



The 20x Multiple Reality

Why Scale, Platforms, and Strategic Alignment Are Redefining RIA Valuations

Executive Summary

As Growth Officer at OneSeven, I've had a front-row seat to our firm—and many others—grow rapidly, often doubling or even tripling in size by embracing scale, strategic alignment, and the right platform.

The Registered Investment Advisor (RIA) industry is undergoing a significant transformation driven by consolidation, institutional capital, and evolving buyer expectations.

Recent data from Piper Sandler highlights a widening valuation gap:¹

- RIAs with \$10B+ in AUM command median EBITDA multiples of ~21x
- RIAs with \$1B–\$10B average ~15.5x
- RIAs under \$1B remain near ~8.1x

This divergence signals a fundamental shift in how advisory firms are valued.

Key Insight:

Valuation is no longer driven by asset size alone. Instead, buyers are rewarding scale, growth, and institutional-quality platforms. As a result, advisors face a strategic decision: Build independently or align with a platform to accelerate growth and maximize enterprise value.

The Changing Valuation Landscape

The wealth management M&A market has reached unprecedented levels of activity and competition.

- 344 RIA transactions completed in the past year (record high)²
- Increasing competition among buyers driving higher valuations
- Expansion of private equity participation across the industry

However, this rising tide is not lifting all boats equally.

A Bifurcated Market

Valuation expansion has disproportionately favored larger firms:

- Significant multiple expansion at the top end of the market
- Limited movement among sub-scale RIAs

This has created a structural valuation gap—one that continues to widen.



Beyond AUM: What Buyers Really Value

Historically, AUM growth was the primary driver of valuation. Today, that is no longer sufficient. According to Piper Sandler, “Asset accumulation alone will no longer garner top-of-market multiples.”

Buyers now prioritize:

- Organic growth rates
- Scalable operating infrastructure
- Specialized client solutions
- Multi-channel growth capabilities
- Track record of inorganic growth
- Advisor model structure (W-2 vs. 1099)

Implication

Firms that resemble institutional platforms command premium valuations while firms that resemble individual practices do not.

1. Piper Sandler, Financial Services Investment Banking Report (2024–2025)

2. DeVoe & Company, 2025 Q4 Deal Book

The Institutionalization of Wealth Management

The RIA industry is rapidly evolving from fragmented independence to institutional scale.

Key Trends ³

- 73% of transactions involve private equity-backed RIAs
- More than 60 active acquisitive platforms (up from ~10 in 2019)
- The top 15 acquirers represent 41% of all deal volume

This shift reflects:

- Increased capital entering the space
- A focus on scalable, repeatable business models
- A long-term consolidation cycle expected to last decades



Market Structure Evolution (Then vs Now)



The Power of Platform Alignment

One of the most important developments in the industry is the valuation impact of platform affiliation.

Key Insight

A business may be worth significantly more inside a scalable platform rather than as a standalone entity.

Why This Happens

When advisors align with larger organizations, they benefit from:

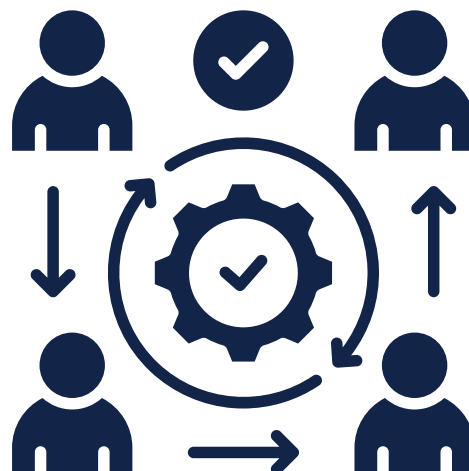
- Institutional-grade infrastructure
- Centralized operations and compliance
- Integrated marketing and lead generation
- Enhanced client service capabilities
- Access to capital and M&A expertise

Valuation Impact

Platform alignment leads to:

