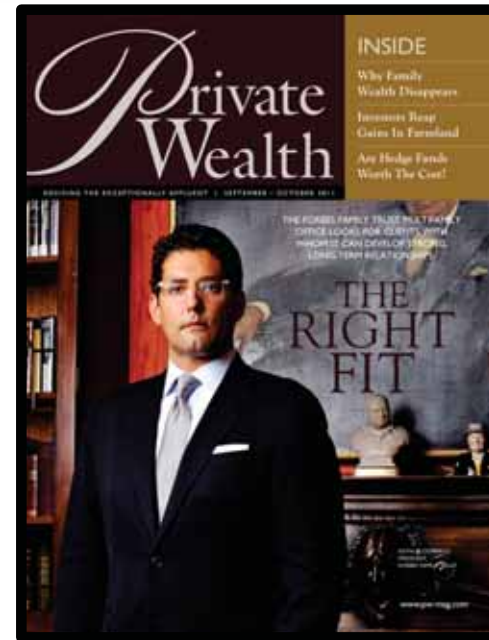


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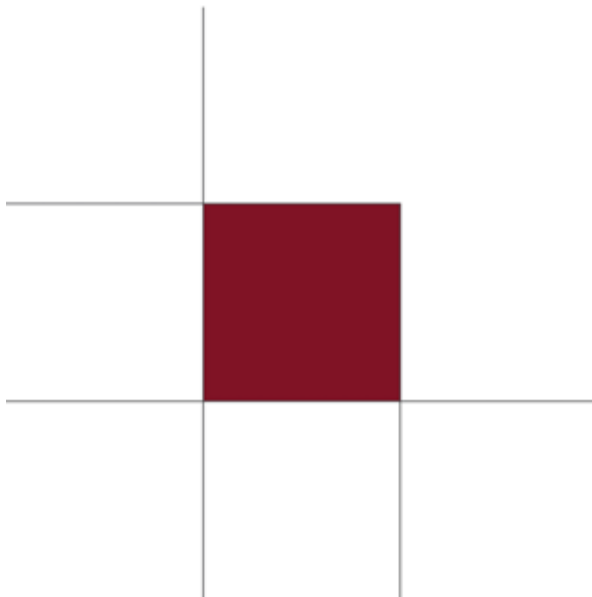
The Pulse of Practice Health

Key Learnings from the Multi-Financial Advisor Benchmark Quiz

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4600 S. Syracuse Street, Suite 600
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What is the **Advisor Benchmark Quiz**?

- Business diagnostic developed in conjunction with Multi-Financial
- Provides a high level practice benchmark rating
- Quite deliberately more qualitative than quantitative — more than just the numbers
- Covers key operational areas such as:
 - Client communication and segmentation
 - Business and succession planning
 - Staff management
 - Business models and pricing
- Available exclusively through Multi-Financial

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How Healthy Are Our **Advisory Practices**?

