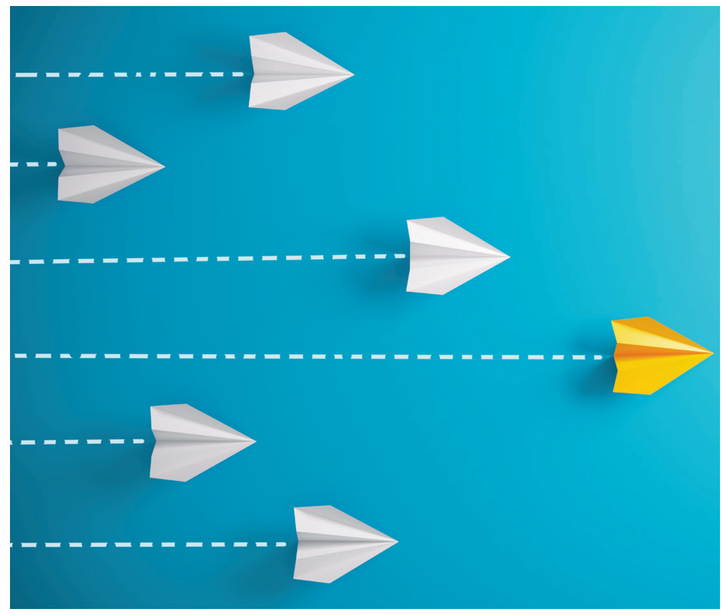
Newcomer outperforms in Report Card debut

Wellington-Altus tops standings in a variety of categories while BMO plummets

BY JAMES GAUGHAN



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FIRMS' PERFORMANCES IN *Investment Executive*'s (*IE*) 2020 Brokerage Report Card covered a wider range compared with last year's results.

Of the 13 firms that also appeared in the 2019 Report Card, the *IE* ratings for four decreased by a range of 0.1 to 1.1, while the ratings for two stayed the same (an *IE* rating is the average of all of a firm's category ratings). Seven firms saw improvement, with their ratings rising by a range of 0.1 to 0.8.

The standout performance came from newcomer **Wellington-Altus Private Wealth Inc.**, based in Winnipeg. This firm debuted with an *IE* rating of 9.6 and topped the standings in a variety of categories. Financial advisors were particularly pleased with "firm's stability," "firm's strategic focus," "firm's ethics" and "firm's receptiveness to advisor feedback" — all categories were rated 9.9.

Wellington-Altus had only one rating below 9.0, "back office & administrative support," for which it received 8.9.

The main reasons cited by Wellington-Altus advisors for the high ratings were the firm's openness to feedback and the independence granted to advisors.

"They ask tough questions, [are] happy to hear tough answers [and] work hard to get things done," says one Wellington-Altus advisor. "If you need new pieces that aren't available on [the] approved list, they work hard to do due diligence to get things on there that they agree with."

Says another Wellington-Altus advisor: "They listen to all the advisors, taking in information and trying to help and make it easier for us to do our job."

While advisors had few complaints about the firm, some expressed concern about back office growing pains.

"Sometimes account opening takes longer because other people are bringing accounts over. [We're] growing so quickly that it's difficult to do day-to-day operations," says one Wellington-Altus advisor.

Shaun Hauser, founder and president of Wellington-Altus, says the firm is working on fixing these issues. "There's always going to be dislocations from time to time, but we're very conscious of trying to infill those and we're very, very determined to make our gaps our strengths over [a] short amount of time," he says.

Two firms that saw higher ratings in a variety of categories were **CIBC Wood Gundy**, which improved in 24 categories when compared with last year, and **ScotiaMcLeod Inc.**, which improved in 14 categories year-over-year. (Both firms are based in Toronto.)

Wood Gundy advisors were impressed with the changes Ed Dodig has made since he became head of both **CIBC Private Wealth Management** and Wood Gundy in April 2019. The firm's rating in the "firm's receptiveness to advisor feedback" category jumped to 8.2 from 6.4 a year ago.

"I think the changes in leadership are great. Ed Dodig is a very reasonable person and he's not managing his career the way many in banks do. It's not a political game with him," says one Wood Gundy advisor in Quebec.

ScotiaMcLeod advisors consistently praised their corporate culture, saying it had greatly improved under brokerage head and managing director Craig Gilchrist. The firm's *IE* rating rose to 8.7 from 8.2 a year ago, and the rating for "firm's corporate culture" increased to 9.3 from 8.3.

"It's fairly early but Craig Gilchrist has been doing a great job since he took over," says one of ScotiaMcLeod's advisors in Ontario.

"We have much better leadership than we did a few years ago and many problems have been addressed since then," says another ScotiaMcLeod advisor in Ontario.

Gilchrist, head of the bank-owned brokerage since May 2019, says his strategy is: "[We] listen to our advisors, understand what they need and execute on the initiatives they have prioritized. We are proud of the strong culture."

Advisors at the highest-rated firms praised their leadership teams and corporate culture

Among the four firms that did not improve year-over-year, Toronto-based **BMO Private Wealth Canada and Asia** had the worst showing, plummeting in all but four categories. That resulted in an *IE* rating of 6.9, down from 8.0 last year.

BMO advisors said they were unhappy with the way the bank approached the merger. When asked about the worst aspects of the firm overall, an advisor in Ontario says it appeared that the firm was being taken over by the bank completely: "Eventually you'll have a set salary and such. It's wrong."

Another BMO advisor in B.C. says the firm needs to "let [investment] advisors do their own thing and not ask people to sell credit cards to their clients. We need management that supports us."

In a statement emailed to *IE*, Andrew Auerbach, head of BMO Private Wealth Canada and Asia, says the intent of the merger was "preserving the best elements of two strong businesses. [More than a year] in, I am extremely proud of our unified team. During this transformative period, we have not lost focus on our clients."

The firm had its lowest rating in the "receptiveness to feedback" category: 4.4, down from 7.2 last year. That 4.4 rating was the lowest in the 2020 Brokerage Report Card. Not surprisingly, the largest year-over-year category drop for BMO was for "firm's stability," rated at 5.4 and down from 8.6 a year ago.

"There's constant change and people in positions who are unfamiliar with roles. They're arrogant and don't listen to what we have to say," says a BMO advisor in British Columbia.

Says another advisor in Ontario: "The leadership needs to listen a lot more to us. Or get fired."

Auerbach adds that the bank aims to build a business that "responds to the changing expectations of our clients and adapts to the evolving competitive environment."

For the second year in a row, the firm with the lowest *IE* rating was **Industrial Alliance Securities Inc.** (iA Securities) with a 6.8, down from 7.2 last year.

Advisors with iA Securities complained most about the firm's technology, and the firm received a 5.5 for "technology tools & advisor desktop." That was similar to last year's 5.8, and remained the lowest rating in the category across all firms.

"They've taken what should be the easiest part of the business, which is the technology, and made it worse," explains one of the firm's advisors in Ontario. Another iA Securities advisor in Ontario says there's been "a big step back overall" when it comes to digital tools.

"We are always listening to what [advisors'] needs are and are open to making improvements whenever possible," say iA Securities executives in a statement emailed to *IE* addressing the concerns raised regarding technology.

iA also suggests that advisors may simply need time to adjust to new systems, noting that the firm had recently transitioned the legacy HollisWealth platforms from Toronto-based Bank of Nova Scotia's system to its own. "With any change, it takes time to learn and understand the new programs, platforms and tools," say the firm's executives. **IE**