



RIA M&A Advice Series

Why AI Won't Replace My Job – or Yours

By Tyler D. Nunnally

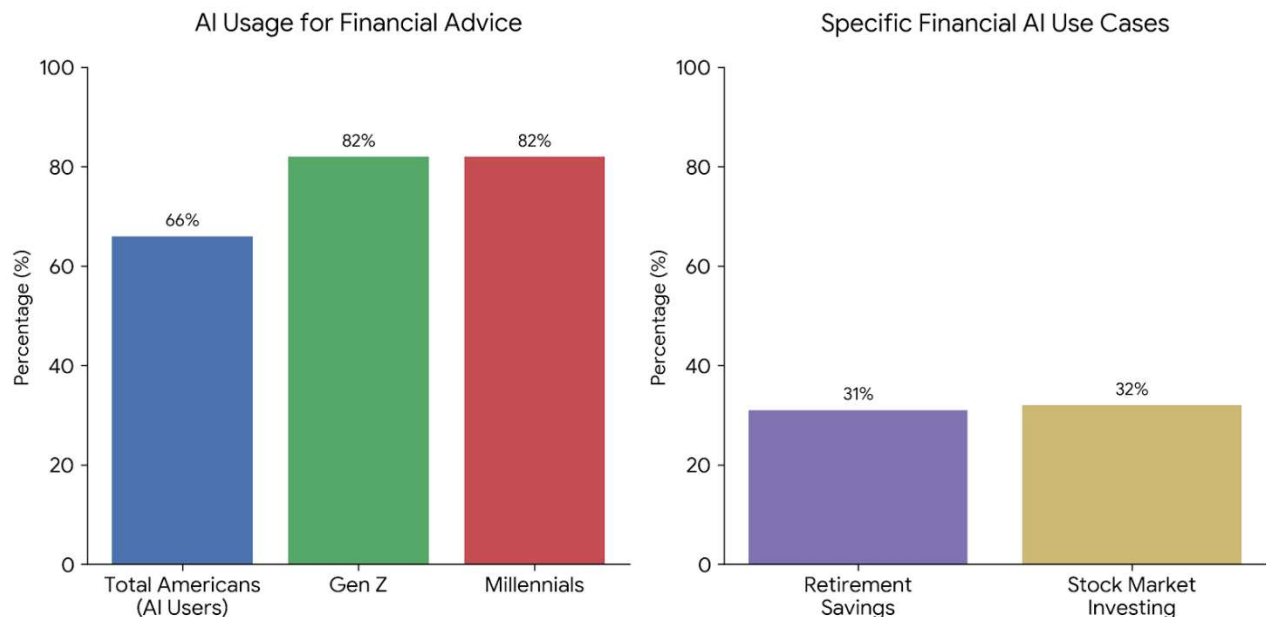
AI disruption is rattling nerves in the wealth industry. There is a lot of talk about whether AI will make financial advisors obsolete. As an M&A Advisor to RIA owners, I see the same headlines and wonder if my job could be in jeopardy too.

The current climate is reminiscent of the fear that swept the industry with advent of the robo-advisor in the early 2000s. I spoke frequently at industry conferences during the time and witnessed many a doomsdayer say that there would no longer be a need for financial advisors; algorithms could do the same job far easier and for much cheaper.

There are similarities as well as differences between then and now. One of the biggest differences is that AI has astonishingly broader capabilities and much wider adoption.

Pew Research Center polling showed that 63% of American adults use AI at least weekly. That equates to around 168 million people. For reference, Betterment, one of the most widely used robo-advisor platforms has attracted roughly 1 million users since it launched in 2010.

AI usage in itself is not a threat to financials advisors, but the way it is used may well be if you think about the results of a recent Intuit survey (graph generated by Gemini AI):



Key Finding: 80% of respondents who acted on AI financial advice say it improved their financial situation.

Source: www.creditkarma.com/about/commentary/the-rise-of-fin-ai-why-americans-are-trusting-generative-ai-with-their-wallets.

These figures are indeed alarming if you consider how AI is trending. However, it does not tell the whole story. AI has and will continue to take over many of the job functions that financial advisors perform. But wealth management is a relationship business. The same is true for M&A advisory. Those that say M&A is strictly a transaction business are working with the wrong M&A Advisors.