Approximately 700 Practices
Have Completed The Diagnostic

46%

FINANCIAL PLANNERS

31%

WEALTH MANAGERS

23%

INVESTMENT MANAGERS

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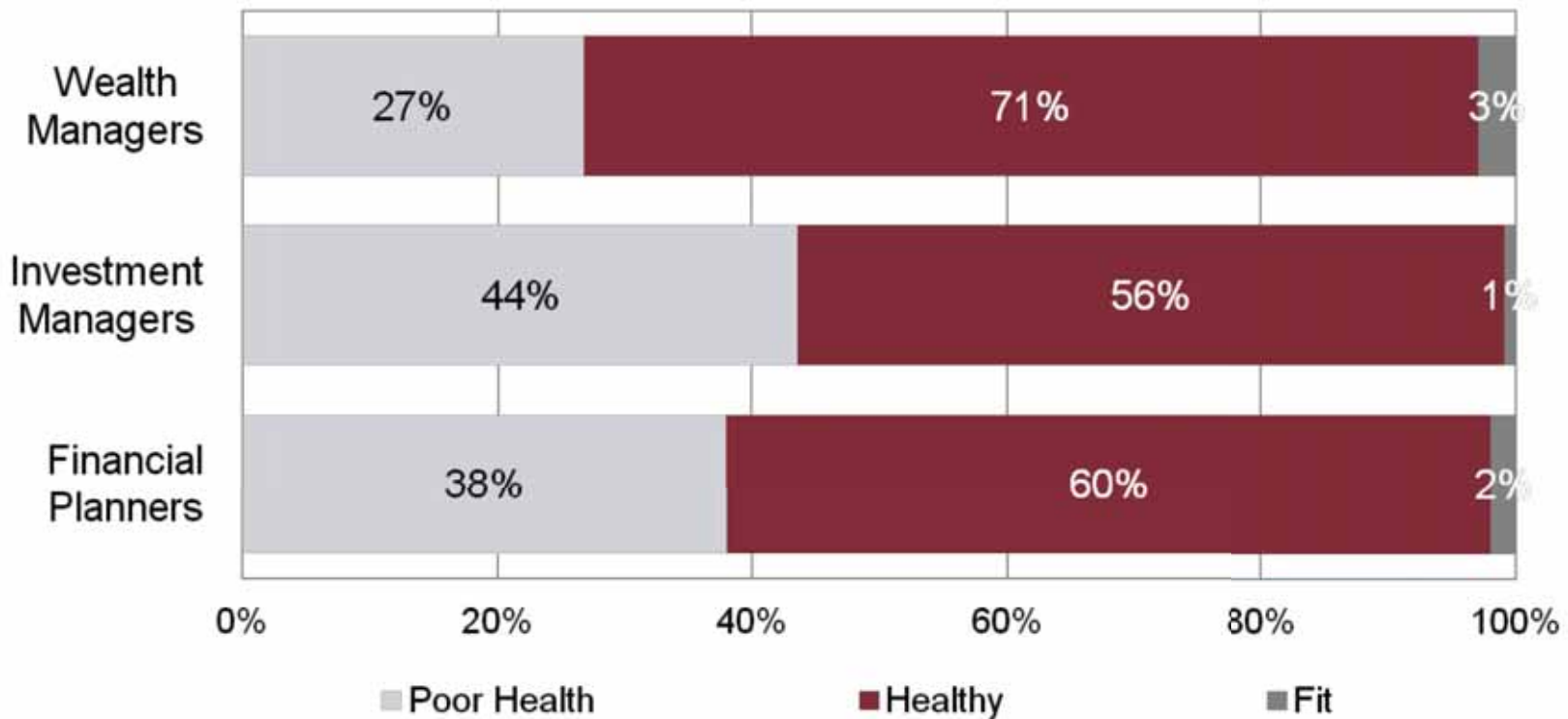
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Overall Practice Health

Advisor Benchmark Report Analysis Overall Practice Health – By Business Model



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What can we learn?

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Key Learning #1

All clients deserve to be treated fairly

All clients deserve to be treated with respect

But...