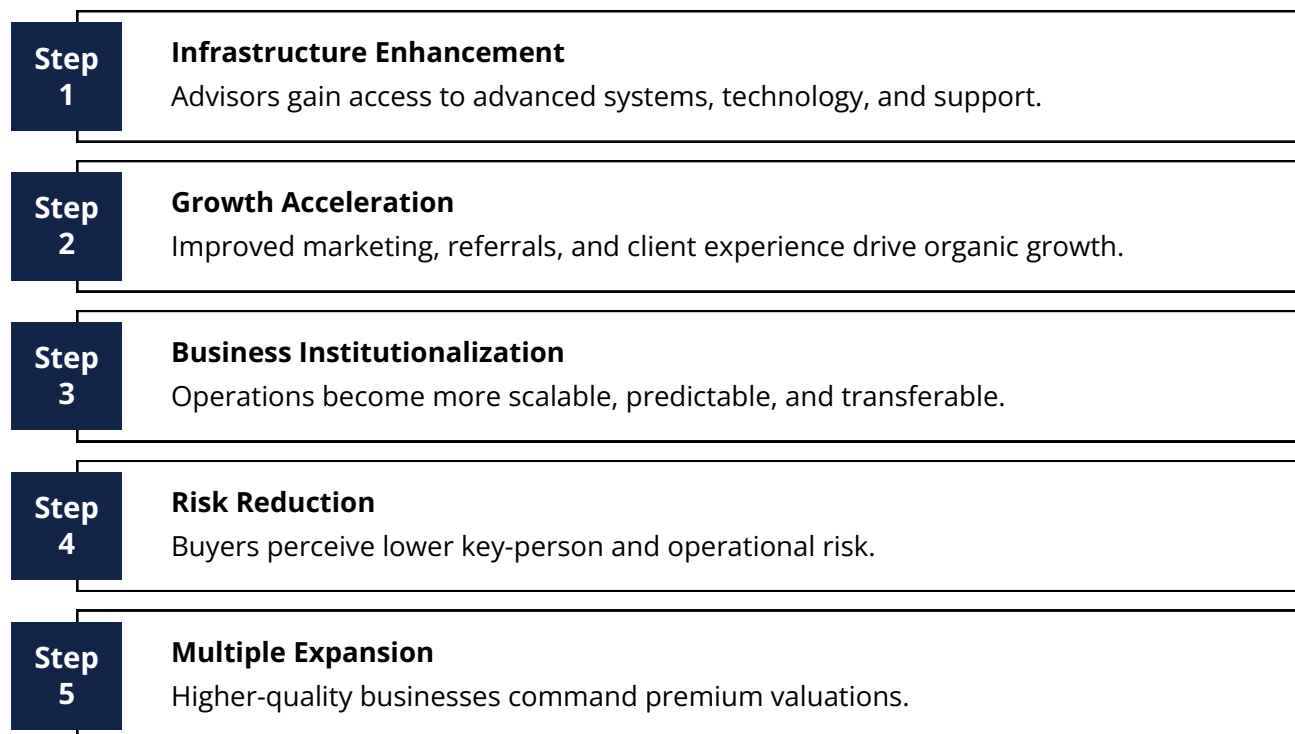
- Faster organic growth
- Improved margins
- Reduced operational risk
- Increased buyer confidence

All of which may contribute to higher EBITDA multiples.



The Multiple Expansion Flywheel

The relationship between platform alignment and valuation can be understood as a reinforcing cycle:



Result

Firms transition from:

- ~8x EBITDA → Sub-scale independence
- ~15x EBITDA → Mid-market scale
- ~20x+ EBITDA → Institutional platform

The Risks of Remaining Sub-Scale

While independence offers autonomy, remaining sub-scale presents increasing challenges:

Operational Constraints

- Limited access to technology and resources
- Inefficiencies in scaling operations

Growth Limitations

- Reduced marketing reach
- Slower organic growth

Valuation Pressure

- Lower exit multiples
- Limited buyer pool

Competitive Disadvantage

- Competing against well-capitalized platforms



A Long Runway for Consolidation

Despite record M&A activity, the industry remains highly fragmented: ⁴

- Over 8,500 SEC-registered RIAs
- More than 80% manage under \$1B
- Approximately 700 new RIAs launched annually

This creates:

- A continuous pipeline of acquisition targets
- Ongoing consolidation opportunities
- Sustained upward pressure on premium valuations



Piper Sandler suggests the consolidation cycle will unfold over decades—not years.

