NESVOLD
CAPITAL PARTNERS

EXECUTIVE BRIEFING

Not Just Succession

— Why M&A Has Become a Growth Strategy

An analysis of how growth, talent, technology, and capital — not retirement alone — are driving the most consequential transactions in wealth management today.

KEY TAKEAWAYS

- **Succession is no longer the primary driver.** Many of the most consequential transactions today reflect growth, talent acquisition, and capability-building rather than retirement or liquidity alone.
- **Scale has become a strategic necessity.** Meeting today's client expectations — estate planning, tax strategy, private investments, and more — requires expertise few firms can build alone.
- **Growth has become the new succession.** M&A increasingly functions as a mechanism for acquiring talent and expanding capacity once organic growth plateaus.
- **Rising valuations have made succession harder, not easier.** As RIA valuations have climbed, ownership has become less attainable for the next generation, making capital structure — not just leadership — central to succession.
- **Technology has lowered the barrier to entry, but raised the bar for success.** Starting an RIA has never been easier; remaining competitive has never been harder. Genuine specialization remains a durable advantage.
- **The best transactions begin with purpose, not valuation.** Chemistry between leadership teams, cultural compatibility, and a shared commitment to client outcomes matter more than multiples.

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ABOUT NESVOLD CAPITAL PARTNERS

Nesvold Capital Partners (NCP) is an investment bank specializing in M&A advisory and merchant banking for the wealth management industry and its broader ecosystem. As one of the sector's most exclusive M&A advisory boutiques, the firm avoids overlapping engagements with competing firms and focuses its sell-side processes on a select group of pre-vetted, highly qualified buyers. NCP delivers CEO-level advisory services to firms experiencing exponential growth or navigating transformative events — including mergers, acquisitions, recapitalizations, organic growth strategies, and partner liquidity or succession planning — and also makes supportive, non-control investments in innovative financial services firms led by exceptional management teams. Over the course of their careers, NCP's principals have advised, or invested in, firms managing over **$1 trillion** of client assets.

OUR TEAM



H. Peter Nesvold

JD, CFA, CPA

MANAGING PARTNER

Peter is a seasoned finance executive with a rare blend of legal, financial, and strategic expertise, holding credentials as a lawyer, CPA, and CFA charterholder. With over 25 years of experience on Wall Street, he has built a distinguished career in asset and wealth management, earning recognition as one of the top five most impactful M&A bankers in the industry. Peter advises CEOs, fiduciary boards, and senior leaders on complex M&A transactions, succession planning, compensation and equity strategies, brand building, and recruitment.

Previously, Peter was a partner and Chief Strategy Officer at Silver Lane Advisors, where he played a pivotal role in scaling the firm from startup to a top-ranked M&A advisor in wealth management, culminating in its sale to a Fortune 500 company. Prior to Silver Lane, he was a Senior Managing Director at Bear Stearns and a "five-star" portfolio manager at Lazard Asset Management.

Beyond his professional achievements, Peter is an Adjunct Professor at the Gabelli School of Business at Fordham University, an accomplished author of four books on M&A with McGraw-Hill, and an active member of multiple fiduciary and advisory boards. He holds degrees from the University of Pennsylvania and Fordham Law, and previously was a dedicated long-distance runner, having completed 19 full marathons.



Ruotao Wang

JD, CFA

DIRECTOR

Ruotao Wang is a Director at Nesvold Capital Partners, where he advises on mergers, acquisitions, and capital raises and serves as a key member of the firm's principal investment team. Prior to NCP, he was a Vice President in the Financial Services Investment Banking Group at Raymond James, where his main area of focus is asset and wealth management.

Ruotao holds the Chartered Financial Analyst® designation and has a bachelor's degree with highest distinction from the University of Michigan, and a juris doctor from Harvard Law School.

NOT JUST SUCCESSION

WHY M&A HAS BECOME A GROWTH STRATEGY

EXECUTIVE SUMMARY

For much of the past two decades, the wealth management industry's consolidation narrative has been remarkably consistent: founders are aging, succession planning is difficult, and mergers and acquisitions provide an orderly transition for clients and liquidity for owners. That narrative is not wrong — but it is increasingly incomplete. Today, many of the most consequential transactions have little to do with retirement, and instead reflect a broader strategic reality: firms are using mergers, acquisitions, and strategic capital to build capabilities, acquire talent, and remain competitive.

Succession remains one reason to pursue a transaction. It is no longer the defining one.



SUCCESSION IS NO LONGER THE DEFINING REASON

For much of the past two decades, the wealth management industry's consolidation narrative has been remarkably consistent: founders are aging, succession planning is difficult, and mergers and acquisitions provide an orderly transition for clients and liquidity for owners. While that narrative is not wrong, it is increasingly incomplete.

Today, many of the most consequential transactions in wealth management have little to do with retirement. Instead, they reflect a broader strategic reality: firms are using mergers, acquisitions, and strategic capital to build capabilities, acquire talent, accelerate growth, and remain competitive in an industry whose economics continue to evolve. Succession remains one reason to pursue a transaction — it is no longer the defining one.

THE COMPETITIVE LANDSCAPE HAS CHANGED

The expectations placed upon wealth management firms today are fundamentally different than they were even a decade ago. Clients increasingly expect a comprehensive advisory relationship that extends beyond investment management — estate planning, tax strategy, private investments, lending solutions, insurance, trust services, and sophisticated financial planning have become integral components of the client experience.

