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Raymond James's chief executive aims to add $30-billion in assets over five years

CLARE O'HARA WEALTH MANAGEMENT REPORTER

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Amid an economic slowdown that has seen job losses begin to emerge in some parts of the financial sector, Jamie Coulter, chief executive officer of Canadian wealth manager Raymond James Ltd. RJF-N -0.94% decrease, is on a different course, with plans to recruit more than 60 investment advisers and add $30-billion in assets to the company over the next five years.

Unpredictable markets, rising inflation and recession concerns are pushing some companies to announce job cuts, including U.S-based Goldman Sachs GS-N -1.97% decrease, which news reports say will slash 1 per cent of its work force –about 400 employees – later this year.

But Mr. Coulter – who stepped into his role as CEO nine months ago – is moving ahead with an aggressive growth plan to increase assets to $100-billion, up from the current $70-billion the independent wealth company manages today.

"Times of uncertainty is what this industry is built for," Mr. Coulter said in an interview with The Globe and Mail. "And if there is anything we have learned throughout the past two years from operating during a pandemic, it is how agile an organization can be."

Mr. Coulter has spent the majority of his 27-year career working for the Canadian subsidiary of Florida-based investment giant Raymond James Financial Ltd., a publicly traded company that manages more than US$1.2-trillion in assets.

The Toronto native first stepped into the financial services industry after answering a classified ad to be a rookie investment adviser for one of the largest investment brokerages in Western Canada – Goepel McDermid Inc. – an independent business Raymond James Financial Ltd. bought to enter Canada in 2001.

Over the years, Mr. Coulter has been agile himself, taking on several new executive roles and moving back to Toronto in 2000 to augment Raymond James Ltd.'s capital markets business. In late 2019, a few months before the country went into a nationwide lockdown because of the global pandemic, he was promoted to the head of wealth management in Canada for the firm.

And more recently, he stepped into the role of CEO several weeks before the Russian invasion of Ukraine earlier this year.

"I made regular updates on video across the organization because these situations are a lot for anyone to deal with," Mr. Coulter said during an in-person interview at his Toronto office. "A lot of people were mentally prepared to move back to offices earlier this year – and then Omicron hit in a big way. We needed to support them through that."

Now, as people slowly make a return to the office this month, Mr. Coulter is pleased to connect face to face with some of the 1,800 employees he oversees, including 495 financial advisers and 150 people in capital markets. While the company hasn't set a mandate on the required number of days in the office, Mr. Coulter can be found behind his desk four to five days out of the week.

Increasing the number of advisers – and in turn, the overall assets – will mainly come from recruitment, a task that has become increasingly easier throughout the pandemic with the use of technology and video-conferencing for meeting prospects, Mr. Coulter said.

"In April of 2020, I really did think recruitment was going to stall for however long COVID was going to last. But then a month later we added an adviser who worked at one of the banks and then another and then they just kept coming," he said. "The pandemic gave them the pause they needed to make a move."

Over the past two years, Raymond James has relied more on recruitment, poaching 30 adviser teams from a mixture of banks and independent competitor firms. (Teams typically consist of one to two advisers and a licensed assistant.)

In addition to a "strong pipeline of prospects," Mr. Coulter said the company is also looking to tap potential recruits through an adviser internship program. The program was set up eight years ago and has been gaining more traction as people who may have some exposure to the industry – such as a wholesaler or an assistant – look for a second career.

"Adding a number of advisers to your company is also about growing the business to help generate the free cash flow a company needs to reinvest in the business because we are dealing with a regulatory environment that's ever evolving, changing client expectations, competition as well as a big technology overlay," Mr. Coulter said.

"You need to keep reinvesting in the business if you want to stay relevant."

To help spur more growth, Mr. Coulter still has his ear to the ground for a potential acquisition if the right "cultural fit" becomes available on the market. But the pool of competitors in Canada is shrinking.

Currently, there are approximately 165 securities licensed investment firms operating in Canada, down from 196 in 2012, according to data from the Investment Industry Association of Canada.

The last major acquisition by the firm was in 2016, with the purchase of MacDougall, MacDougall & MacTier Inc., also known as 3Macs. The deal added 72 advisers managing about $6-billion of client assets in the province of Quebec, a region in which Raymond James wants to continue to expand.

Over the past decade, other U.S. and global retail brokerages such as Macquarie Group and Merrill Lynch & Co. failed to gain momentum in Canada as they grappled with how to navigate a smaller pool of high net-worth clients, whose assets are also largely invested in Canada's Top Five banks.

But Raymond James has been steadily increasing its assets while managing to keep the "for sale" sign off the front door. At the end of fiscal 2012, the firm had $20.7-billion in assets; by the end of fiscal 2017, that had grown to $41.7-billion.

Part of that success is owed to the support of its U.S. parent, said Mr. Coulter, who also sits on the executive committee for Raymond James Financial alongside U.S. chief executive Paul Reilly.

"We are able to do things we wouldn't be able to do as a standalone Canadian investment dealer today," Mr. Coulter said.

The U.S. parent is also able to help finance larger deals for the Canadian arm, as was the case with the 3Macs acquisition.

Mr. Coulter also points to the example of cybersecurity infrastructure – a shared capability that he says "far exceeds" what he could set up as a domestic-only entity. Other shared resources include equity research teams, investment banking relations, practice management teams and marketing communications.

"It's a true partnership," he adds. "They trust the Canadian management team to run the business independently the best possible way we can for our Canadian investors and their families and advisers."

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