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Mario Addeo, left, and Richard Rousseau have new positions running Raymond James Ltd.'s private client group. While Addeo oversees products and services, Rousseau will spearhead the firm's ambitious expansion plans. The firm is emphasizing personal advice and recruiting advisors by offering features often not offered by competitors.

Going fishing for the big ones

The Canadian arm of Raymond James is looking for financial advisors to boost its wealth-management business. Mario Addeo and Richard Rousseau are putting out the welcome mat

BY FIONA COLLIE

IN THE BATTLE FOR CANADA'S HIGH net-worth clients, Toronto-based **Raymond James Ltd.** is positioning itself in the front lines. In preparation for the firm's ambitious expansion plans in this market, it has re-arranged the management team that runs its private client group, turning to two industry stalwarts to lead the charge.

As of October 2015, the private client side of the business has been split into two sections that will work closely together. Raymond James veteran Mario Addeo, executive vice president, now has responsibility for wealth-management products, research, services and practice-management initiatives. Richard Rousseau, who moved over from National Bank Financial Ltd. (NBF) in January 2014, will be in charge of the firm's expansion and aggressive recruitment drive across Canada — by adding both new branches and financial advisors — also as executive vice president.

Both Addeo and Rousseau will report to the firm's chairman and CEO, Paul Allison, while Terry Hetherington, who had run the private client group since 2002, will now assume a more strategic role as vice chairman of the private client group.

The moves come as the firm's U.S.-based parent, Raymond James Financial Inc., an independent investment dealer, sets its sights on quadrupling its Canadian assets under management (AUM) — with the help of a greatly expanded team of experienced advisors. Recruiting tools, ranging from an array of non-proprietary choices on the products side, to updated tech tools, such as e-signatures, on the

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support side, have been designed to attract advisors already well established in their careers. Says Rousseau of the changes: "I think we're going to generate a great deal of interest."

The firm's plans for growth will depend on persuading large numbers of advisors that he is right. With 10 branches in the firm's dedicated corporate network and 104 more agents in independent offices across Canada, Raymond James is aiming to boost its Canadian AUM to \$100 billion from its current level of \$26.6 billion. Although there is no firm deadline to meet that target, Rousseau says, the executive management team is aiming for 10% compounded annual growth. Rousseau will, he says, "be disappointed if we don't get to the \$60-billion range within five years."

Addeo and Rousseau both say that Raymond James is ready to take on the increasingly competitive wealth-management industry, in which high net-worth clients are driving significant profit gains for many firms, especially the banks. In 2010, the firm launched its wealth-management solutions group, which includes discretionary portfolio management as well as additional services often requested by affluent clients, such as wills and estate planning services.

One area Raymond James wants to bolster is financial strategies tailored for Canada's shifting demographics, particularly older clients. For example, the firm expects the coming surge in the numbers of senior citizens to fuel demand for customized advice in the areas of health-care insurance, estate planning, spending and deaccumulation strategies and investing for longer lives.

To that end, the company recently hired a vice president of longevity planning, who will work in partnership with Raymond James U.S. parent, which has a connection to Agelab, a research centre at the Boston-based Massachusetts Institute of Technology. The lab is a 25-year old program focused on improving the quality of life of the elderly and their caregivers. "We're excited about that," says Addeo. "We

think it's a great opportunity and we're going to take advantage of that for sure."

Raymond James will also be reminding advisors that the firm offers career-enhancing incentives that the banks do not — such as advisors' ownership of their books of business — and that the firm will not be replacing personal advisory functions with automated digital advice platforms (a.k.a. robo-advisors).

"I think advisors at the banks understand that there's something wrong with their relationship with the firm right now, and they're not quite sure what they're going to do about it," says Rousseau. "What we're going to do is give them a very solid alternative."

The firm's dual model structure — both corporate branches and single offices — is another advantage when it comes to attracting more advisors and clients,

Raymond James Ltd. is aiming for 10% compounded growth, with a quadrupling of assets under management

says Rousseau. Although full, dedicated branches support growth in large centres, independent offices allow the firm to be nimble in centres with smaller populations. Indeed, Rousseau is hoping to double the number of Raymond James' corporate branches.

Addeo and Rousseau, both 53 years old, bring many decades of experience in the financial services sector to their initiative.

Addeo joined Raymond James in 2009 as senior vice president in charge of fixed-income, and later became senior vice president, private client solutions. He is now responsible for fixed-income, foreign exchange, asset management, wealth management, private investment, research and strategy, and insurance and estate planning operations in Canada.

Addeo's experience runs deep: prior to joining Raymond James, he was a managing director at CIBC World Markets Inc., having previously been responsible for core prod-

ucts, such as debt, equities and syndication at Merrill Lynch Canada Inc. Before that, he was senior vice president and director at Midland Walwyn Inc., which was acquired by Merrill in 1999 and subsequently rolled into CIBC World Markets.

Rousseau, on the other hand, brings the culture of banking to his role. His time in the banking industry has equipped him to understand what independents like Raymond James can offer. "I've done this job before, this is exactly the position I had when I was at [NBF]," says Rousseau, referring to his new mandate to expand Raymond James' wealth-management network. "The 30 years I spent [at NBF] in a bunch of different capacities has prepared me for the opportunity that is presenting itself now in the [high net-worth] market."

Indeed, Rousseau has laid the foundation for aggressive advisor recruitment in Quebec since joining Raymond James. The number of employees in the retail client division in the province will soon reach 50, up from about 12 in 2011 — a level that will require the company to provide French-language support to franco-phone employees and clients. "We're close to 95% of the way there," says Rousseau, who adds that Raymond James has invested hundreds of thousands of dollars to provide this support.

Of course, the future brings change and one of the biggest looming on the financial advisory horizon is sweeping regulatory reform. Both Addeo and Rousseau say Raymond James is already well positioned to deal with a fundamental shift to greater transparency in the client/advisor relationship, partly because the Raymond James model is largely fee-based. In addition, the implications of the second phase of the client relationship model (CRM2) are addressed regularly by management. Says Addeo: "We're not running from CRM2; we think this is a good thing."

One area that Raymond James, both in the U.S. and Canada, intends to stay well away from, is robo-advice. "Technology is going to be important moving forward," says Addeo, "but we still think advice is advice and our clients want to deal with financial advisors." **IE**