Not all clients deserve to be treated **EQUALLY**

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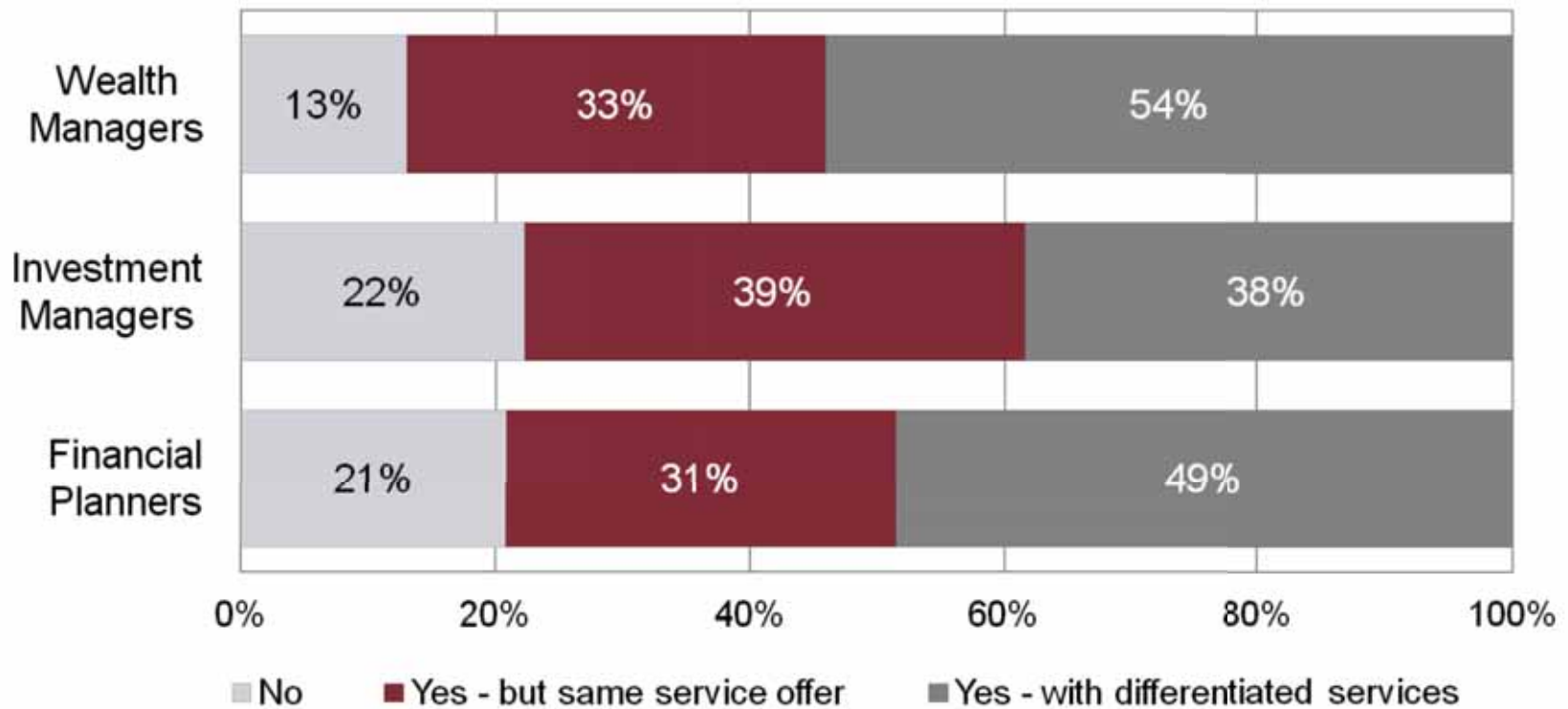
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Client Segmentation

