

Gearing for growth on a national scale

Leede Jones Gable expects to continue to add to its footprint, either through more amalgamations or organically

BY FIONA COLLIE

CALGARY-BASED LEEDE JONES Gable Inc. is a small, independent brokerage with a management team that's thinking big after gaining a national footprint in a merger between its two predecessor firms, Calgary-based Leede Financial Markets Inc. and Toronto-based Jones Gable & Co. Ltd.

"There's not a lot of independents left, and so we either had to get bigger or go home," says Robert Harrison, president and CEO of Leede Jones Gable.

Prior to the merger, Leede Financial's operations had been concentrated in British Columbia and Alberta while Jones Gables' were focused on Eastern Canada. But following the completion of the merger in late 2015, roughly 170 financial advisors manage clients and assets out of Leede Jones Gable's nine main offices — including locations in Vancouver, Calgary, Toronto and Montreal — as well as through several sub-

branches in smaller communities. In total, Leede Jones Gable now employs about 230 people, including its advisor network, and has \$2.5 billion in assets under management (AUM).

One of the main drivers behind the decision to merge was the need to create economies of scale to deal with increasing regulatory costs, such as with the implementation of the second phase of the client relationship model (CRM2). Says Harrison: "You need some size to handle it all."

Leede Jones Gable expects to continue to add to the footprint gained after the merger, potentially through other amalgamations or organically through individual advisors joining the firm. As well, besides adding to AUM, Leede Jones Gable plans to expand its support services for advisors. More specifically, the brokerage will be developing more referral relationships with professionals, such as accountants and lawyers, who can help with matters beyond clients' investment portfolios.

To make sure Leede Jones Gable can handle its current — and future — level of growth, Harrison has a very simple strategy: think like a bigger firm. Case in point: since joining Leede 14 years ago, Harrison has made a priority of hiring people who know what running a large dealer entails — even if they aren't necessarily working for one at the moment.

"I knew if you want to get big,

you have to have people from big firms. If you had someone that thought 40 people was massive ... we wouldn't have gotten anywhere," says Harrison, adding that the company's workforce comes from all channels of the financial services sector. "Everyone has come from everywhere: from the banks; from the brokers; everywhere."

Leede Financial's roots go back to 1987, when it was a small introducing broker known as Rogers & Partners Securities Inc. By the time Harrison joined the company from Toronto-based Raymond James

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Ltd. in 2003, Leede Financial had changed to that name and had become a full-service brokerage with its own back office and roughly \$135 million in AUM.

Jones Gable was founded in Toronto and had fewer than 10 sales reps and traders when it opened its doors in 1965. At the time of the merger with Leede Financial, Jones Gable had roughly \$900 million in AUM and offices in Vancouver, Montreal and Fredericton.

Although the merger may

have been born of necessity in a changing regulatory environment, the combined entity has proven to be a meeting of equals in terms of culture and the fact that executives from both firms remain at the helm. Jones Gable's chairman, Donald Ross, holds the same position at Leede Jones Gable; Gord Medland, who was chairman of Leede Financial, is vice chairman of the new dealer.

The similarity in cultures not only helped solidify the decision to merge, but also helped with the integration of the two firms. "[The integration has] been pretty good," says Harrison. "We work together; there hasn't been any us/them kind of stuff. If there's a problem, [we] just try to fix it."

That collaborative mindset is part of the culture at Leede Jones Gable, Harrison notes. More specifically, the firm doesn't employ sales or regional managers to work with advisors. Instead, advisors are encouraged to talk to their fellow brokers as well as to staff when an advisor has questions or is looking to solve a problem.

"There's advice available," says Harrison. "Everything from research to just other brokers advisors can call in other cities."

Leede Jones Gable has an open architecture regarding accounts

and compensation: the firm is completely independent in terms of which products advisors can sell; there is no compensation grid and no account minimums. Leede Jones Gable advisors may own shares in the brokerage.

Advisors also may set up the kind of business they want, whether it's fee-based, commission-based or separately managed accounts. Advisors also have access to a full suite of products — from insurance to mutual funds to venture capital.

Having diverse platforms and products was another key to Leede Financial's — and now to Leede Jones Gable's — expansion strategy. In building Leede Financial, Harrison wanted the brokerage to have revenue from multiple avenues to ensure the firm could survive ongoing changes in its industry and the low interest rate environment.

Managers maintain their own books of business. Harrison argues that such an arrangement isn't a concern for advisors who otherwise might be wary of managers taking potential business from advisors because the goal of the brokerage is to make sure clients end up with the advisors who are right for them.

"[When a client wants] to open an account, [the branch manager] asks a few questions, [then thinks]: 'Now, who's the broker who would be most suitable?' And that's who [gets the account]."

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