

Xeppo

KNOW > RUN > GROW

Speakers



Mark Zaglas

Director of Encore Advisory Group



Paul Campbell

Managing Director of Xeppo



Xeppo Partner Webinar

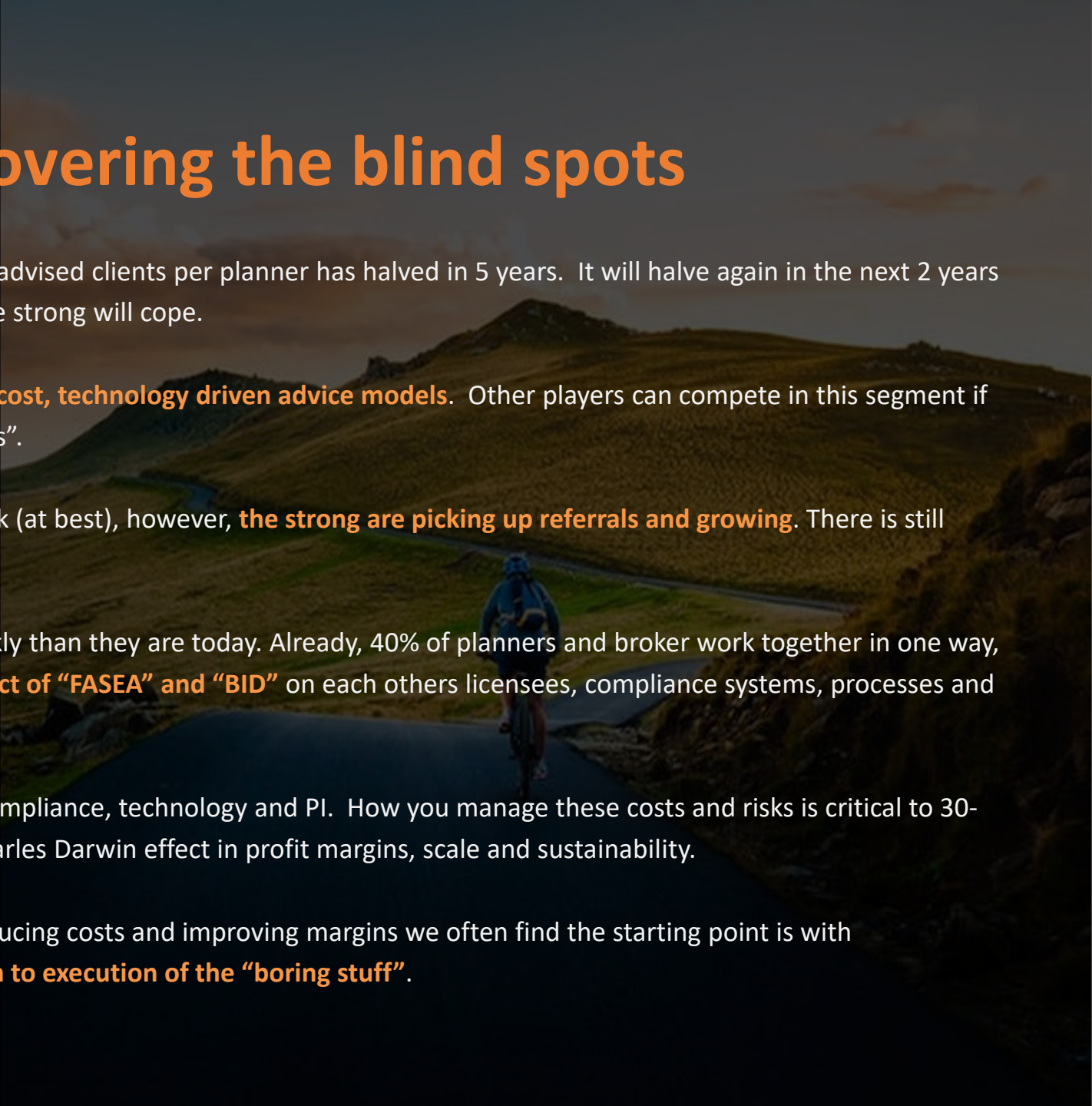
How to scale growth by facing into the
biggest challenges in Advice today

