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Finding the Best Adviser Recruits

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By NIKI READING

Paxton Farese built a successful financial practice over 10 years in Ridgeland, Miss., and recently decided it was time to expand.

His plan called for dozens of new recruits in two additional offices outside Mississippi. The problem was that Mr. Farese knew from experience that hiring new advisers wasn't his strong suit.



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He had hired a number of people while growing his Farese Group, a broker-dealer that manages \$200 million for about 400 clients. But the recruiting process was time-consuming, and after all the effort, a number of his hires simply weren't a good fit for the company. "We've learned what not to look for," Mr. Farese said.

He knew his old, informal approach to hiring wouldn't work for an aggressive expansion, so he found a consultant who specializes in business expansion. Together, they created a standardized process that would allow Mr. Farese and his staff to assess recruits quickly and fairly.

The heart of the system is a four-step interview process. First, promising candidates are given a phone interview, then an in-office interview with the firm's director of sales and recruiting. If the candidates make it through those steps, they have an in-person meeting with the hiring manager at the specific office where they are applying for a job. Finally, top candidates meet with Mr. Farese and his recruiting consultant in the main office.

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Each step involves specific questions and a scoring system so Mr. Farese and his colleagues can compare candidates, regardless of who initiated the interview. For example, during the first phone interview, candidates are

asked about their years of experience and current assets under management--and given higher or lower scores based on how well their answers match the firm's needs.

The firm also began using an assessment test for candidates who make it past the first two rounds of interviews. The test asks questions to determine personality type and business acumen so Mr. Farese and his team can find advisers who would be a good fit for the firm. They also are looking for advisers who are "situational" sales-oriented, meaning they can read a client and make recommendations based on his needs, rather than simply trying to sell products.

The test doesn't just allow Mr. Farese to peer into candidates' personalities--he also uses it to craft personalized interview questions for candidates who reach the final interview. He said "vanilla" interview questions--written for all candidates, without the benefit of specific information about each candidate's personality and skills--haven't allowed him to identify the best candidates in the past.

Midway through the expansion, the approach is working. The firm sorted through applications more quickly and has been able to ask better interview questions, so the candidates who have made it to the final interview have been ready for the job.

Without this new system, "There is no question we would have struggled to even come close to reaching our current recruiting goals," Mr. Farese said.

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