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FPA OF GREATER INDIANA 2022 CHAPTER EVENTS

The Client Journey: From Prospect to Promoter

Catherine Williams
Head of Practice Management and Vice President

August 12, 2022

Agenda

- Overview
- Value Proposition
- Client Interactions
- Client Referrals

2021 Global Advisor Study

Dimensional

Focus Areas

BUSINESS METRICS	COMPENSATION	NEW BUSINESS LANDSCAPE

Results from Dimensional 2021 Global Advisor Study.

2021 Dimensional Global Investor Study

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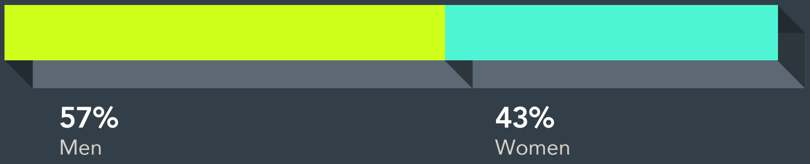
SURVEY DATA

14,019
participants

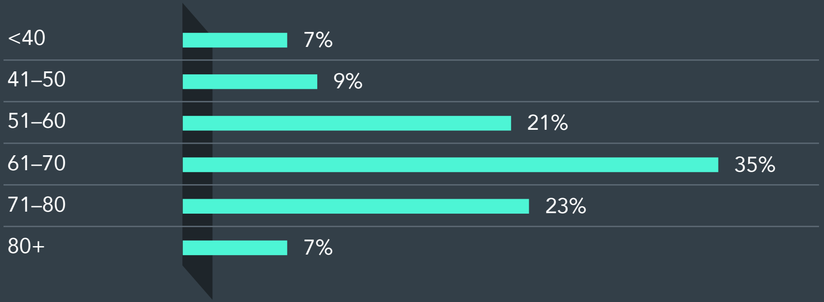
182
firms

GENDER

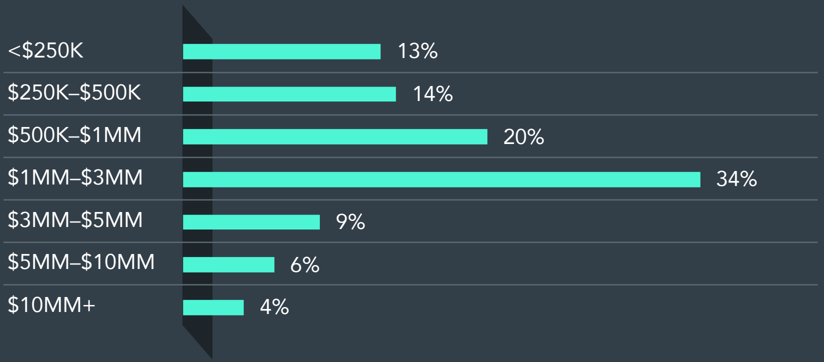


EMPLOYMENT STATUS

AGE



INVESTABLE ASSETS



Results from Dimensional 2021 Global Investor Study

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SOURCING NEW RELATIONSHIPS
TARGET CLIENTS
CLIENT MEETINGS
Mission,
Vision,
Values

Net Promoter Score (NPS)

How likely are you to refer your advisor to a friend or colleague?

(10 is most likely; 0 is least likely)

10 9 8 7 6 5 4 3 2 1 0

PROMOTERS	PASSIVES	DETRACTORS
10, 9	8, 7	6, 5, 4, 3, 2, 1, 0

Net Promoter Score Formula

(Scale of -100 to 100)

NPS = 50% − 20% = 30

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Agenda

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- Client Referrals

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Over 80% of firms have an ideal target client profile.

Results from Dimensional 2020 Global Advisor Study, participating firms with >$250K annual revenue.
169 firms <25% quartile, 290 firms 25th-75th quartile, 170 firms >75% quartile

Faster growing firms are more likely to consider **Behaviors, Values, Professions, and Interests** in defining their ideal target clients.

Results from Dimensional 2020 US Advisor Benchmarks Study, participating firms with >$250K annual revenue.
169 firms <25% quartile, 290 firms 25^{th}-75^{th} quartile, 170 firms >75% quartile

MKT12155-0920

Demographics/Psychographics

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Demographics

- Age
- Gender
- Profession
- Location
- Marital Status

Psychographics

- Personality
- Values
- Activities
- Interests
- Opinions

How Clients Think:

Top 5 attributes clients value most

Understands my financial needs and goals	1
Explains financial concepts in a manner I can understand	2
Responsiveness when I reach out to my advisor	3
Offers a sense of security/peace of mind	4
Provides personalized service	5

Results from Dimensional 2021 Global Investor Study

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Enhancing Our Value Proposition

Cornerstones of Advice

The Advisor's Perspective of Value

Competency

- Financial planning
- Investment selection
- Asset allocation
- Risk management
- Generating income
- Tax considerations

The Client's Perspective of Value

Coaching

- Education
- Manage emotions and stress
- Avoid costly mistakes
- Peace of mind

Convenience

- Time savings
- Coordinate with other professionals
- Personalized service
- Investment monitoring

Continuity

- Spousal involvement
- Multigenerational planning
- Engagement of children

For illustrative purposes only.

Agenda

Overview

Value Proposition

Client Interactions

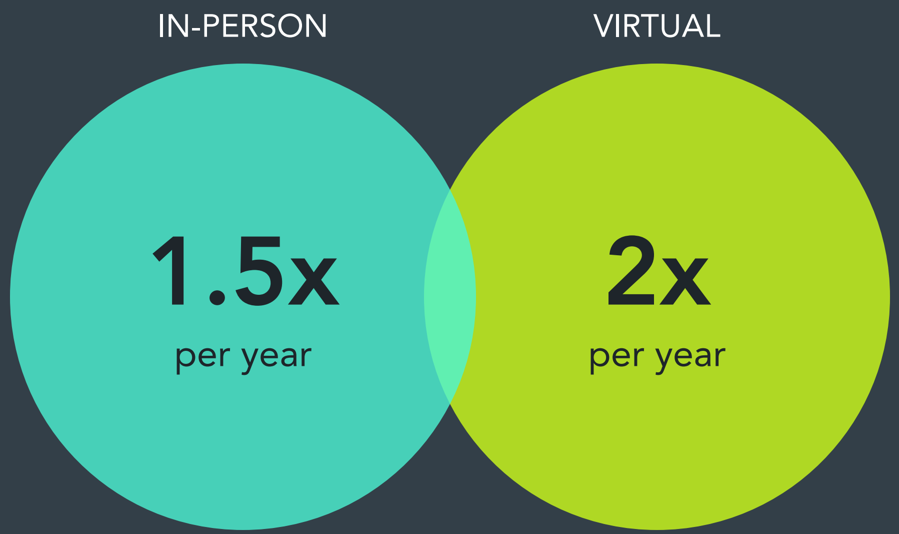
Client Referrals

How many times per year do clients want to talk to their advisor?

3.5x

Results from Dimensional 2021 Global Investor Study

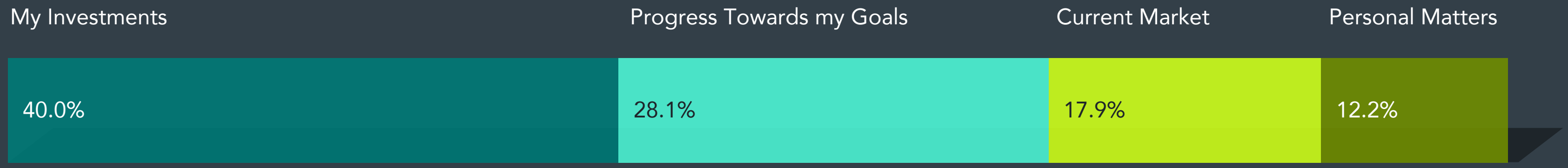
How do Clients Want to Interact?



Source, 2021 Global Investor Study, all participants, n=14,018

Time in each category

When you connect with your advisor, what is the percentage of time you want to spend in each of the following areas?



