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The rise of the Second Story Advisor: A scalable pathway for advisor growth

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For decades, the advisory model within the bank and credit union channel moved through several growth cycles. Early programs emphasized generating high volumes of branch referrals. As programs matured, institutions worked to balance deposit retention with advisor production goals. Today, however, the industry is navigating new pressures: declining reliance on branch-based referrals, rising client expectations, capacity challenges among seasoned advisors, and aggressive recruitment from independent broker-dealers.

In response, many institutions are embracing a new and increasingly effective operating model: the Second Story Advisor.

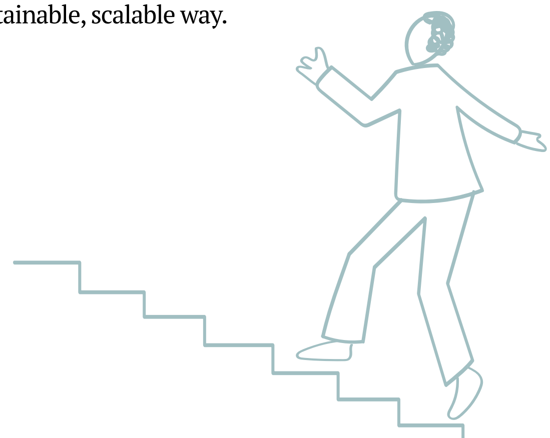
What is a Second Story Advisor?

A Second Story Advisor is an experienced, at capacity advisor with a well-established client base who transitions out of the retail branches and into a more collaborative office environment, often alongside leadership, lenders, and other high-value centers of influence.

In this model, the advisor shifts from relying on walk-in business and branch referrals to focusing on:

- Deepening relationships within their existing book
- Building high-quality, high-value referral networks (lenders, attorneys, accountants, board members, business owners, etc.)
- Positioning themselves as a private-client or wealth-management professional rather than a retail branch resource

The result is an advisor who operates more strategically, serves fewer but more valuable households, and is empowered to grow in a sustainable, scalable way.



Why This Model Works

A move to the Second Story isn't just a change in physical location, it is a substantive career evolution that enhances advisor productivity, elevates client experience, and strengthens the value the advisor brings to the bank or credit union.

1. **Greater efficiency and production**

   By reducing broad service demands and focusing on top-tier relationships, advisors gain:

   - More time for planning and relationship-building
   - Stronger per-client revenue
   - Increased ability to deliver a premium service experience

2. **Enhanced client perception**

   An elevated and collaborative office environment reinforces credibility and aligns with the expectations high-net-worth clients associate with independent advisors and private wealth firms.

3. **Improved work–life balance**

   Advisors spend more time delivering value and less time managing administrative tasks or addressing transactional walk-in traffic.

4. **Operational and team alignment**

   When positioned alongside administrative support, advisors benefit from:

   - A clearer distribution of administrative responsibilities
   - Faster, more seamless collaboration
   - A support structure that enables the next phase of business growth

Addressing Perceived Challenges

Institutions and advisors often express concerns about transitioning from a branch model to a Second Story environment, but many of these challenges cand be addressed through thoughtful planning. Here are common concerns and practical solutions:

1. **Reducing clients = reducing opportunity**

   Advisors sometimes fear that shrinking their book will limit growth. In reality, thoughtful right-sizing of a book of business often increases revenue, elevates client satisfaction, and expands advisor capacity.

2. **Loss of branch visibility**

   While branch referrals may decline, targeted centers of influence (COI) and client-driven referrals often more than offset this, especially when supported by a deliberate referral strategy.

3. **Client resistance to the new location**

   Most clients adapt quickly; in practice, very few object to meeting in a more personalized setting.

4. **Uncertainty about production outlook**

   A structured growth plan, supported by segmentation, wallet-share analysis, and a mock pro forma, helps advisors visualize potential growth and track progress with confidence.

Why does the model matter for financial institutions?

Financial institutions benefit as much as advisors do from incorporating the Second Story Advisor approach. This approach can:

Strengthen the investment program's brand: Aligning advisory services with a high-value, private client feel.

Define career paths: Creating upward mobility for junior or associate advisors and strengthening advisor-career progression.

Increase branch network efficiency: Freeing branch capacity for new or developing advisors to generate fresh referral activity.

Generate scalable revenue growth: Driving higher deposit penetration, broader household penetration, and significant increases in non-interest income contribution.

This model transforms advisory services from a moderately productive channel into a major, strategic growth engine.

When to Consider Moving an Advisor to the Second Story

Key indicators that an advisor is ready for this career progression include:

- The advisor is shifting toward high-net-worth or private-client relationships
- Referrals originate more from the advisor's book than from branches
- Revenue is driven by planning and recurring wealth management services rather than transactions
- The advisor is capacity-constrained and needs room to scale

If multiple of these factors are present, the Second Story model is not only appropriate, it's necessary.

How Osaic Institutions Supports the Transition

When an institution is ready to explore the Second Story pathway, Osaic Institutions provides strategic and operational support, including:

- Compensation-structure best practices
- Office design and space planning
- Referral and COI development strategies
- Revenue modeling and growth projections
- Service-model design for high-net-worth clients
- Team structure and staffing alignment

From concept to execution, we help institutions and their investment programs build a sustainable and scalable Second Story platform.

Reach out to your personal **business consultant** to learn more.