Advisor Benchmark Report Analysis Client Segmentation – By Business Model



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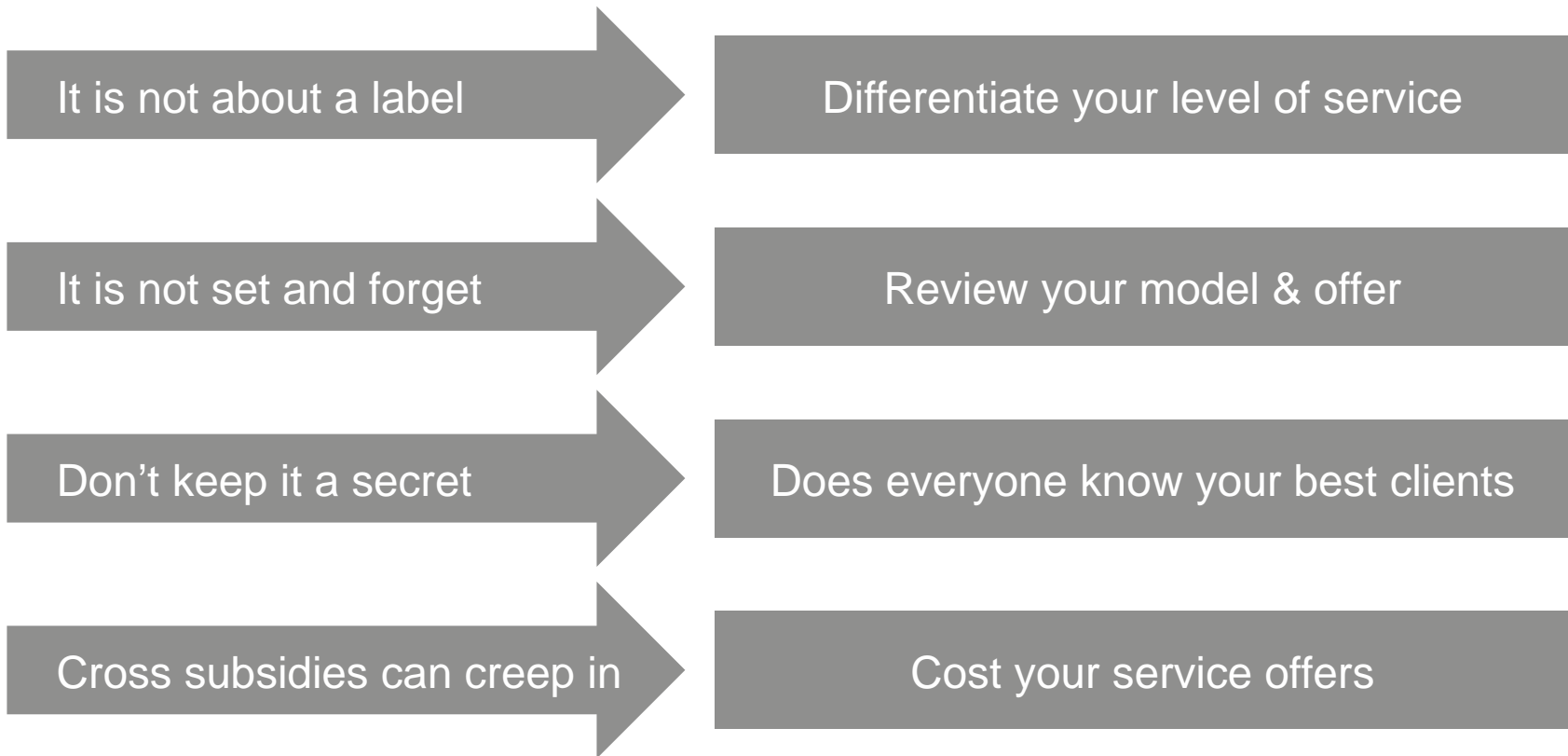


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Client Segmentation

While 81% of practices segment their client base:



Client Segmentation

Segmentation is not...about providing **POOR** service to anyone.

It is about providing **APPROPRIATE** service **PROFITABLY!**



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Client Segmentation

Client Segmentation	% Practices	Revenue Per Principal	Increase in Revenue Per Principal
No	38%	\$420,272	---
Yes	62%	\$558,518	+ 33%

Worth the effort?

Key Learning #2

You need to know what your best clients are thinking?