Source, 2020 Global Investor Study, all participants, N=16,972

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What to Review

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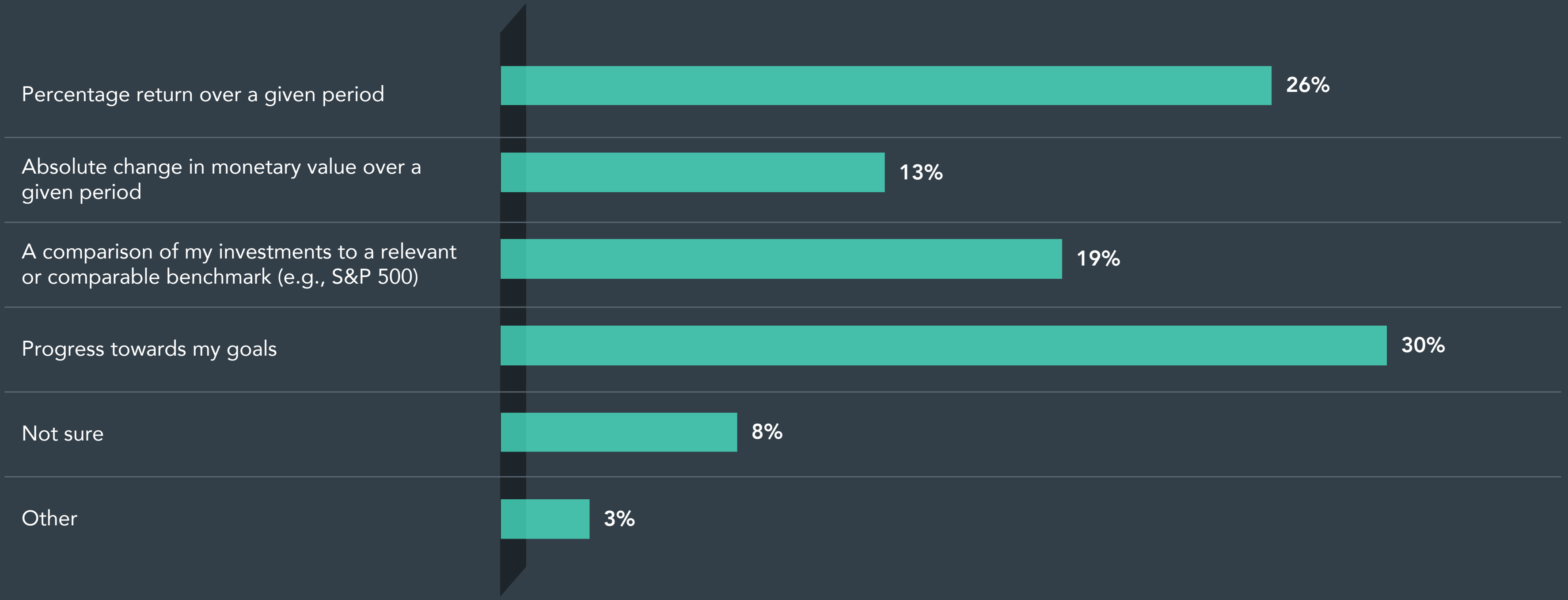
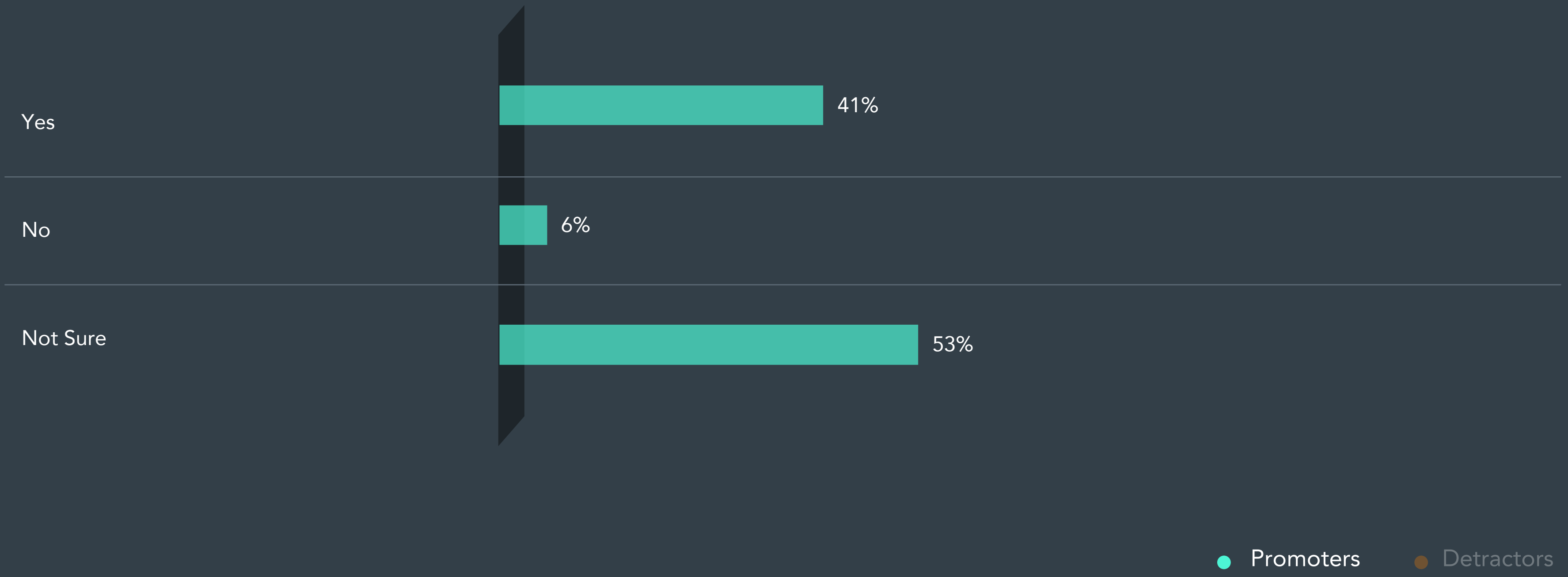
When reviewing investment performance, what information would you find most helpful?



Source: Results from Dimensional 2021 Global Investor Study

How Clients Think:

Do you expect your assets to remain under your advisor's care upon passing to your heirs?



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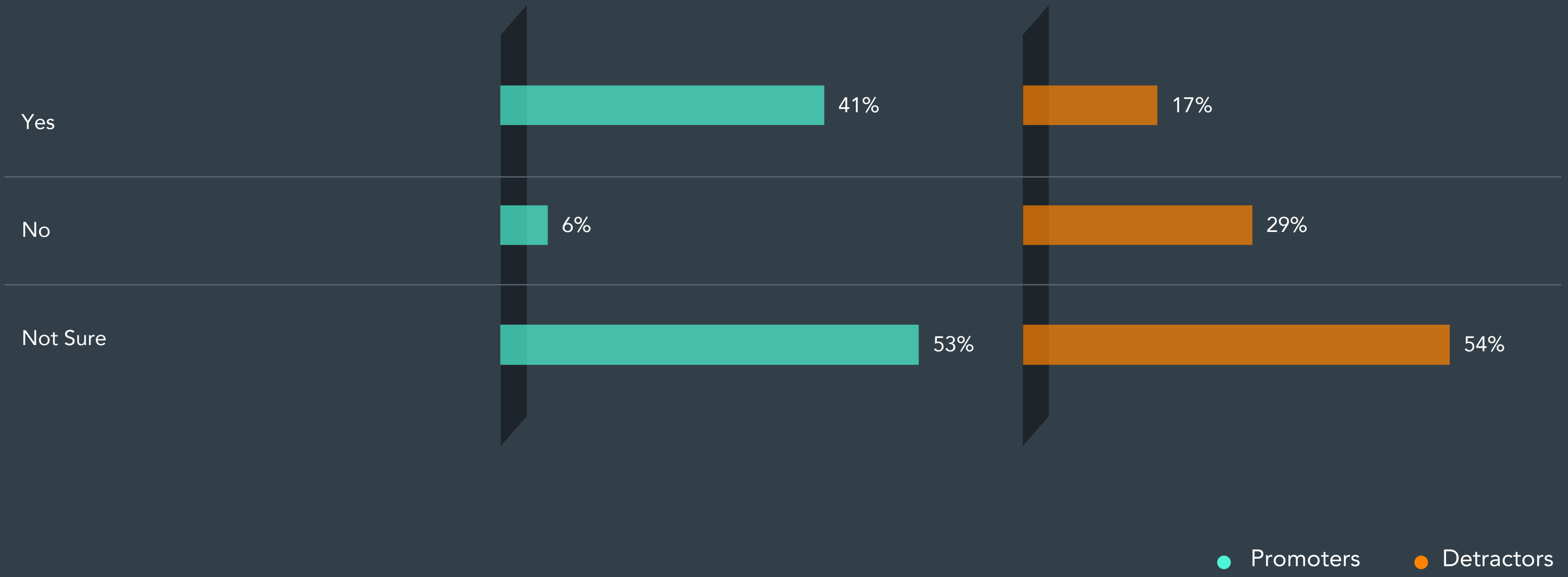