Meeting those expectations requires expertise across disciplines. For a sole practitioner or even a successful regional RIA, building every capability organically is both expensive and operationally difficult — hiring one trust and estate attorney or one marketing executive is rarely practical, and the fixed costs often exceed what smaller firms can justify.

Scale, therefore, is no longer simply an economic advantage. It has become a strategic necessity.

Larger organizations can invest in specialized talent, technology, compliance infrastructure, and client services that individual firms may struggle to replicate independently. Increasingly, advisors are pursuing strategic combinations not because they wish to leave the business, but because they want to offer clients more than they could provide on their own.

GROWTH HAS BECOME THE NEW SUCCESSION

Perhaps the most important shift occurring within wealth management is the recognition that M&A has become a growth strategy. Many mature advisory practices eventually encounter a natural ceiling — advisors have exhausted much of their personal referral network, while their client base often ages alongside them.

Other firms experience the opposite challenge: their reputation generates more opportunities than their existing team can absorb without compromising service quality. Both situations point toward the same conclusion.

Strategic transactions increasingly function as a mechanism for acquiring talent, expanding leadership capacity, and creating organizational scale capable of supporting future growth.

The objective is not merely to become larger. It is to become stronger.

IRONICALLY, SUCCESS HAS MADE SUCCESSION MORE DIFFICULT

One of the industry's more interesting paradoxes is that successful firms frequently face the greatest succession challenges. Over the past twenty years, valuations for high-quality RIAs have risen dramatically — creating tremendous wealth for founders, but simultaneously making ownership significantly less attainable for younger professionals.

The next generation often cannot afford to purchase meaningful equity using traditional financing structures. Consequently, succession planning has become less about identifying future leaders and more about designing appropriate capital structures.

Minority investors, strategic capital providers, seller financing, and creative ownership transition strategies are increasingly necessary — not because founders wish to exit immediately, but because firms need mechanisms that allow ownership to evolve without jeopardizing independence or financial stability.

Capital has become an enabler of succession rather than merely its outcome.

TECHNOLOGY LOWERS THE BARRIER TO ENTRY — BUT RAISES THE BAR FOR SUCCESS

Technology has democratized the formation of advisory firms. Today's entrepreneurs have access to custodial platforms, outsourced compliance providers, planning software, and an expanding ecosystem of wealth technology solutions — starting an RIA has never been easier.

Remaining competitive, however, has never been harder. Clients expect increasingly sophisticated service models, regulatory requirements continue to expand, and cybersecurity, compliance, and operational resilience demand ongoing investment.

That does not mean independent firms are destined to disappear — quite the opposite. The firms most likely to thrive will be those that develop genuine specialization, building deep expertise serving a specific profession, industry, or client segment.

Specialization remains one of independence's greatest competitive advantages.

BIGGER IS NOT ALWAYS BETTER

Consolidation inevitably creates larger organizations, but size alone does not produce better client outcomes. One of the defining questions facing the industry is whether larger firms can maintain the personal relationships that have historically differentiated independent advisors.

Technology undoubtedly enables greater efficiency. Artificial intelligence will automate research, workflow, documentation, and administrative tasks, and advisors may eventually serve substantially more households than they do today.

Yet wealth management remains fundamentally a relationship business. The industry's greatest asset has never been investment performance alone — it is trust. The challenge for every growing organization is ensuring that operational efficiency never comes at the expense of personal connection.

Ironically, this creates an enduring opportunity for boutiques. Whenever firms become sufficiently large that clients begin to feel anonymous, entrepreneurial advisors willing to deliver exceptional service will continue to find receptive audiences.

NOT EVERY ACQUISITION STRATEGY CREATES VALUE

Another misconception surrounding industry consolidation is that all consolidators operate similarly. In reality, firms generally fall somewhere along a spectrum between integration and aggregation.

Integrated firms seek to create a common client experience, standardized operating procedures, unified technology platforms, and cohesive cultures. Aggregated firms often preserve significant autonomy among acquired practices. Neither approach is inherently superior — the appropriate model depends upon strategy.

For advisors evaluating potential partners, financial terms should rarely dominate the discussion. The more important, strategic questions are these: Will clients receive a better experience? Will advisors gain meaningful resources? Will the organization genuinely help accelerate growth? Those answers determine whether a transaction ultimately succeeds.

THE BEST TRANSACTIONS BEGIN WITH CLIENTS

In advising wealth management firms through decades of transactions, we have observed that the most successful deals rarely begin with valuation. They begin with purpose: chemistry between leadership teams, cultural compatibility, a balanced economic structure, and a clearly articulated strategic rationale.

Most importantly, they begin with a shared commitment to improving outcomes for clients. That principle sounds obvious — yet it is surprisingly easy for buyers and sellers alike to become consumed by multiples, earnouts, and purchase agreements while losing sight of the underlying objective.

A transaction is not an end in itself. It is simply one strategic tool available to firms seeking to build stronger businesses and deliver greater value. The future of wealth management will not belong exclusively to the largest firms, nor exclusively to the smallest — it will belong to organizations that continually invest in talent, embrace innovation thoughtfully, and remain relentlessly focused on client outcomes.

Strategic transactions are not financial events. They are catalysts for long-term growth — and the firms that treat them that way are the ones that thrive.

This briefing is provided for informational purposes only and does not constitute investment, legal, or tax advice. It should not be relied upon as the basis for any transaction decision. Please contact Nesvold Capital Partners directly to discuss the valuation of a specific business.