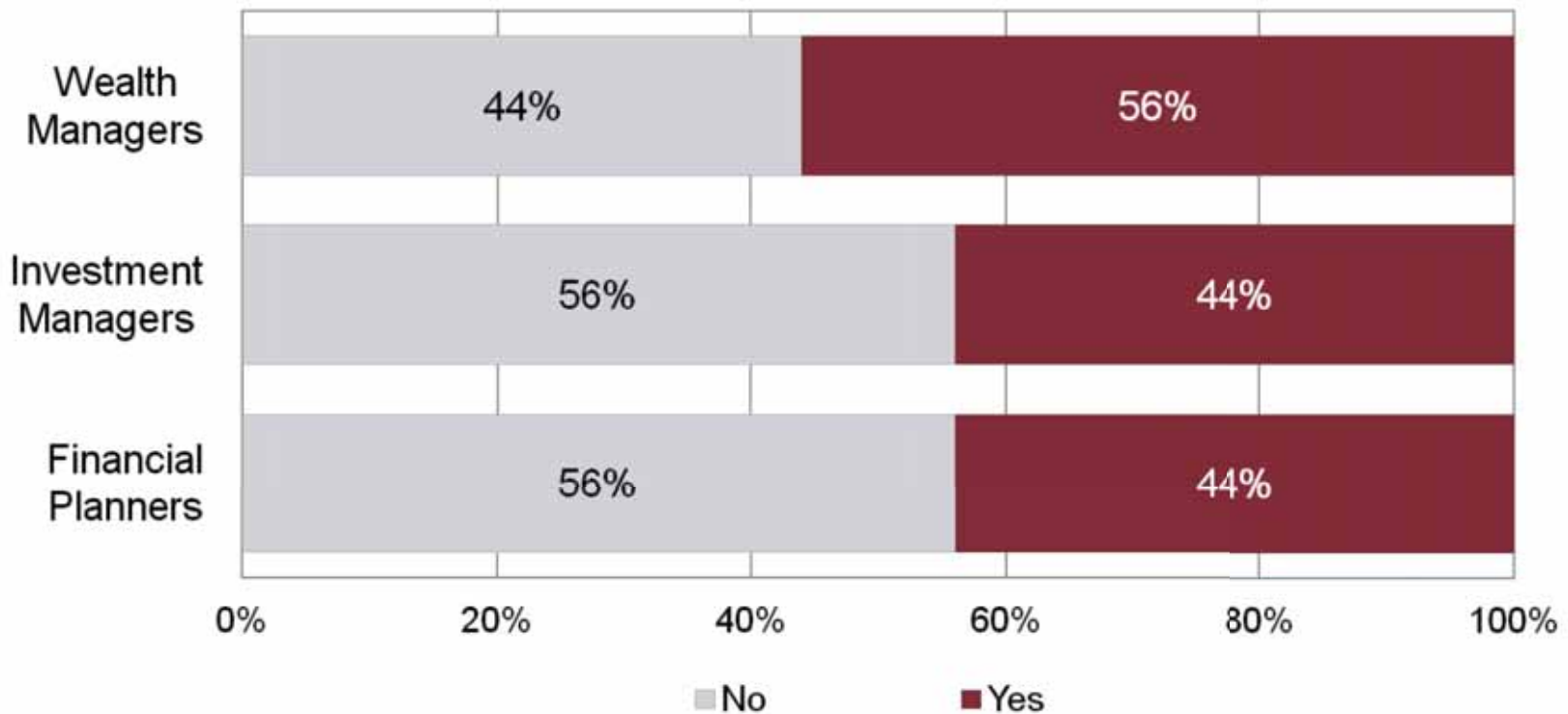
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Client Feedback

Advisor Benchmark Report Analysis Client Satisfaction Surveys – By Business Model



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Client Feedback



Less than half (48%) of practices formally survey their clients

- Anything is better than nothing
- Be prepared to listen and accept and be committed to take action
- Guarantee independence and maintain confidentiality
- Ensure measurability against relevant and reliable peer benchmarks
- Now is not a good time versus now is the perfect time

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Client Feedback

Client Feedback	% Practices	Revenue Per Principal	Increase in Revenue Per Principal
No	72%	\$475,242	---
Yes	28%	\$622,280	+ 31%

Worth the effort?

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Key Learning #3

You need a plan for your business!
(not necessarily a business plan)

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What's wrong?