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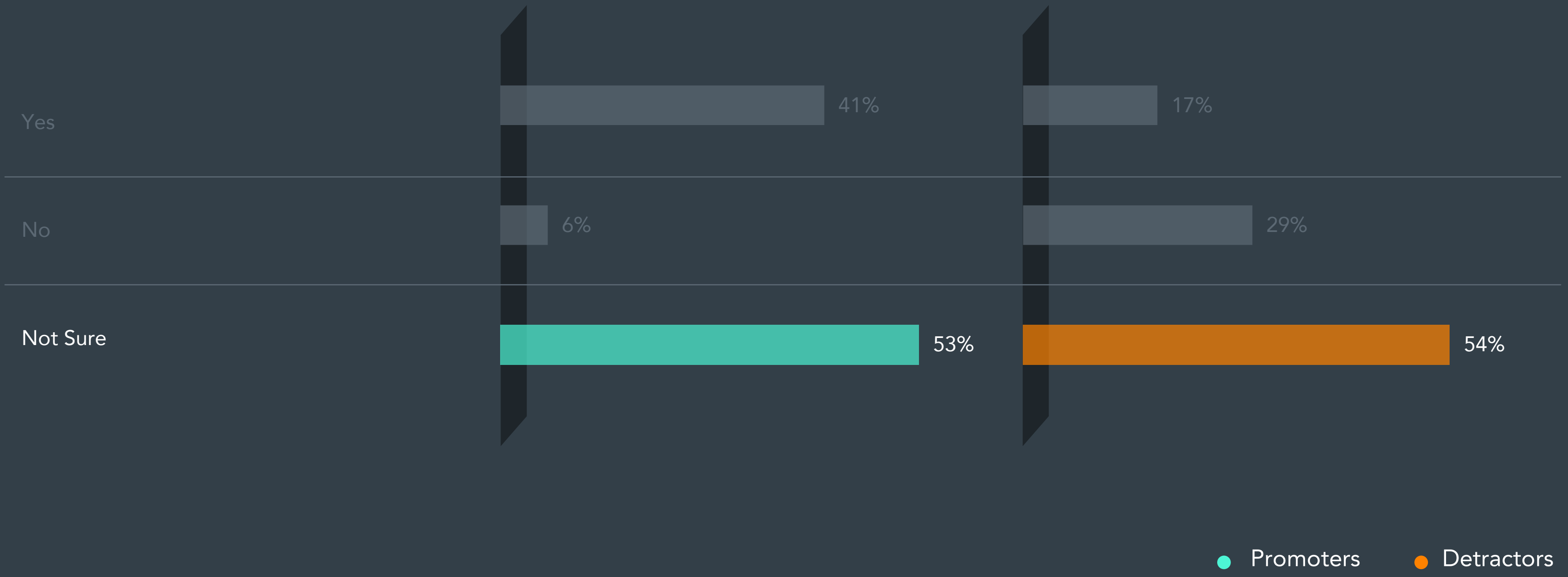

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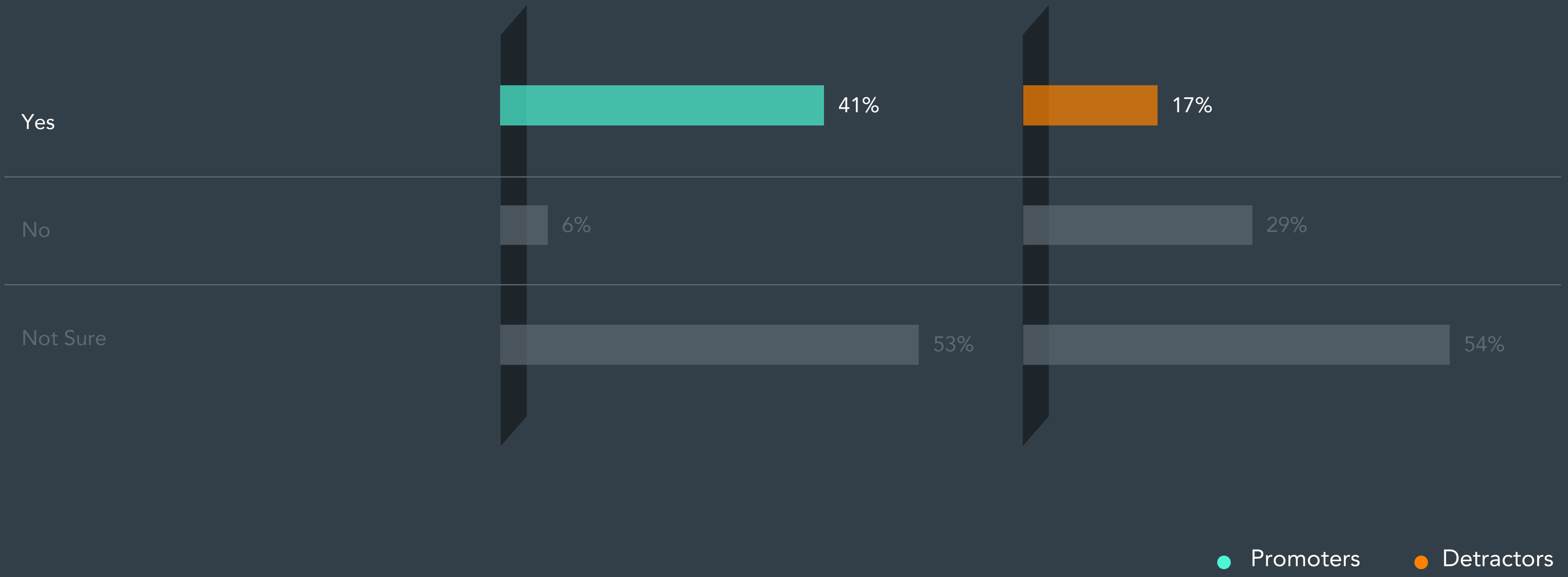


Results from Dimensional 2021 Global Investor Study

Taking Action

Meetings

How can we maximize our limited time with clients?

How do clients prefer to interact? How can we limit technology constraints?

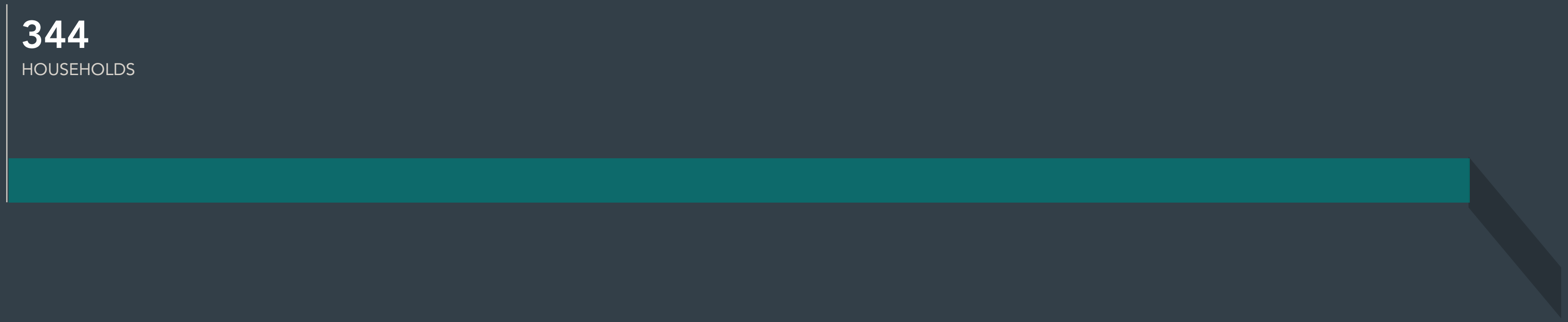
How are you engaging with the 2nd generation of your clients?

Agenda

- Overview
- Value Proposition
- Client Interactions
- **Client Referrals**

The Referral Gap

Averages



Data from Dimensional 2021 Global Advisor Study and 2021 Global Investor Survey, 131 firms.

