



IS DISTRACTION GAINING TRACTION IN YOUR BUSINESS?

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Rod Bertino, partner & director, Business Health (...?experters=45)

There is much discussion and debate about what is happening in the financial services profession at the moment – ranging from regulation right through to public image. These topics are being extensively covered by the media, at industry events, conference agendas, roundtables, focus groups, research, surveys, social media – we've got it all.

Of course the subjects being discussed are extremely important and relevant to everyone who works in this sector. However, most people are not directly involved – although perhaps they should be more – and instead view these matters as very much “uncontrollables”.

These “uncontrollables” have, in our view, the very real potential to distract advisers (and to a lesser degree their licensee,) from the daily running of their businesses. At the end of the day, running a successful and profitable advisory practice is all about the *doing* and this includes being able to successfully adapt to whatever these “uncontrollables” throw up.

Is there a risk today, we wonder, that there is disproportionately more time, effort and money being expended by advisers into the uncontrollable aspects of the marketplace, to the detriment of the *doing*?

Is this distraction gaining more traction?

To illustrate our concern:

“Uncontrollable”	Adviser Impact	Marketplace Preparedness*
Introduction of technology driven/robo-advice solutions	Need to deepen the relationship with “A” class/key clients.	57% of practices do not “touch” their best clients 10+ times per year. 70% do not formally seek feedback from their clients.
Rapidly aging client base	Need to evolve the depth and breadth of their solution suite to meet the changing needs of the client.	Less than half (41%) of Australian practices are looking to introduce new services into their offering in the coming 12 months.

Increased transparency of fees/commissions	Need to clearly demonstrate the value delivered to the client.	Over a third (38%) of advisers do not have a documented client value proposition.
Pressure on revenue through commission capping &/or fee compression.	Need to truly understand your business model and have a clear plan for growth.	Less than half (41%) have a documented business plan and only a third (35%) have a sales & marketing plan for the coming 12 months.
Demand for higher professionalism and minimum education requirements.	Need to hold higher qualifications.	Less than 1:3 (29%) practices have reported the majority of their advisers hold the CFP or FChFP designation.

Since 2002, Business Health has released a series of white papers providing a comprehensive insight into the health of the Australian advisory industry and its preparedness for the future. These papers have become known as the Future Ready analysis. These insights have been taken from the latest in this series, Future Ready VI, which is based on the consolidated analysis from Business Health's HealthCheck data warehouse which now contains information on over 2,000 Australian advisory practices.

Practice owners are in need of, and are searching for, help and support. They are looking for people they trust and respect; people who bring complementary and valued capabilities and resources; people who can help them position their business for sustained success into the future.

We are already seeing advisers reaching out to their licensees and/or key product partners for guidance, tools and support (the smarts) to convert the "uncontrollables" into the *doing* for their practice.

Rod Bertino is a partner and director of Business Health Pty Ltd. Business Health is a consulting firm specialising in the financial services industry. Business Health develop and market a suite of unique and exclusive business diagnostic tools which are supported by a range of specialised consultancy services.

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