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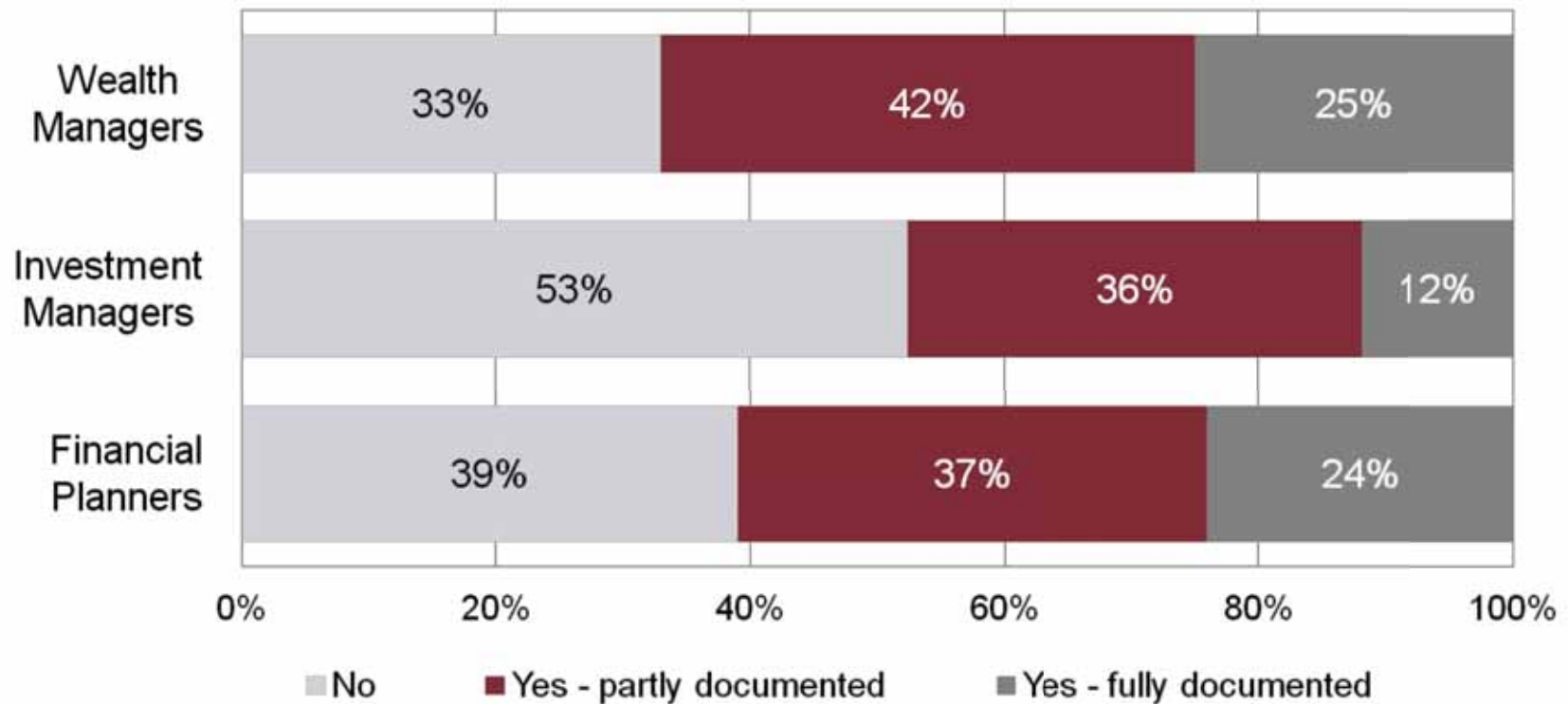


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Business Planning

Advisor Benchmark Report Analysis Business Planning – By Business Model



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Business Planning



Only 22% of practices have a documented plan for their business

- The nouns and verbs are not important
- Must include specific and measurable goals
- Who will do what by when

But be careful what you wish for...

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Business Planning

Business Plan	% Practices	Revenue Per Principal	Increase in Revenue Per Principal
No	44%	\$362,223	---
Yes	56%	\$532,468	+ 47%

Worth the effort?

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Key Learning #4

You don't have to do it all on your own!