The Referral Gap

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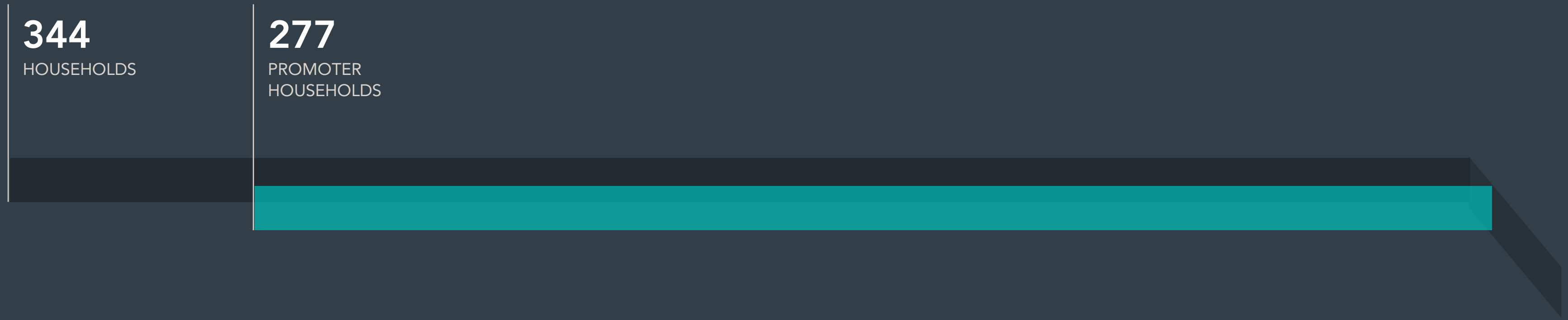
Averages



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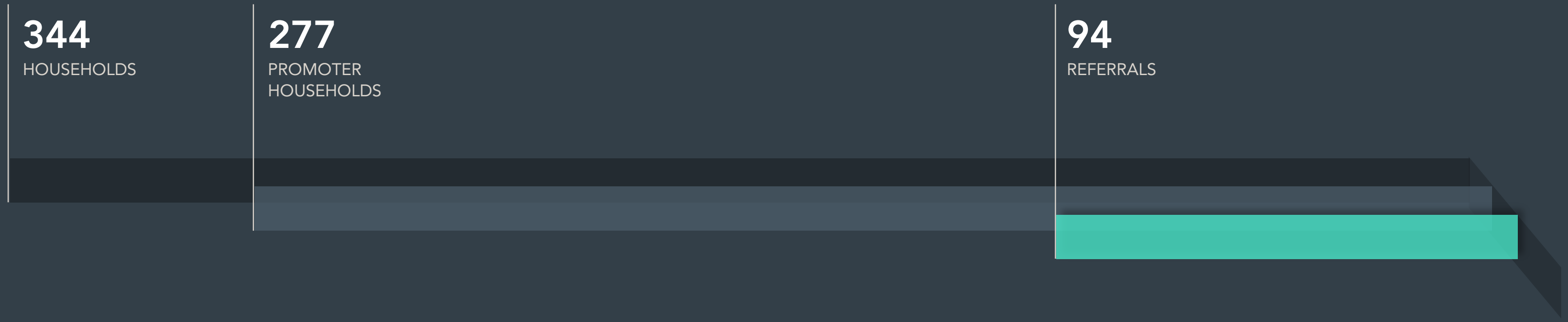

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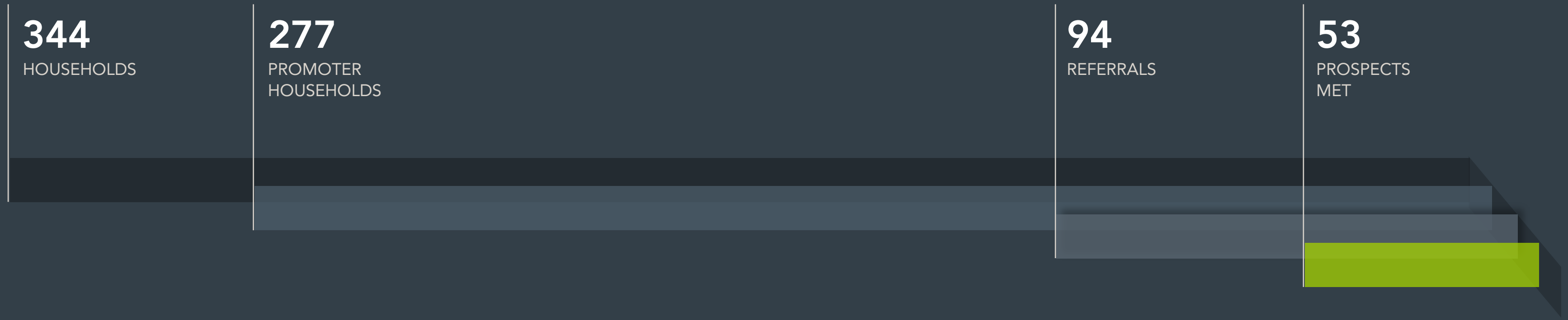

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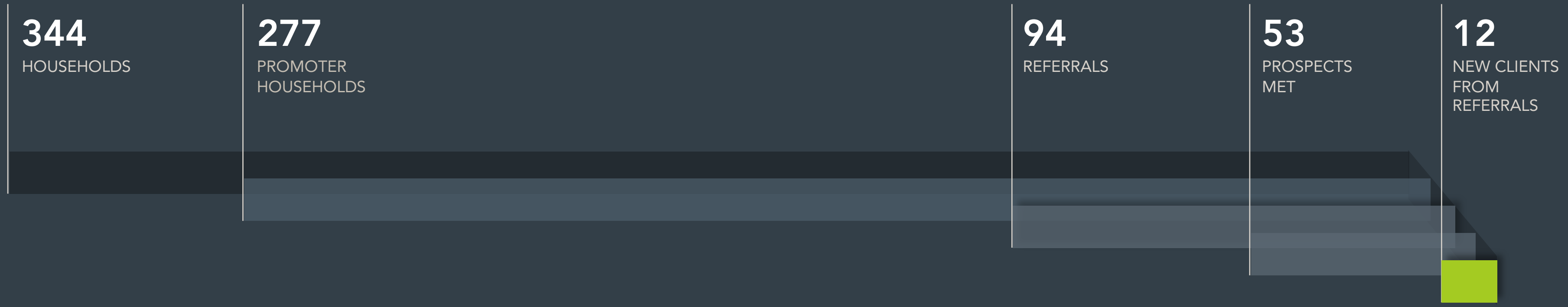


Data from Dimensional 2021 Global Advisor Study and 2021 Global Investor Survey, 131

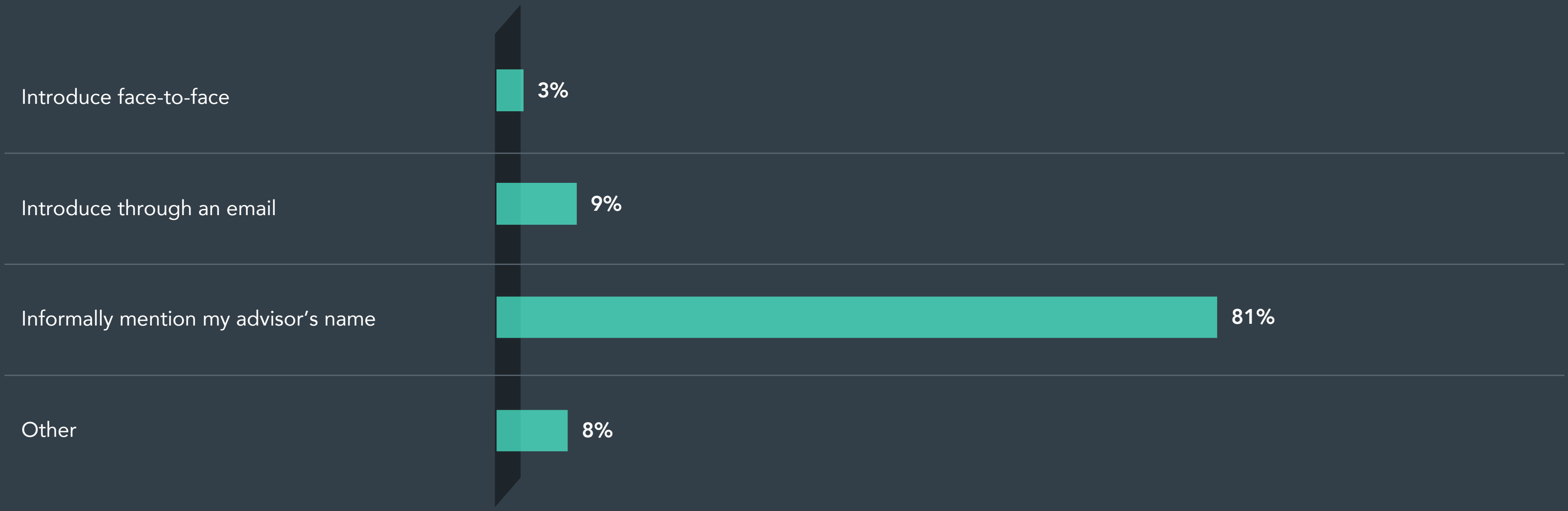
The Referral Gap

Averages

Data from Dimensional 2021 Global Advisor Study and 2021 Global Investor Survey, 131 firms.