Strategic Implications for Advisors

Advisors must now think beyond income and lifestyle.

The New Strategic Question: “How do I maximize enterprise value—not just revenue?”

1. Independent Growth

- Full control
- Slower scaling
- Typically lower valuation multiples

2. Platform Alignment

- Accelerated growth
- Expanded capabilities
- Higher long-term valuation

Conclusion

The RIA industry is entering a new era defined by:

- Institutional capital
- Platform scalability
- Competitive consolidation

The data is clear:

Size, scale, and structure now determine valuation.

Advisors who position themselves within scalable, growth-oriented platforms are more likely to:

- Achieve faster growth
- Deliver enhanced client outcomes
- Realize significantly higher enterprise value

Final Thoughts

The most successful advisors are no longer just building practices. They are building—or aligning with—platforms designed for scale, growth, and premium valuation.



Ready to Build Your 20x Reality?

The Registered Investment Advisor (RIA) landscape is no longer about just managing assets; it is about building an institutional-quality enterprise. Whether you are looking to accelerate your organic growth or maximize your long-term enterprise value, the path to a premium valuation runs through a scalable platform.

OneSeven is a different kind of RIA

We are trailblazers specializing in supporting advisors with unmatched opportunities. That is our niche and our passion. We don't just help you manage a practice; we provide the institutional-grade infrastructure, centralized operations, and integrated marketing necessary to move you from a "lifestyle business" to a high-valuation "enterprise business".

We strive to leave a meaningful mark in the world of wealth management by actively enabling you to:

- **Scale with Certainty:** Leverage advanced technology and systems to drive faster organic growth.
- **Maximize Your Multiple:** Transition from sub-scale independence toward an institutional platform valuation.
- **Lead a Fulfilling Life:** Reduce operational and key-person risk so you can focus on what matters most—your clients.

Curious about the potential financial gains of aligning with OneSeven?

Don't leave your enterprise value to chance. Find out how much more you could potentially earn by moving toward a platform-driven model. Visit our instant calculator: [PriceMyPractice.com](https://www.onesevenadvisors.com/PriceMyPractice.com)

Build The Platform You've Always Wanted

Embrace the opportunity to align with OneSeven—one of USA TODAY's Best Financial Advisory Firms of 2023, 2024, 2025, and 2026—transition from building a practice to leading a platform designed for scale, growth, and premium valuation.



Ready to learn more? Let's Talk!

Schedule a time with me, Adam Blumenthal, Chief Growth Officer, to get answers to your questions about growing your business and unlocking its full potential.

 [OneSevenAdvisor.com](https://www.OneSevenAdvisor.com)



OneSeven is a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). Registration with the SEC does not imply a certain level of skill or training. OneSeven only transacts business in states in which it is properly registered or is excluded or exempted from registration. A copy of OneSeven's current written disclosure brochure filed with the SEC, which discusses OneSeven's business practices, services, and fees, is available through the SEC's website at: www.adviserinfo.sec.gov.

OneSeven earned a spot on USA TODAY's List of Top Advisers in April of 2023, 2024, 2025, and 2026 based on a list compiled by market research firm, Statista. The list culled the list of investment advisers registered with the U.S. Securities and Exchange Commission down to the top 500 firms based on the growth of their assets under management over the short and long term, and recommendations from clients and peers. OneSeven did not participate in or pay to be included in the selection process.