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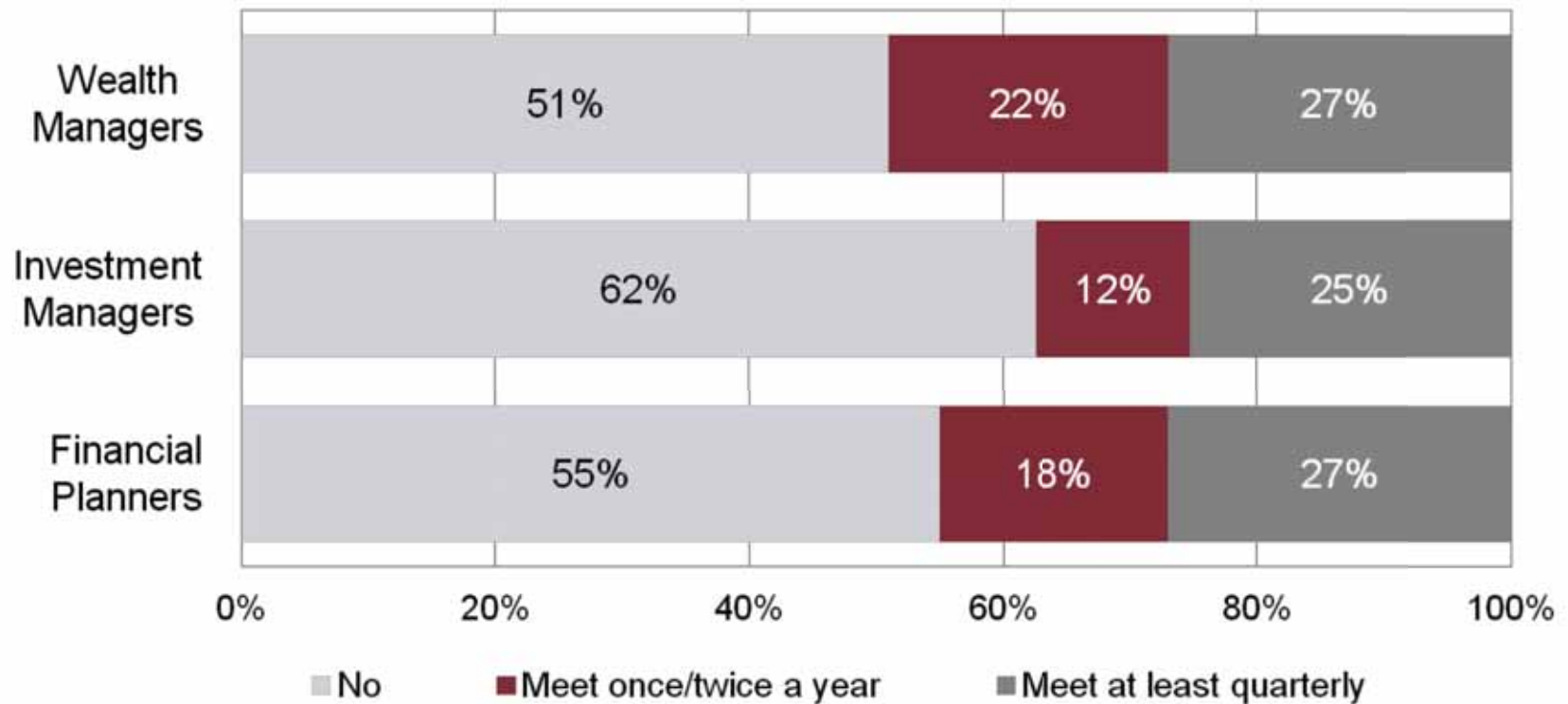
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External Advice

Advisor Benchmark Report Analysis External Advisor/Coach – By Business Model



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External Advice



Only a quarter (26%) of practices meet regularly with an external advisor/coach

- Must be someone you trust and respect (not your best friend)
- Meet regularly and be prepared to be held accountable
- For them to add most value, you will need a plan
- Are you sure you have all the answers?