Recommending Your Advisor:

How do you typically make a referral?



Results from Dimensional 2017 Investor Feedback Survey.

Recommending Your Advisor:

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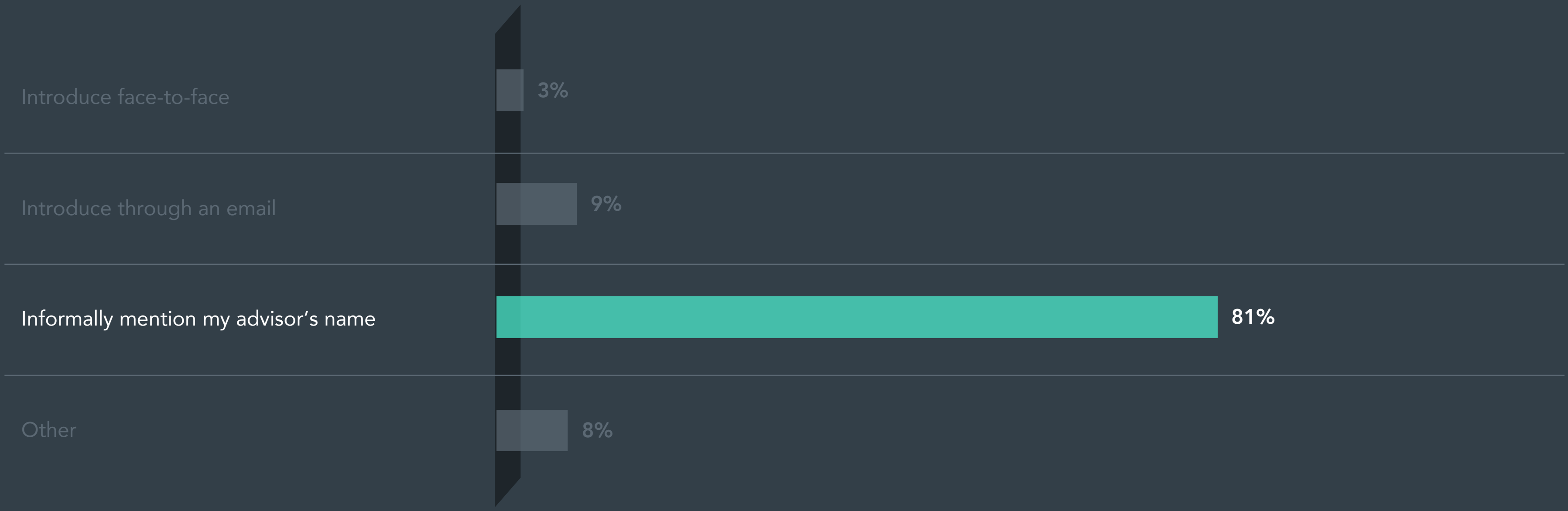

Results from Dimensional 2017 Investor Feedback Survey.

Top Quartile firms are 5 times more likely to have a process for educating clients on how to refer.

Results from Dimensional 2020 US Advisor Benchmarks Study, participating firms with >$250K annual revenue.
169 firms <25% quartile, 290 firms 25th-75th quartile, 170 firms >75% quartile

Recommending Your Advisor

Over the past 12 months, have you referred a friend or colleague to your advisor?

Of those who have recommended:	
Promoters	91%
Passives	8%
Detractors	1%

Promoters Passives Detractors

Results from Dimensional 2021 Global Investor Study

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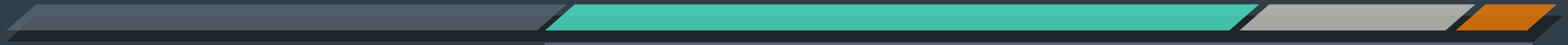
Recommending Your Advisor

Over the past 12 months, have you referred a friend or colleague to your advisor?

24%
Have Recommended

76%
Have Not Recommended



Of those who have not recommended:	
Promoters	79%
Passives	16%
Detractors	5%

● Promoters ● Passives ● Detractors

Results from Dimensional 2021 Global Investor Study

Why Not?

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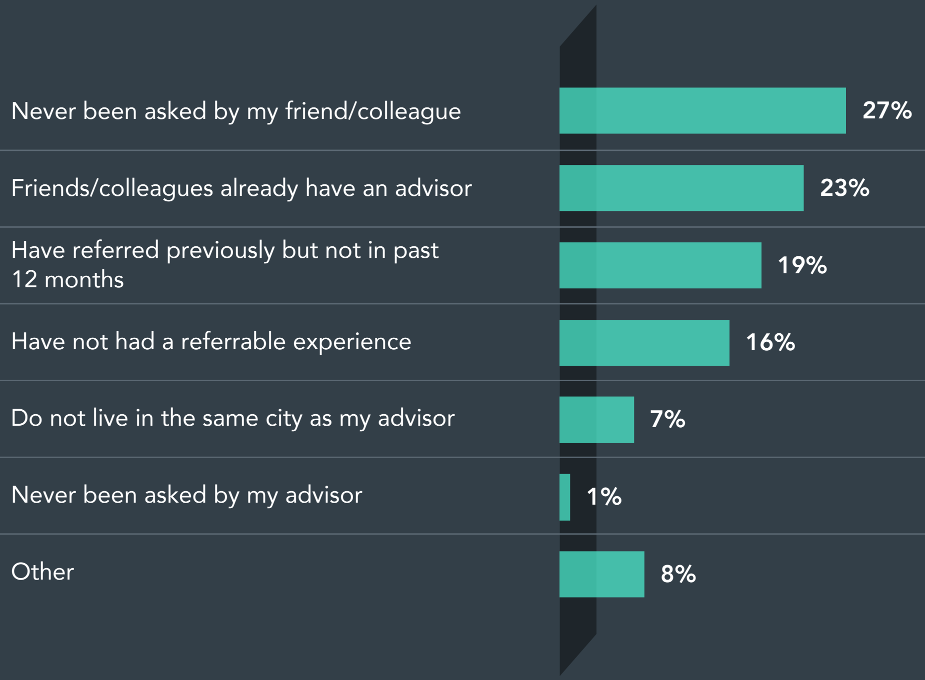
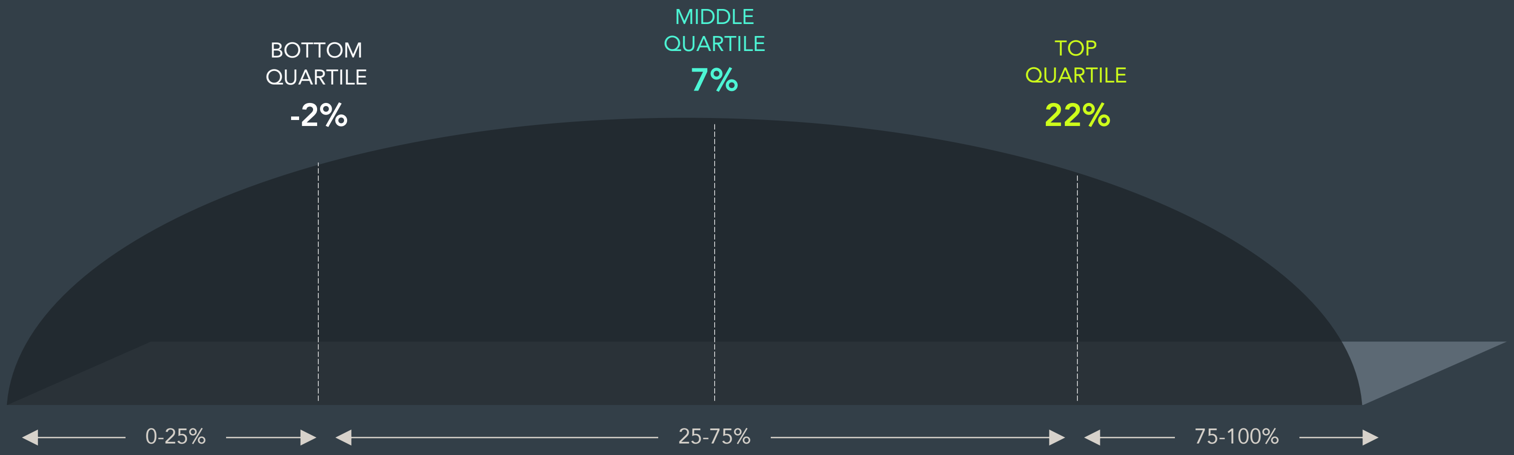
What is the primary reason you have not introduced a friend or colleague to your advisor?



