4 Key RIA Business Trends: **Insights from the Field**

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Key Questions:

- **Is “independence” losing its meaning in today’s RIA space?**
- **Why are many succession plans missing the mark?**
- **What can RIAs outsource to free up time?**
- **Why are private investments now essential for UHNW clients?**

Since we launched Verdence / RIA+ just one year ago, I’ve attended multiple conferences and had conversations with hundreds of advisors across the country. These conversations have painted a clear picture of where the independent wealth management industry is headed.

These four key trends are reshaping the future of RIA firms. We’ll explore each trend in greater depth in a series of upcoming articles, with tactical strategies and practical solutions to help your firm thrive amid a rapidly evolving landscape.

1. Independence: A Brand at Risk?

In 2010, two distinct worlds existed: the legacy broker-dealer world and the emerging independent RIA world. Fast forward to today in 2025, and the lines have blurred. According to Cerulli [1], consolidators have rolled up nearly 20% of AUM in the independent channel. (Cerulli) Traditional independent advisors are increasingly concerned that private equity-backed consolidators calling themselves independent RIAs are simply re-creating the tarnished broker-dealer world under the veil of independence.

The Risk

Legacy independent firms spent decades cultivating a client first brand that focuses on fiduciary advice, close personal client relationships and value-added planning and investment advice. The consolidators are diluting those traditional values by chasing financial goals. Will they dilute the independent brand and ruin the party for everyone?

The Opportunity

Or, on the other hand, will the inevitable hiccups associated with the integration of a decade's worth of acquisitions and continuing lack of focus on supporting advisors and their clients backfire, driving previously acquired advisors and their clients to exit in favor of independent firms that maintained traditional values?

[1] https://www.advisorhub.com/with-1-5-trillion-in-aum-ria-consolidators-are-reshaping-the-industry-cerulli/

2. Succession Planning: The Clock Is Ticking

Consolidation and generational shifts are reshaping the independent channel. It has become increasingly clear that many independent advisors over age 60 who once said they'd "*die with their boots on*" are now seeking to retire. Yet the pot of gold they envision may be less shiny than expected.

A Harsh Reality Check

Yes, valuations are near all-time highs, and some firms are realizing record high valuations. But for most, the numbers will be disappointing. Why?

- Deal terms are gradually shifting from cash up front to payment structures that reflect client retention and market values. This becomes more important as markets become more volatile.
- Multiples are conditional. The high multiples advertised in the press require firms to be growing and the advisor to continue growing the firm after the sale. And smaller firms typically realize multiples 15-30% lower than large firms.

There is clearly a gap between seller expectations and buyer generosity. And time may not be on the side of sellers given the potential for market volatility. Some advisors will need to bite the bullet and accept a lower price, and others will choose to postpone their retirement to capture additional value via growth and perhaps the next bull market.

3. Outsourcing: From Nice-to-Have to Necessary

Bull markets hide lots of mistakes. The most common mistake advisors make is "working in the business instead of on the business".

In other words, instead of focusing their time on client-facing activities to grow, they bury themselves in the minutiae of managing money, managing technology, hiring and training people; and they become dependent on the consistent returns of a bull market for growth.

Faced with a market decline, advisors often realize (a) they need some help managing risk and (b) their time is better spent adding new clients to offset the impact of market declines on assets and revenues.

The trouble of course, is that there is not enough time to be responsible for all the non-client-facing work while also do the client-facing work of client management and prospecting.

By some estimates more than 40% of advisors already employ some degree of outsourcing and a recent Fidelity study observed that outsourcing can free 20-50% of an advisor's time. The study further observes that firms that outsource produce better business outcomes including signing more new clients, higher asset growth and better revenue growth. (Fidelity1 [2]) (Fidelity2 [3])

Examples of Popularity Outsourced Areas:

- Investment Management
- Back-Office/Operations
- Compliance
- Bookkeeping

2. https://clearingcustody.fidelity.com/insights/growth-hub/scale-and-optimize
3. https://www.morningstar.com/financial-advisors/outsourcing-competitive-edge-financial-advisors

4. Private Investments: The New Differentiator

Private investments are no longer a niche. They are fast becoming table stakes for RIAs competing for qualified purchasers (clients with $5M+ in investable assets).

Why Are Private Investments Becoming So Important?

- Clients are increasingly asking about private investments.
- Firms that do not offer alternatives are starting to lose their best clients
- Public market return dispersion is narrowing, making differentiation harder. Private investments executed well can produce higher returns with lower volatility. They can differentiate an RIA's investment offering.

Seemingly Easier Than Ever Before, But…

- There are now platforms that offer RIAs the (a) access to private investments and (b) technology to manage the paper-intensive administration. RIAs can seemingly offer private investments more easily than ever before.
- BUT … there are more private investments funds than ever before, and most advisors are not trained to do the fund due diligence and selection required to be successful. Private investments are illiquid and therefore unforgiving, and the dispersion of returns is considerable. Choosing wrong and the "the golden goose will lay a rotten egg" damaging client performance and the client relationship.

What Are An RIA's Choices?

- Build in-house investment due diligence capabilities
- OR Partner with firms experienced in sourcing, vetting, structuring and selecting high-quality deals.

Why Now? First Mover Advantage

Firms that offer private investments now are already attracting clients from firms that do not. We expect this trend to accelerate over the next two years.

What's Next?

In upcoming issues, we'll dive deeper into each of these trends, complete with frameworks, case studies, and action plans. Our goal: help you prepare, adapt, and grow in a changing RIA landscape.

Let us know what challenges your firm is facing and how we can support your evolution.

Ready to talk to one of our experienced professionals? **Schedule A Discovery Call**

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