

KEY POINTS AND OBSERVATIONS

Leveraging the insights from interviews with Joe and George, we captured some meaningful key points that every firm should be thinking about and addressing as it pertains to the impact of the evolution of planning from the past through today and the future.

Planning is Evolving

Not necessarily in the sense of the basic steps involved in planning, or in the context of saving and building wealth, but more in terms of HOW planning is done with clients. Organizations and advisors must have a new vision for how the process is executed and delivered in terms of speed, efficiency and engagement with clients. The old approaches to planning are no longer effective or valid.

Technology is Changing Rapidly, and the Pace of Change will Continue

Technology has improved significantly but radical advances are still yet to come. The key is for firms and advisors to re-examine their approach to not only planning and how it is delivered today, but also how it can be scaled and streamlined to deliver the right type of planning experience for the variety of clients you serve.

The Emerging Importance of Advisor EQ Over Just IQ

Historically, advisors had an advantage over clients in terms of “Financial IQ”. With much more access to information today, advisors may maintain that advantage, but Emotional Quotient (EQ) is becoming the key to differentiation. Developing the connection to truly and deeply understand each client’s unique situation and having the ability to “coach” them towards their goals and the decisions they make over time are going to be critical elements of the role of the wealth advisor going forward.

The Advent of New Pricing Models

In the wealth management industry, HNW clients have paid primarily for asset management with other advice-based services delivered under a bundled pricing model. Unbundled models, fee-for-service, and even subscription fees may become increasingly prevalent going forward. Firms need to identify the most effective pricing model for the different client segments they serve and be prepared to articulate the value they deliver for those fees... and then deliver.

Organizations and Advisors Must Adapt and Change, or Face a New Set of Competition

Simply put, think of the day when someone like Apple, Google, or Amazon enters the wealth and planning domain. There are many new emerging competitors, such as the so-called “robos” (who are more than just automated investing), but if the industry doesn’t respond to the marketplace with credible, viable, well-priced models related to the services provided, new competitive entrants will continue to vie for current clients.

There are certainly other inferences that could be drawn from these interview responses, but we feel these are the most cogent. We hope you find value in the perspectives provided here and that you will read the second part in this series that includes comments from Joe and George, as well as two front-line advisors, on the topic of “The Strategic Imperative of Planning.”

If you would like more information on the “Digital Experience Program” offered by Greene Consulting, which is designed to help organizations enhance advisor adoption and provide tactical strategies for better leveraging and scaling your specific planning software into client and prospect engagements, contact David Greene at 404-324-4600 or via email at davidgreene@greeneconsults.com or Rick Swygman at rickswygman@greeneconsults.com.