Results from Dimensional 2021 Global Investor Study

The Growth Distribution

Revenue Growth Rates, 2020



Results from Dimensional 2020 US Advisor Benchmarks Study, participating firms with >$250K annual revenue.
152 firms <25% quartile, 304 firms 25th-75th quartile, 152 firms >75% quartile

When do you engage with clients about referring?

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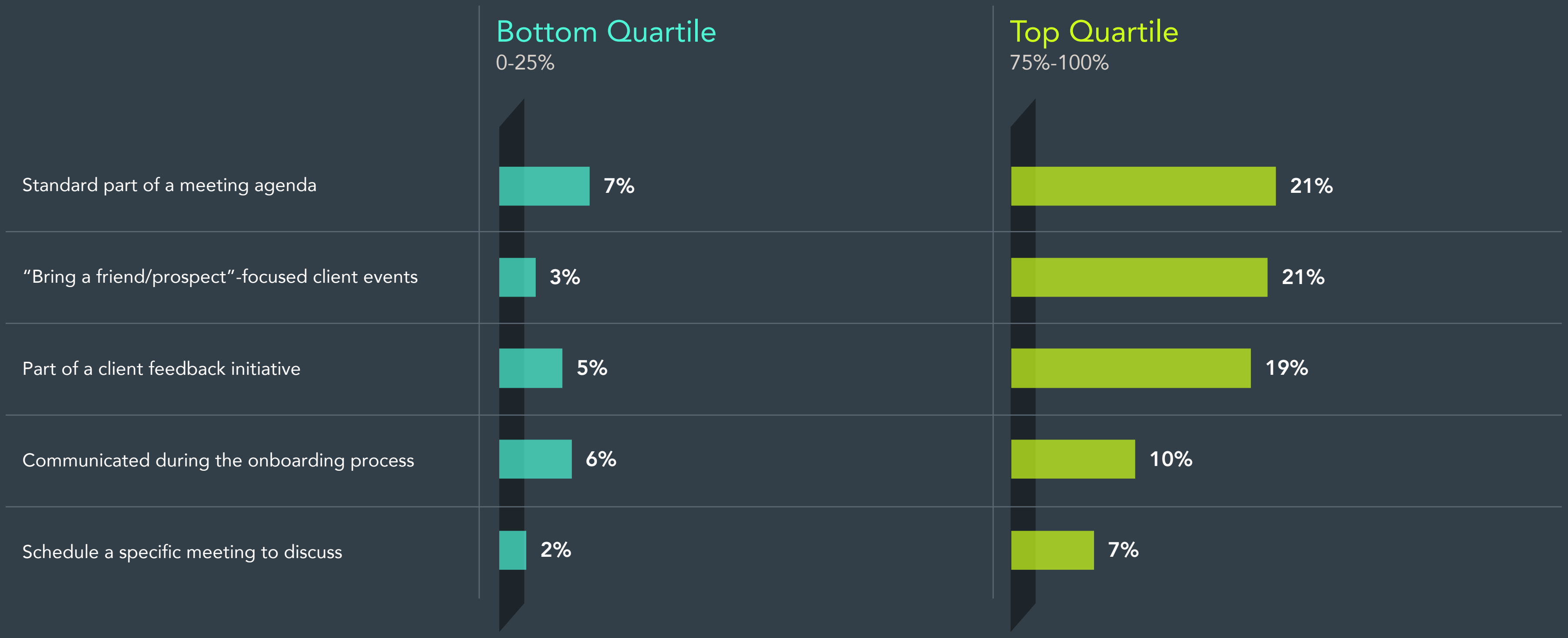

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Recap Lifecycle

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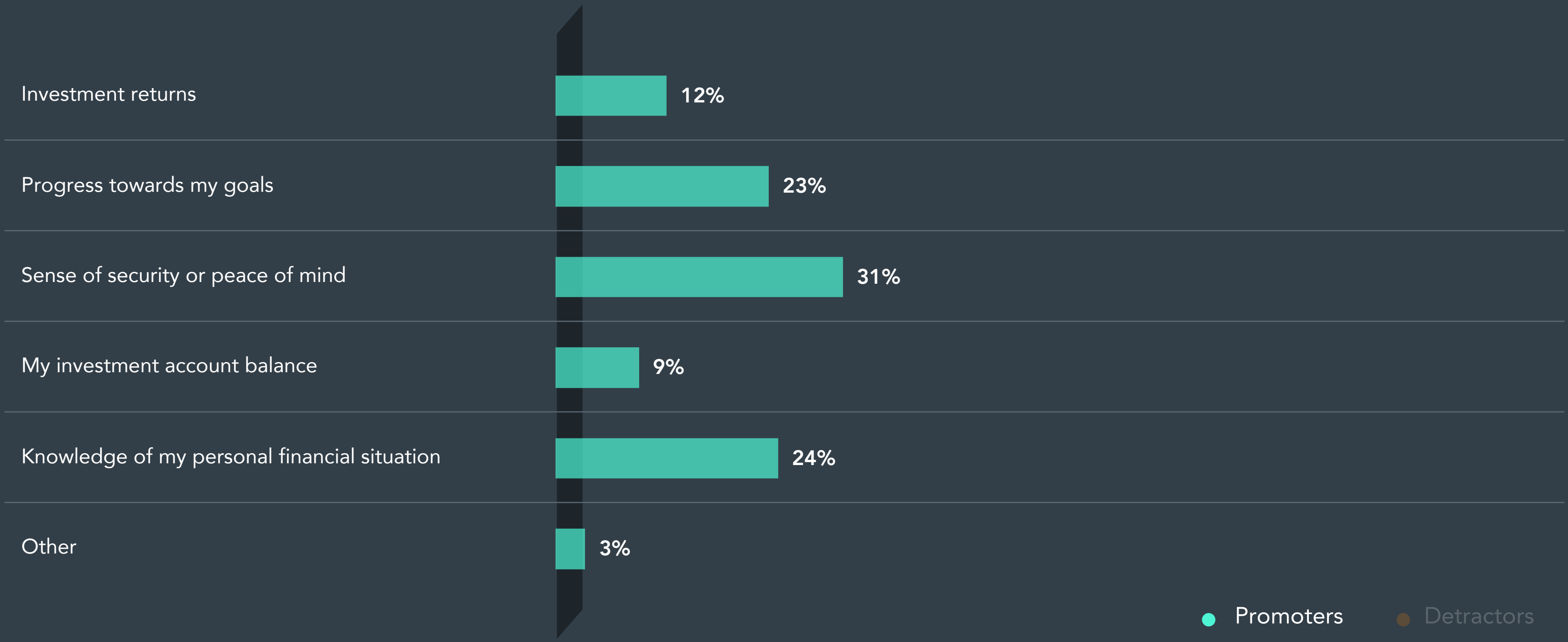
Measuring Advisor Value:

How do you primarily measure the value you receive from your advisor?



