 (eFile) if applicable

Investment Management

If you decide NOT to offer investment management services:

- Determine if you will advise clients to self-manage portfolios
- Create an investment advisor referral network (*if desired)

If you decide to offer services:

- Contact TAMP's to discuss outsourcing options
- Choose a 3rd party custodian
- Create model portfolios for managed accounts
- Purchase portfolio management, trading, rebalancing, and risk software
- Establish a fee-schedule for investment management services



Advisor Guidance is an RIA registration and regulatory compliance firm that supports the needs of state and SEC-registered investment advisors.

Since 2006, our firm has earned the respect of hundreds of advisors who have relied on us to help them navigate the process of starting and maintaining a profitable financial practice.

While working alongside your firm, our team of compliance, marketing and investment management industry professionals take the time to assess and analyze your needs to develop and implement practical, actionable solutions.

As a compliance-first company, our mission is to help our clients take the guesswork out of their regulatory responsibilities so that they can do what they do best; take care of the clients.

For More Information Contact Us

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