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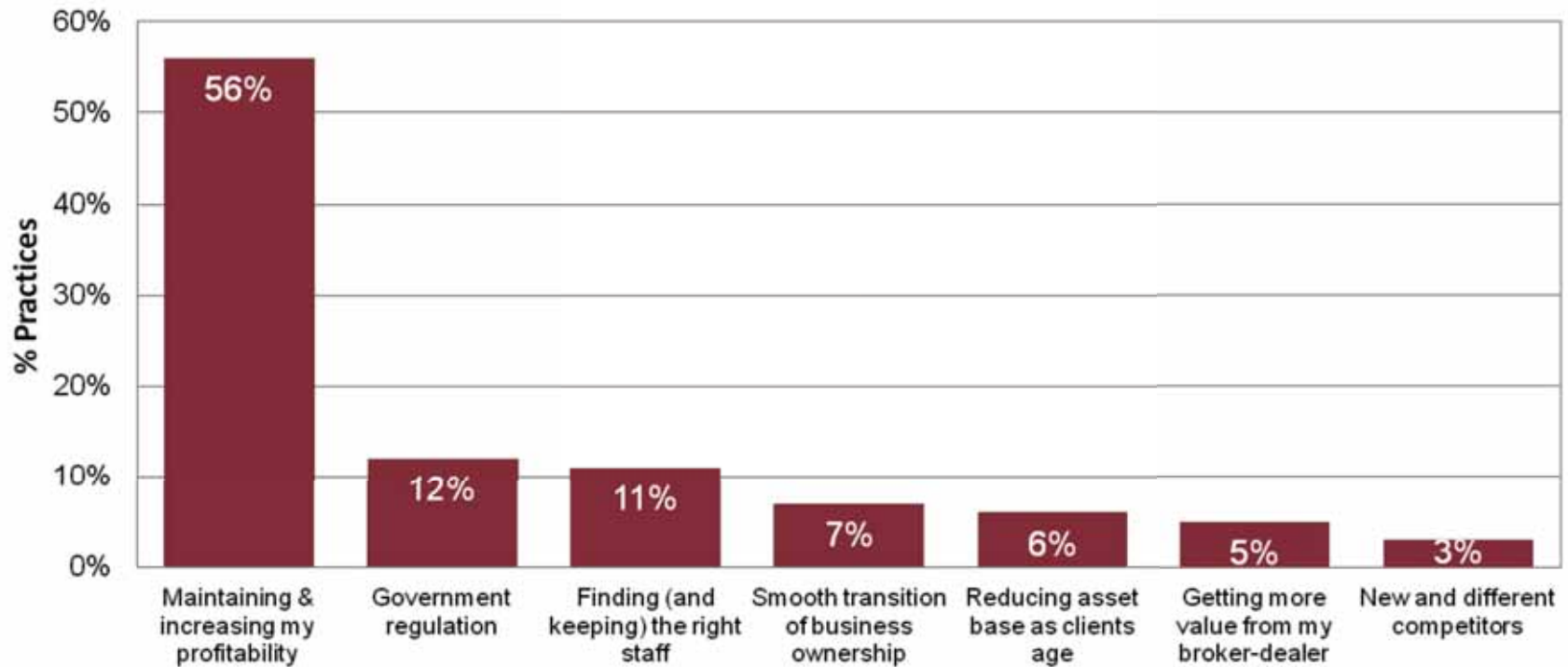
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Issue of Most Significance

Advisor Benchmark Report Analysis Issue of Most Significance – By Business Model



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In Summary

Value Driver	Effect
1. Prescription without our diagnosis equals malpractice!	
2. If you don't provide "A" class service to your "A" class clients ...	\$138,246 (+33%)
3. It doesn't matter what you think your clients think	\$147,038 (+31%)
4. Don't be the plumber with leaky pipes	\$170,245 (+47%)
5. Every Olympian has a coach - don't be afraid to ask for help	\$121,813 (+26%)

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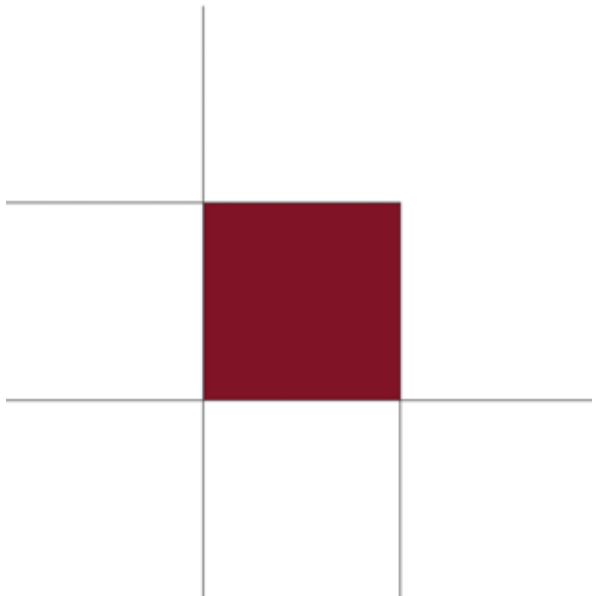
For Your Consideration

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