

THE RIGHT FIT AT THE RIGHT TIME

HOW FINANCIAL PROFESSIONALS MIKE ASHWORTH AND PAT McQUILLING FOUND THEIR IDEAL SUCCESSION SOLUTION

The financial planning landscape is poised for a seismic shift over the next decade. An estimated 37% of financial advisors, who collectively control \$10.4 trillion of industry assets, are expected to retire and yet one-in four don't have a succession plan.¹ For advisor Pat McQuilling, what's next for his practice and clients is no longer in question thanks to long-time friend Mike Ashworth and LPL Financial's Strategic Wealth Services.

Former wirehouse colleagues, Pat and Mike met over 20 years ago and kept in touch after Pat's transition to LPL in 2012. When Mike joined LPL in 2020, it proved to be perfect timing for them both. Pat had been focused on succession planning for several years, endeavoring to make his practice as attractive as possible to a potential buyer by changing to an advisory business model and cultivating higher profitability. And it worked. Firms in other states began approaching him about buying his practice, but the logistics and unknowns were daunting. Above all, Pat wanted a successor with the highest levels of integrity and service who he and his clients could trust.

During a conversation with an LPL advisory consultant, Mike's name came up as a possible fit. "I thought, I know Mike well, I trust him, and we're very similar in our approach," said Pat. "I had no doubts about his credibility or work ethic. It felt like it was the right fit at the right time." From Mike's perspective, this was a compelling opportunity to grow his practice with a respected friend who shared his values, investment philosophy, and client service model. "We already knew we were like-minded individuals, but it didn't take very long after the deal was done for us to work together in the office and realize we were a lot more similar than I think we knew in the onset."

Mike and Pat were new to the complexities of the acquisition process, but LPL's Strategic Wealth Services team guided them each step of the way with expertise and support. "Coming into Strategic Wealth Services has really blown me away," said Pat. "Being able to bring in the experienced professionals who are already on your team—it has exceeded my expectations." Added Mike, "To the extent you want LPL to take care of things for you or run the show, they'll do it and take all the headaches off your plate. I have found them to be a fantastic business partner."



Pat McQuilling



Mike Ashworth

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With the acquisition underway, Pat and his assistant made an “all hands on deck” effort to communicate the change to clients. “Some of them didn’t like the idea that I would be retiring, but I told them I need to have a succession plan in place to take care of you. It would be kind of embarrassing to spend a career in the retirement business and not be able to figure out how to retire yourself.” The response was overwhelmingly positive—298 out of 300 households made the transition.

Looking back over their career journeys, Mike and Pat believe everything happened for a reason, with the switch to independence perhaps being the most significant. “I have complete freedom as an advisor at LPL to decide how I want to build a business, and they have the support to help you do that. It’s ideal. People aren’t telling you what to do, they’re asking how they can help you build what you want,” said Pat. “When I was at the wirehouse,” said Mike, “I wouldn’t have been able to even hire my own cleaning crew. I can do that now. Little things like that have made a big difference in going independent.”

While independence affords advisors more succession options, it can also be daunting to make the leap from a wirehouse environment. “I think the perception that most advisors have is that when you become independent, you pick up all these new things you have to do to run your business,” Mike explained. “Although I didn’t have the same flexibility at the wirehouse I was at previously, I tried to ignore it largely because it was very easy to run my business and I didn’t want to go

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through the hassle of having to move my practice. But the Strategic Wealth Services platform makes it very simple. I don’t have all those things to worry about on a regular basis. I’ve heard so many folks say before that if they had just known how nice it was going to be, they would have gone a lot sooner. For me, that’s been the case. It’s been eye opening for sure.”

What advice would they give the one-in-four advisors without a formal succession plan? Start with the end in mind, and start today. “You’ve got to start. You’ve just got to,” said Pat. “When I began this process, I kind of took the point of view—start with the end in mind. What would be an attractive practice for someone to acquire? And I worked for years to move my practice into that space so I would make a great acquisition for someone. I spent a lot of time and a lot of effort building up to the M&A process. I also came into it knowing I had to be a little flexible, I had to be willing to compromise, because if you get the deal started but don’t get it across the goal line, what’s the point?”

Now that the acquisition is finalized, Mike and Pat are shifting their focus to new goals. For Pat, “What comes next is still a work in progress. It will involve fishing and spending more time with grandchildren. But I’m still working on that. Going from having your mind wrapped around work, building a business, and then suddenly that shift to retirement, I’m getting there but I would say it’s still a work in progress.”

As for Mike, his experience with Pat enabled him to complete another successful acquisition in preparation for his partner’s retirement. “Without a question my experience going through M&A with Pat and Strategic Wealth Services, that process of melding our two practices together, was very helpful with setting things up for my next acquisition because it taught me what I need to look for, things that I needed to do, and things that I needed to not do for that matter. In terms of future M&A, certainly with the right fit, if the right deal comes along and we are able to take care of those clients well, the sky’s the limit.”

/// **Strategic Wealth is a new generation of supported independence by LPL Financial. To learn more, contact your business development consultant at joinlpl.com.**

1: <https://www.cerulli.com/press-releases/40-of-advisory-assets-will-transition-in-10-years-according-to-cerull>

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LPL Financial (Nasdaq: LPLA) was founded on the principle that the firm should work for the advisor, and not the other way around. Today, LPL is a leader* in the markets we serve, supporting more than 20,000 financial advisors, 800 institution-based investment programs and 450 independent RIA firms nationwide. We are steadfast in our commitment to the advisor-centered model and the belief that Americans deserve access to personalized guidance from a financial advisor. At LPL, independence means that advisors have the freedom they deserve to choose the business model, services, and technology resources that allow them to run their perfect practice. And they have the freedom to manage their client relationships, because they know their clients best. Simply put, we take care of our advisors, so they can take care of their clients.

* Top RIA custodian (Cerulli Associates, 2021 U.S. RIA Marketplace Report); No. 1 Independent Broker-Dealer in the U.S. (Based on total revenues, Financial Planning magazine June 1996–2022); No. 1 provider of third-party brokerage services to banks and credit unions (2021–2022 Kehrler Bielani Research & Consulting Annual TPM Report)

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