INVESTMENT EXECUTIVE

Raymond James targets Quebec market

The national independent brokerage has hired an executive with deep connections to Quebec in order to ramp up its business

By Paul Brent | November 2013

TORONTO-BASED RAYMOND JAMES LTD. is targeting Quebec for growth by hiring former ***National Bank Financial Ltd.*** (NBF) veteran Richard Rousseau.

Most recently NBF's vice chairman, executive vice president and national sales manager, Rousseau joins Raymond James as senior vice president of its private-client group. He has been tasked with growing the latter firm's presence in Quebec.

Although Raymond James has 450 financial advisors in 120 locations and $22 billion in assets under administration (AUA) in Canada as a whole, the independent brokerage firm is underrepresented in Quebec. The firm's private-client business, operating for the past three years in the province, is composed of about a dozen advisors, mainly in its Montreal office.

"We have come to the realization," says Terry Hetherington, executive vice president of Raymond James' private-client group, "that [Quebec] is a great market for Raymond James. There's a great fit for us, and we have been there a long time in the capital-markets business. So, it's a natural fit for us to expand our private-client business."

The firm expects to expand in larger cities such as Montreal, Hetherington adds, and reach into smaller centres in the province with independent agents.

Rousseau brings his well-known reputation and a large Rolodex of financial services contacts to his new position. Although the majority of Rousseau's experience has been in Quebec, he formerly was national sales manager of National Bank Securities Inc. As a result, he also has experience outside the province. Most notably, Rousseau was regional manager of NBF's British Columbia operations.

Rousseau also was a director of the Investment Industry Association of Canada (IIAC) from 2010-12 and national advisory committee chairman of the IIAC's predecessor association, the Investment Dealers Association of Canada, for a two-year span.

"Richard's reputation speaks for itself," says Paul Allison, chairman and CEO of Raymond James. "He is a leader in our business and also in his volunteer activities and community contributions. His depth of experience and industry knowledge strengthens our already strong team in our private-client business and will benefit our ongoing strategic developments and growth nationally."

Raymond James expects Rousseau's high profile in Quebec's financial services industry will allow the firm to fast-track its recruiting of new advisors in that province.

"More than 20% of Canadians' investible assets are in Quebec," Hetherington says. "It would make sense for us to have 20% of our advisors in the province. We see Quebec as a key market for our expansion in Canada."

Raymond James has been "aggressively" growing the advisor base of its high net-worth, private-client group organically by adding advisors and teams over the past few years, Hetherington adds. The firm also has considered several acquisitions, but has not been able to find the right fit.

Last year, Raymond James' U.S. parent of the same name successfully retained more than 1,000 Morgan Keegan & Co. Inc. advisors - more than 95% of the advisors who had worked there - after acquiring that firm.

Raymond James' Canadian subsidiary now has a chance to add to its private-client advisor base, after Richardson GMP Ltd.'s recent acquisition of Macquarie Private Wealth Inc. and its 185 retail brokers.

Hetherington notes that Raymond Jones has benefited from similar acquisitions in the past, such as NBF's purchase of Wellington West Capital Inc. in 2011.

"Every time there's some displacement in the industry," Hetherington says, "we benefit from it."

Just don't look for Raymond James to buy one of the rapidly shrinking group of independents, he adds: "We have looked at a number of different acquisitions. There has been about six or seven [acquisitions] before Macquarie and we never, candidly, found a good fit for us. We feel our strategy is best served by recruiting advisors that would find Raymond James to be the best place for them."

One of the key recruiting attractions to entice advisors to join Raymond James is the firm's policy that its advisors can take their clients with them in the event that they leave for a rival outfit or to set up their own business.

"We put [that] in writing with our advisors," Hetherington says, "unlike most of our competitors - that the relationship that they have between them and their clients is theirs. There's a risk to that strategy, so we have to deliver on our promises of this being the best place to work and a culture, when they get here, that they are really going to like."

As well, advisors are not pushed to sell proprietary Raymond James' financial products. There's a simple reason for that: the firm doesn't have any in Canada - and doesn't plan to create any.

"We just think that," Hetherington says, "in order to deliver a completely open-architecture offering for our clients, we don't want to have any conflicts for the advisors."

In total, Raymond James has a network of approximately 6,300 advisors in the U.S., Canada and key international centres, with more than 2.5 million individual clients and families. The firm also administers more than $410 billion in client AUA globally.