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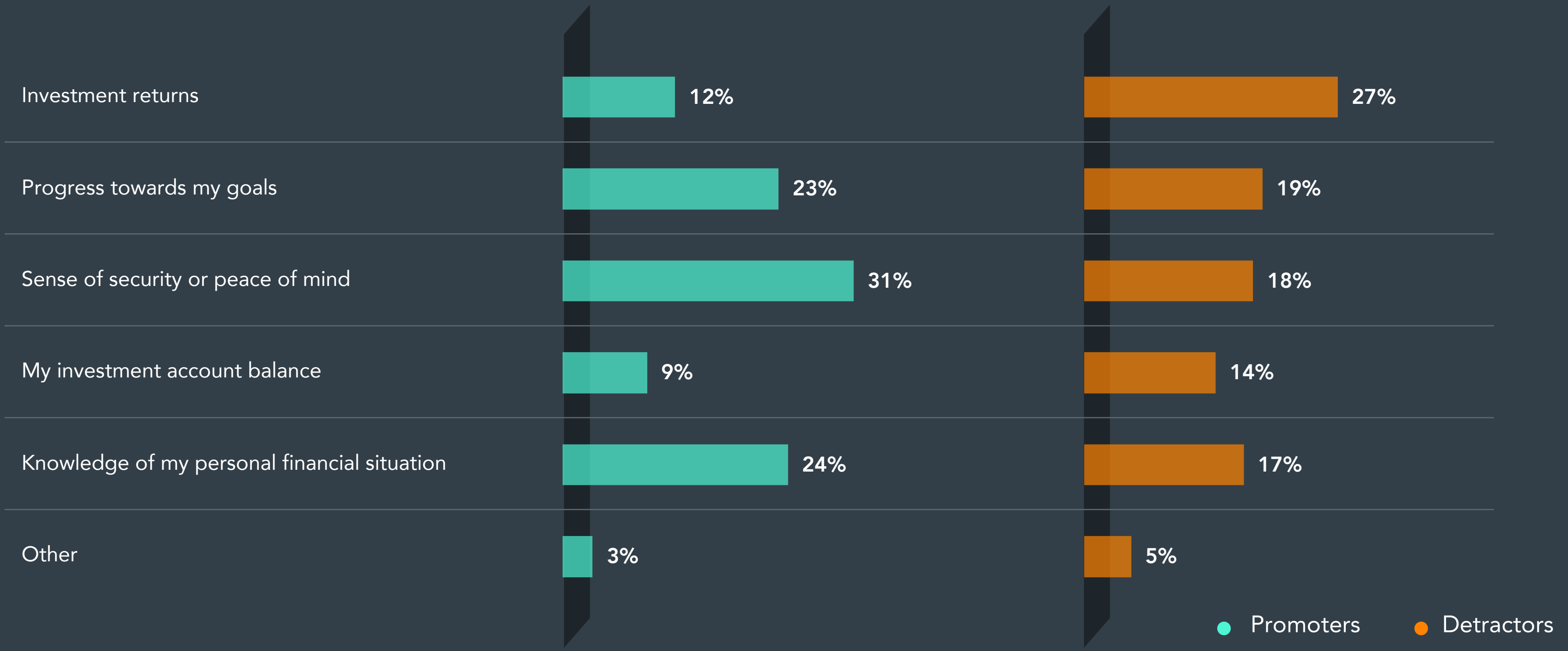

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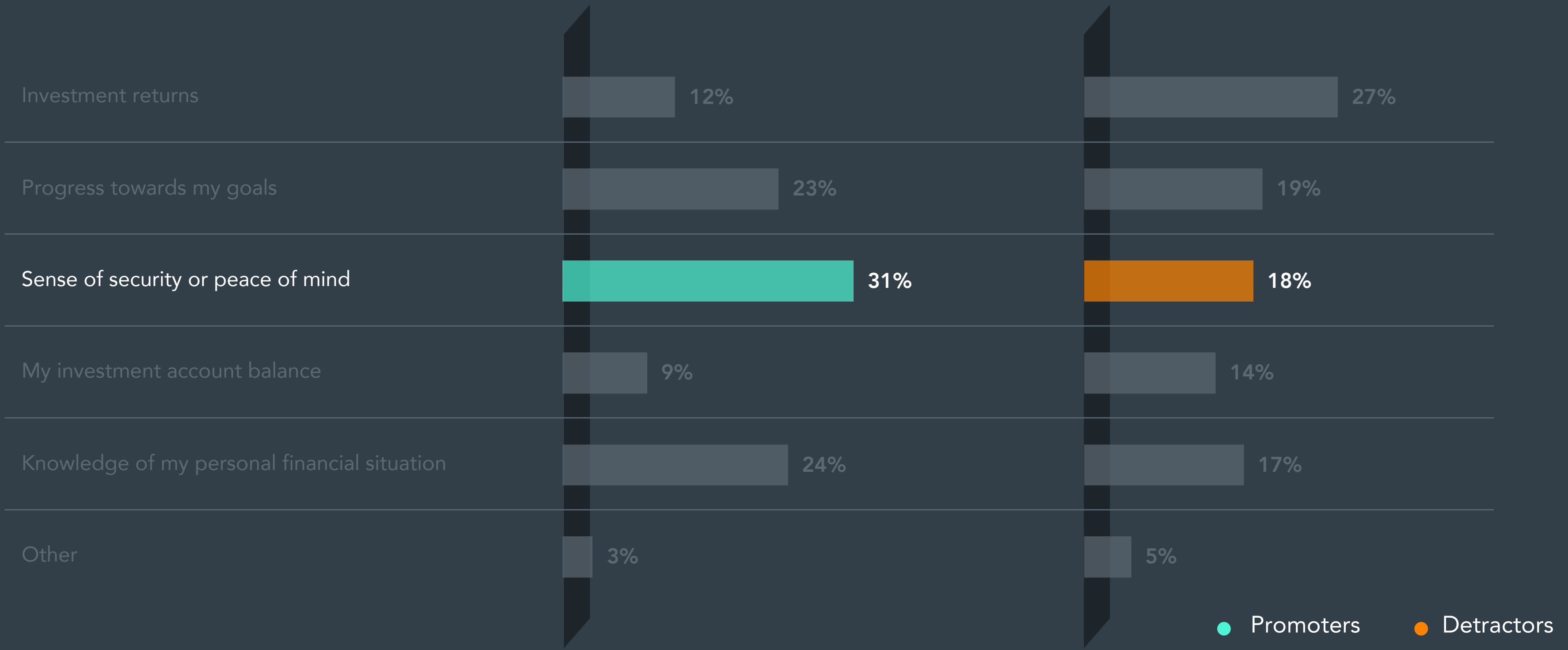

Results from Dimensional 2021 Global Investor Study

"Just keep on keeping on – so this active 80 year old gal can keep living her active life, both socially and at her lovely home and gardens!!"

Which of the following are a part of your referrals process?

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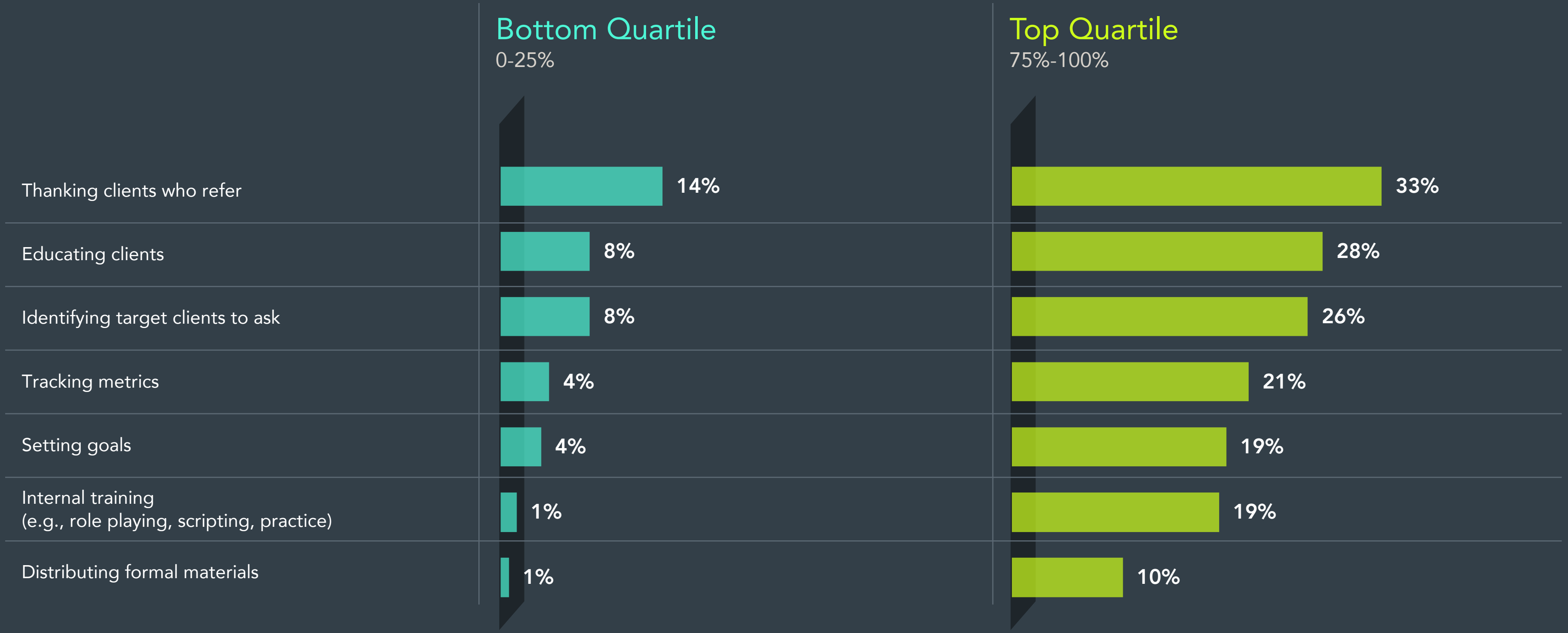

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Over the past 12 months, what was the most common way your clients made a referral?