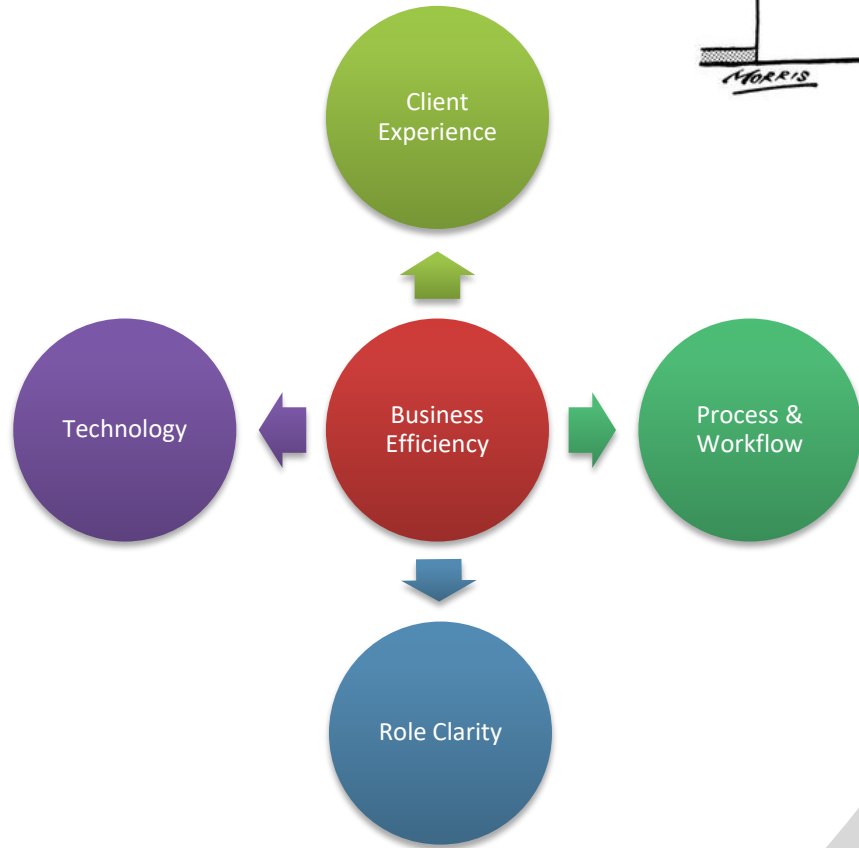
+ Agenda

- ❖ **Introduction** (Paul Campbell)
- ❖ **Advice Landscape Blind Spots** (Mark Zaglas)
- ❖ **What we see across the market** (Mark Zaglas)
 - 3 biggest challenges facing businesses
 - 7 traits of exceptional advice businesses to win the long game
- ❖ **Q&A** (Paul Campbell)



Advice Landscape – uncovering the blind spots

- The only model is the **active advice model** ... numbers of advised clients per planner has halved in 5 years. It will halve again in the next 2 years with annual Opt in, sole purpose test, FASEA etc. Only the strong will cope.
 - But this is just one model, the **super funds will drive low cost, technology driven advice models**. Other players can compete in this segment if they have a competitive advantage or “smart partnerships”.
 - Charles Darwin effect x COVID19 = no growth for the weak (at best), however, **the strong are picking up referrals and growing**. There is still encouraging demand for advice (see ASIC Report 627).
 - Regulation will converge planning and broking more quickly than they are today. Already, 40% of planners and broker work together in one way, shape or form. **AFSLs / ACLs are unaware of the full impact of “FASEA” and “BID”** on each others licensees, compliance systems, processes and (as importantly) client engagement.
 - Business **costs rising sharply for everyone**, particularly compliance, technology and PI. How you manage these costs and risks is critical to 30-40% plus normalised EBIT margins. There is also a big Charles Darwin effect in profit margins, scale and sustainability.
 - When it comes to **driving greater business efficiency**, reducing costs and improving margins we often find the starting point is with intellectually stimulating topics but ends up **coming down to execution of the “boring stuff”**.
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The Boring Stuff

- Many businesses don't have a strategy or two questions in it's obvious someone else really wrote it and it went in the top draw
- The next cohort of businesses have a strategy and can give a good explanation but have implementation problems
- A number of quality businesses we walk into have a strategy and a good execution narrative. But when we talk to the staff vs the owners ... differences emerge
- It's rare but when owners and staff tell the same story on organisational purpose, the plan, the numbers and a genuinely honest (aligned account) of what's working/not ... these businesses are **up to 90% more profitable** than their peer set; and have **greater alignment of the four key efficiency areas**

+ Biggest Challenges Facing Businesses

#1

Inefficiency. High cost to serve. Feeling like you're scrambling

Most think the solution is technology and a bit of core process redesign. This helps, to be sure. But what is required, first, is a review and reset of the Client Experience. Being clear on who your client segments are, the proposition and service experience from the adviser to the paraplanner to the front service desk gives you a better chance of lining up the right tech stack and processes. We call this being “fit for purpose” and is what reduces cost drag(s) and dovetails into the second area.

