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Practice Health rating launched; room to improve at 62 per cent

By Cut+Paste | April 27, 2017



The 'health' of Australian planning firms is sitting at 62 percent, according to the latest Future Ready VII Report released by Business Health and sponsored by knowITdigital.

For the first time, Business Health has sought to encapsulate the current state of Australian practices into a single rating, by consolidating the results of all practices that 'HealthChecked' their businesses over the period of the Report.

A level of 62 percent is deemed 'healthy' by Business Health's rating scale, which employs a five level health scale ranging from 'poor' health, through to 'super fit' practice, according to the co-author of the Future Ready VII Report, Mr Terry Bell.

"The rating provides a unique insight into the business health of the Australian financial advice industry at any given point in time, while further quantifying the return that successful principals are receiving on their investment in building stronger, more sustainable practices.

"Although a 62 percent rating comes in at 'healthy', it is nevertheless towards the lower end of the 'health' scale," Mr Bell said.

"While an uplift in in revenue and profitability reported by practices over the period of the latest report (2015-2016) was pleasing to note, as we delve deeper into the fundamentals, it's clear that practices aren't on as solid a foundation as they might first appear to be.

"The overall rating is therefore somewhat illusory we believe, with significant areas of weakness lying just below the surface. The lack of improvement in key areas such as client feedback, communication, client value propositions, business and succession planning overshadow, in our opinion, what might otherwise be considered a very positive health report."

knowITdigital CEO Wayne Wilson said: "Fundamentally practices need to more deeply embrace technological solutions which will enable them to leverage their key value propositions into enhanced engagement, communication and client centric service delivery.

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"What has become clear in the latest report is that the areas that will most impact a practice's success are investment in people and investment in technology. Those businesses that prioritise these areas are more likely to delivery greater profits. The time for action is now," Mr Wilson said.

The Business Health *HealthCheck* is an innovative web based diagnostic tool designed to allow practice principals to effectively and efficiently gauge the health of their businesses. The *HealthCheck* report combines a mix of both qualitative and quantitative measures and provides a

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areas of the practice.

The *Future Ready* report provides a comprehensive insight into the health of Australian financial planning practices and their preparedness for the future, based on data provided through the Business Health *HealthCheck* diagnostic tool. The latest in the series, *Future Ready VII*, is based on information from 226 firms that have taken the *HealthCheck* between December 2014 and December 2016.

SOURCE: [knowITdigital](#)

