



Five Industry Trends That Will Change How You Do Business

With Alan Moore, MS, CFP®





“Wherever I see people doing something the way it's always been done, the way it's 'supposed' to be done, following the same old trends, well, that's just a big red flag to me to go look somewhere else.”

- **MARK CUBAN**





Five Trends We'll Discuss

Client Demographics

Evolving Workforce

Technology

Crisis of Differentiation

Changing Business Models



Facing up to changing client demographics

A whole new ball game





Client Demographics

First, some definitions





Client Demographics

- Gen X and Gen Y have different needs as client
- Why? Unique life stage, use of technology, wealth inheritance
- Better served by different business models
- Younger clients currently underserved—read: *huge opportunity*





Why should you pay attention?

Younger advisors
often want to work
with younger clients

The majority of your
client's heirs will
leave you when their
parents pass away

Clients want to work
with an advisor
within 10 years of
their own age



The next generation doesn't want to buy Happy Meals

Prepare to do things differently

If you want to work with the next generation, practically everything about the service will be different.





Understanding the evolving workforce

From comp to career path





Evolving Workforce

- **Remote/hybrid work** brings challenges in payroll administration, data security, and work expectations
- With fewer younger advisors, firms are facing increasing pressure to **raise compensation**
- You might need to rethink your **career path hiring structure** as younger advisors look for ways to become a lead advisor while working with peers





What's underpinning these shifts?

Work/Life Harmony

Younger advisors are mission-driven and care about a company culture that respects them as individuals

Job's a Job

Gen Y change jobs every 3 years. Find ways to get value from team members who turn over more frequently

Healthy Management

When was the last time you read a book on management? Company culture? Creating a compelling place to work?



The role of technology in your advisory practice

Keeping up is no joke



Financial AdvisorTech Solutions Map



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Technology

- Significant **consolidation** of tech
- **Custodian no longer the core of the tech stack**, but more of a bolt on platform technology
- Keep **evaluating new technology** platforms and incorporate as needed





Data Security

- Insurance companies are slashing what kinds of breaches policies cover
- The number one weakness for data security? People
- Regulators are demanding more accountability from advisory firms





The Crisis of Differentiation

What makes you different?





Most advisors can no longer rely on location/zip code to differentiate their advisory firm





What is a **niche?**

A niche is a need





Why niche up?

Higher growth rate

Improved prospect close rate

Increase in profit

More revenue per client

Better value for clients



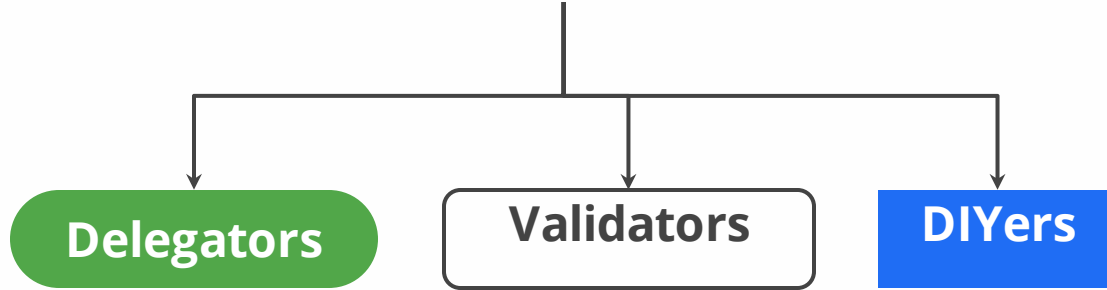
Weathering the change in business models

Say goodbye to simpler times





Types of Clients





Where AUM falls short

<10%

Percentage of Americans with more than \$500k in investable assets





Fee-for-service fills the gap

+ 15%

Increase in investors willing to pay
for advice from 2009 to 2018
(according to a report from Ceruli)





What is fee-for-service?

Hourly

Project-based

Retainer

Subscription

Anything not hourly or commission



Fee-for-service is the future

- Charge an upfront fee today that lets you **serve them profitably**
- Allow younger advisors to help run your fee-for-service offering to attract and retain talent





Rolling with the punches

There has never been a time in financial planning in which more things were in flux. You must be willing to evaluate every step of your business process to continue growing your business.








Thank you!

Any questions?

Let's connect!

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