#2

Anemic top line growth. Attracting new clients

There are only so many ways to grow revenue. Increase fees for new / existing clients. Generate new clients from existing clients. Cultivate referrals from partnerships and/or centers of influence. M&A. Each has its place. And each has an impact on the client experience you design and the operating model of the business.

#3

People. Supply decreasing. Retention is harder

This has always been in the top 3. But never has it mattered as much. Good people are hard to find and even harder to hold on to. Young talent are committed to their jobs and the clients the business they work for serves. They are equally committed to growing in those roles and their careers. They reward the business that can sustain their appetite for professional growth (career planning and training and development are two key aspects). Employee proposition are as important as client propositions.

+ 7 traits of exceptional advice businesses

Below are the key ingredients inside the Exceptional Business “Hello Fresh” box (if you will). How you mix and match them (i.e., priority and importance) changes depending on the business and the cycle that business is in, but every business must make deliberate decisions and execute in each of these areas to be successful.

Exceptional businesses have each of these seven traits in common:

1. **Plan: Strategy, leadership & business model** – where do I want my business to be and how am I going to get there?
2. **Performance: Governance & Succession** – advisory ‘board’ helping to make better decisions, manage change, and execute successfully
3. **Productivity: M&A, sales & marketing** – have a plan for sustainable new client growth, advocacy, and client retention
4. **Proposition: Active Advice & Client Experience** – have a strong / differentiated proposition, priced for fair value, and well implemented
5. **Production: Tech Stack, Operational Efficiency** – getting my operating model fit for today and the future
6. **Products: Integrated Advice / Business Model** – maximizing the levers of growth – new services, new revenue, and new clients
7. **People: Realise potential, culture & recruitment** – business and people growth are aligned, and engender a culture of ownership

A good **first place to start** is with an assessment on how your business “stacks up” in each of these areas.

+ How to take action?

Book in for a meeting on ways we can help ...

Mark Zaglas

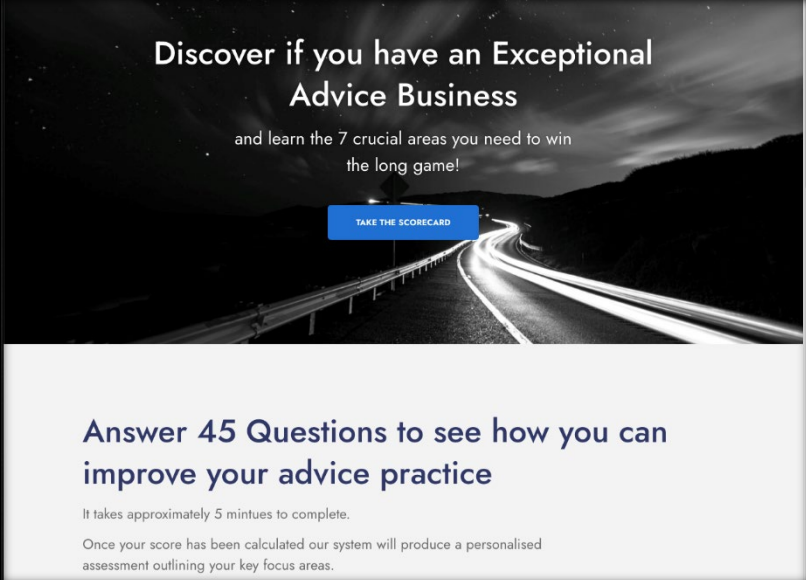
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OR

Take Encore's Scorecard self assessment test ...



Discover if you have an Exceptional Advice Business
and learn the 7 crucial areas you need to win the long game!

[TAKE THE SCORECARD](#)

Answer 45 Questions to see how you can improve your advice practice

It takes approximately 5 minutes to complete.
Once your score has been calculated our system will produce a personalised assessment outlining your key focus areas.

[Exceptional Advice Business Scorecard \(scoreapp.com\)](https://scoreapp.com)

+ About Encore Advisory Group

Our clients are business owners and providers of Advice in Australia



CLIENT GROUPS

Insto's / Banks

Super Funds

Platform Houses

Licensees & Advice Groups

Advisers / Financial Planners

Mortgage Brokers

Accountants

CONSULTING

Advice Market Specialists
Solution Design & Research
Distribution Strategy
Sales Performance – insight-driven
enablement and capability uplift

BOARD, ADVISORY & GOVERNANCE

Advisory Board
Directorships
R&C Sub-Committees
Strategy & Leadership
Executive Coaching

BUSINESS SOLUTIONS

SME Practice Management
Strategy & Business Plan
Implementation Accountability
Business Coaching

MORTGAGE SOLUTIONS

Planner Broker Platforms
Referral Partnerships / JVs
Integrated Advice Models
Governance – BID / FASEA



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Questions?