

Mr. Reiss Interview

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Through my father, I was able to get in contact with Mr. Brian Reiss. Mr. Reiss began his career as an investment wholesaler, but he yearned to have more control over his hours and compensation. Partnering with a past client from his corporate job, he created a financial advising practice.

He said, "[Many investment wholesalers] follow a similar track". While some continue to work for a corporation until retirement, that is far from the norm. While he did not necessarily feel underpaid in the corporate world, he did notice that there was not really a direct correlation between his efforts and his compensation. By running a practice this correlation is much stronger. Additionally, by being self-employed he has much more flexibility with travel and his calendar. He can also change his hours based on how much he values his personal time or making more money.

While there are disadvantages to being self-employed, such as not having a salary safety net, he has found that the benefits outweigh any potential risks. His points line up really well with what has been discussed in class. Essentially, there are risks associated with starting a business, but by taking the risks, one can have a more free and fulfilling lifestyle.

Mr. Reiss is a franchisee under Ameriprise Financial. The franchise model allows him to be self-employed with less hassle. Especially when starting a practice, being a franchisee has several advantages. Most importantly, the franchisor provides a framework to build the practice around. Additionally, franchisees are able to leverage the name brand for exposure. However, Mr. Reiss also noted that franchising can be restricting at times due to the highly regulated nature of the contracts.

While he had a framework to support his business, Mr. Reiss still used entrepreneurial techniques to create and build his practice. For example, he has to experiment with marketing strategies to develop his client base. Additionally, he has to manage hiring employees, payroll, and company expenses.

One point that Mr. Reiss emphasized was that having partners when starting provides robustness. Since his partner was already a successful financial advisor, they were less likely to make beginner mistakes. This echoes what Mr. Scott Catron said about creating a startup: having previously successful partners is important to increase the chances of success and make the business appear more robust to investors, clients, and customers.

After discussing the process he followed to build his business, conversation pivoted towards plans for the future. Mr. Reiss spoke a lot about how he and his business partner are getting close to retirement age. Therefore, it made sense that his succession plan was discussed. At the time of the interview, it seems like the most likely plan is to merge with another practice. He remarked that there were a few other practices in the area, some of which are affiliated with Ameriprise Financial and sother are not. If he were to take the merging route, he said that he would prefer to stick with Ameriprise. However, merging was not the only option. He discussed the possibility of selling the business, passing it to one of his kids, or even becoming an independent practice.

We discussed the process of ending a relationship with a franchisor as well as the process of becoming a registered investment advisor (RIA). Following this route would allow him to keep his clients, but not his client records, as those belong to Ameriprise Financial. Doing so would grant him more freedom in terms of business management, as he would no longer be limited to the franchise circular. He also mentioned that, after they finish college and had some years of real-world experience, if his either of his kids wanted to one day take over the business he would see that as a potential succession plan as well.

Overall, I really enjoyed interviewing Mr. Reiss. I learned a lot about what it is like to be a franchisee, and how it is similar and different to building a startup. I

also learned a lot about running a business that provides a service rather than a good as its product: the managerial side is fairly similar, but working with clients is a lot different than selling to customers. I also learned that interviewing takes a lot of skill, and that I could definitely use some practice. Luckily, Mr. Reiss was very easy to talk to, and was well-prepared to discuss his experiences. There is certainly a lot to gain from having a close, in-depth conversation rather than just someone lecturing about their startup or reading from a textbook.