Business-minded RIA owners realize they can make more money with a lot less risk by working with a pro. They depend on M&A Advisors for our expertise and market knowledge. But they also rely on us for our people skills which include virtues that AI cannot replace:

TRUST Trust is a cornerstone of interpersonal relationships. When clients hire advisors – whether it is for financial or M&A advice – they do so because they want to work with someone who understands their situation.

Everyone has their own needs, goals, risk tolerance, personal experiences, family history, and financial circumstances. Working with someone you know and trust is deeply personal. That personal connection is fundamental to enduring relationships.

EMPATHY The ability to understand someone else's emotions and feelings is uniquely human. Understanding and acknowledging your clients' feelings is a particularly important skillset for an M&A Advisor because selling a business can be nerve wracking for the owners.

Tailoring the M&A process to address clients' specific fears and anxieties is vital to a successful sale or merger. One common concern, for instance, is: "Will our firm lose clients in a transition to a new owner?" While the perceived risk is real, losing clients during a transition rarely happens because clients trust the RIA owners' judgment – which goes back to the importance of trusting relationships.

LEADERSHIP An essential part of an M&A Advisor's job is to lead discussions between clients and prospective acquirers. Owners and executives on both sides are accustomed to calling the shots. As a leader, you have to command mutual respect with everyone involved in the discussions or things can go sideways quickly.

It's hard to imagine AI controlling a dialog between alphas that are all trying to get their points across during discussions, much less successfully negotiate a deal (credit Gemini AI for creating the stern-looking likeliness image of yours truly!).



INTEGRITY The RIA owners we represent take their duty of care obligations very seriously. They are transparent, accountable to their clients and consistent. These hallmarks of integrity are revealed in a firm's culture.

Cultural alignment is the single most important factor in M&A partnership success. Experienced M&A Advisors know this and will implement a multifaceted qualitative approach to help their clients determine whether prospective partners are a good cultural fit. This involves judgment, feelings, and emotions – none of which AI can replace.

As a trusted advisor there is no greater sense of fulfillment than delivering on the promises that you've made to the people who entrust you.

About Nunnally International, Inc.

Nunnally International, Inc. provides strategic M&A services to RIA firms that are looking to buy, sell or merge their business. The company was founded in 2020 by Tyler D. Nunnally.

Prior to entering M&A, Tyler served as a strategist to leading advisor technology providers – including FinaMetrica, which was acquired by Morningstar. He began his wealth management career in England as an executive at Oxford Risk, a spin-off of Oxford University that specializes in behavioral finance.

Tyler has consulted hundreds of RIAs on matters of mergers, acquisitions, and risk as a frequent speaker at industry conferences, host of countless webinars and proficient author of journal articles. He has been a key relationship manager to strategic partners including Schwab, Fidelity, Orion, Envestnet, eMoney, Fi360, Redtail, MoneyGuidePro and SEI.

As an industry thought-leader, Tyler has been interviewed extensively by The Wall Street Journal, Bloomberg, CNBC, Smart Money, Kiplinger and InvestmentNews. He holds a B.A. from the University of Georgia and a Master's in International Business with Distinction from the University of St Andrews in Scotland.

How We Work with Clients

Nunnally International, Inc. works with RIAs in the following ways. You can choose whichever option best suits your unique circumstances.

Option A – Seller Representation

RIA firms that want to sell or merge engage Nunnally International, Inc. through a Sale and Fee Agreement. We lead the M&A process all the way from initial introductions to close. Our fees consist of a success fee based on the closing price. We guide you through the M&A process by:

- Help define your strategic objectives.
- Identify shortlist of prospective M&A partners.
- Market your firm to prospective acquirers.
- Coordinate calls and meeting.
- Facilitate conversations and information flow.
- Solicit initial offers and LOIs.
- Negotiate terms of sale and maximize valuation.
- Assist in preparation of necessary documentation.
- Conduct due diligence on prospective acquirers.
- Successfully close deal

Option B – Referral Partner Network

Nunnally International, Inc. can introduce your firm to prospective buyers through our referral partner network. Our referral partners pay our fees, so there is no cost to you. We work with around 22 referral partners that are all differentiated in terms of what they bring to the table.

We employ our expertise in investor profiling to find the best fit based on your strategic objectives, partnership criteria and firm culture. Naturally, this is done in consultation with you. If you decide that you would like to pursue a conversation with a group that we recommend, then we make the initial introduction and help facilitate talks.

For more information call us at 404.492.2152 or send an email to TNunnally@NunnallyInternational.com