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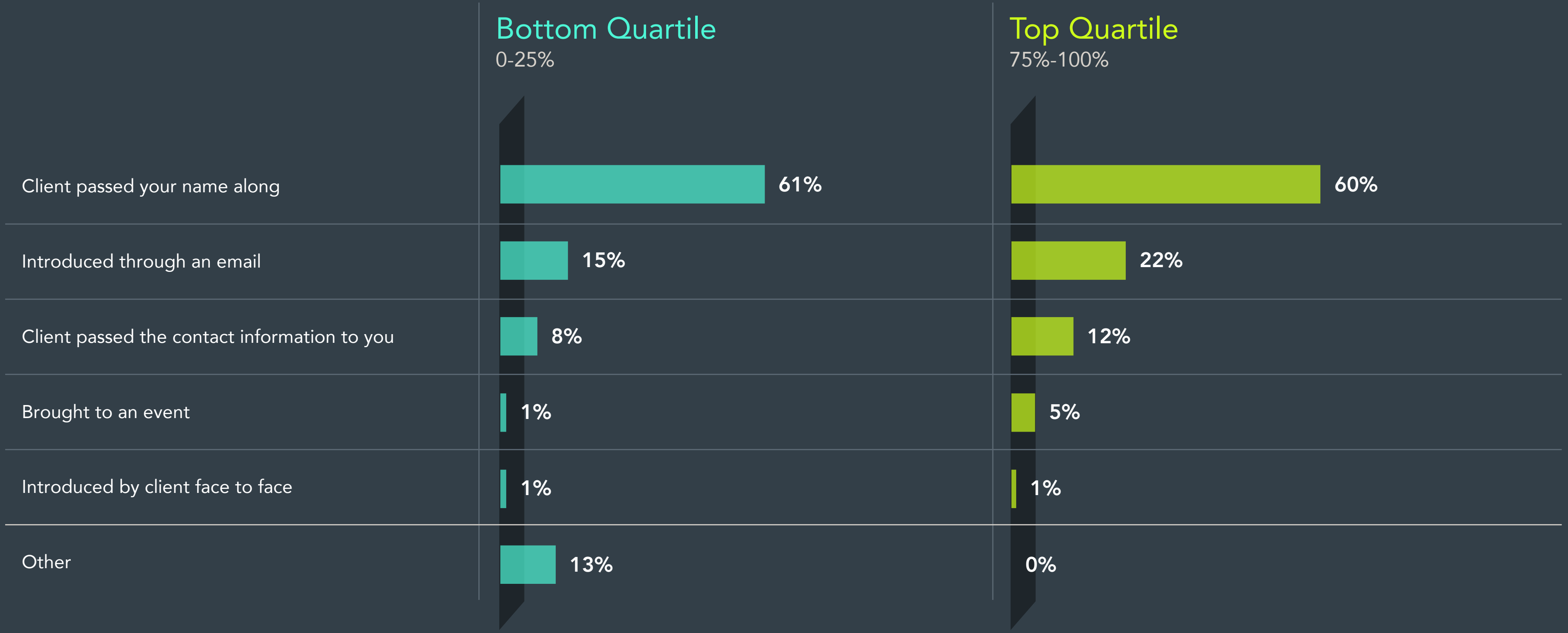

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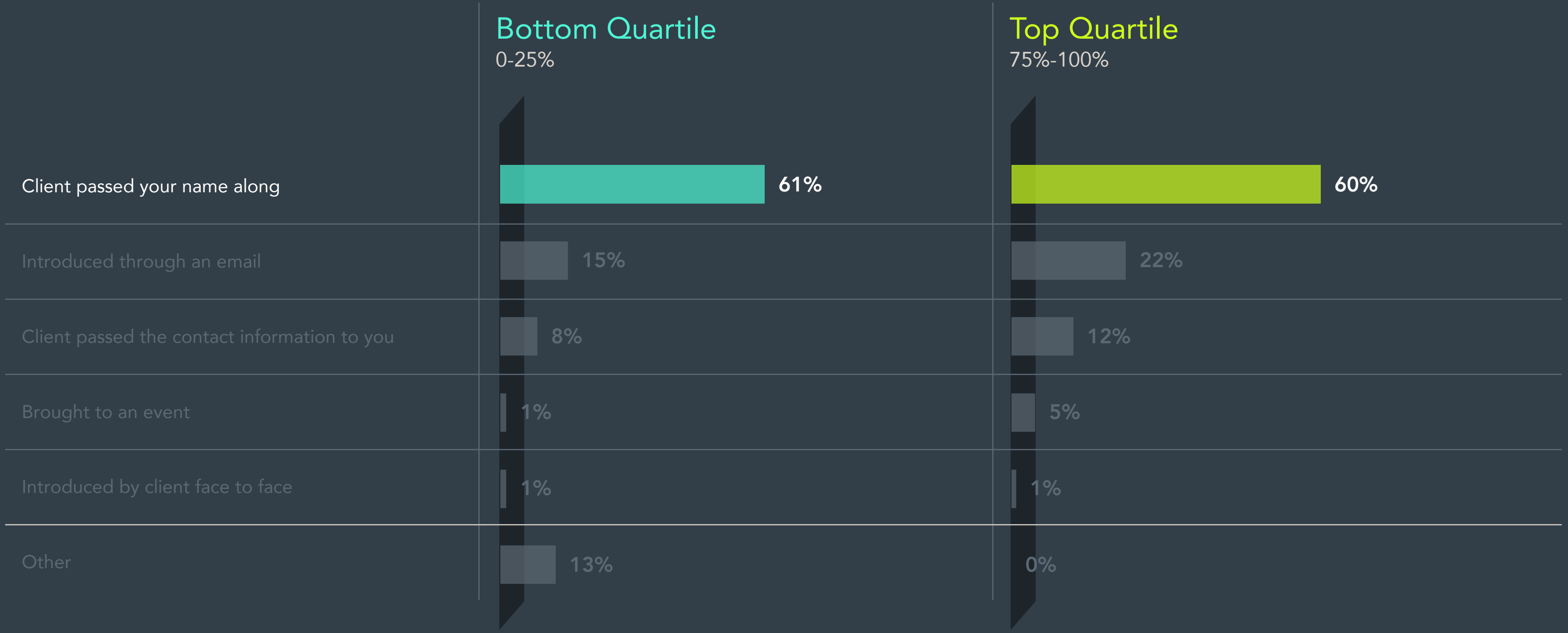

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"Have said it and will again, his availability and willingness to be patient with my learning curve has been invaluable. His presence during the past five years since my husband's death has been a comfort and support concerning my financial situation."

Taking Action

Growth

How do you define your ideal target client?

How can we add psychographics to better focus our efforts?

How can you explain your value beyond competency?

Meetings

How can we maximize our limited time with clients?

How do clients prefer to interact? How can we limit technology constraints?

How are you engaging with the 2nd generation of your clients?

Building Blocks

How can you close the referral gap?

Have a dedicated process

How do you demonstrate sense of security/peace of mind?

Growth • Human Capital • Ops/Tech • Strategy • Client Experience

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Episode 16
System & Soul: Why your practice needs both to survive
Guest: Benj Miller, Founder System and Soul, Author of *The Clarity Field Guide*

Episode 18
The Five-Step Framework for Building your Business through Deliberate Practice
Guest: Craig Wortman, CEO Sales Engine and clinical professor Northwestern U Kellogg School of Management

Episode 19
Building a Better Advisory Practice through Diversity and Inclusion
Guest: Kara Duckworth, Mercer Advisors and Kamila Elliott, Board chair of CFP Board

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Appendix

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