Study Reveals Financial Advisers are Not Completely in “Control” of Their Time and Businesses

2014 Time Management and Productivity Study of the FPA Research and Practice Institute™ provides an in-depth examination of the time management issues impacting today’s financial advisers

DENVER – Like most small business owners and entrepreneurs, financial advisers are struggling to gain complete control over their businesses – control that would lead to greater capacity and profitability, revealed The 2014 Time Management and Productivity Study, a study by the FPA Research and Practice Institute™ (RPI) – a program of the Financial Planning Association® (FPA®).

The study – which included the input of 750 professionals across the country, including FPA members and non-members, CERTIFIED FINANCIAL PLANNER™ (CFP®) professionals, advisers across all channels and a wide range of business sizes and models – was conducted as a result of RPI’s inaugural The Future of Practice Management study last fall that revealed time management as a major gap in today’s financial advisory businesses. The data gathered enables advisers of all backgrounds to assess how the greater advisory community is coping with various productivity issues, including process standardization, business planning, delegation, and more.

“Our inaugural study was key in honing in on those primary gaps where advisers, including CFP® professionals, felt they could perform at a higher level, comprising time management, client communications, business development and team training,” said Lauren Schadle, CAE, FPA executive director and CEO. “This study probed further into the time management issue and exposed the unfortunate snowball effect poor time management has on CFP® professionals and all advisers.”

In collaboration with Julie Littlechild, CEO of New York-based Advisor Impact, the study, found the following control issues to be true:

- A feeling of ‘control’ over one’s day and one’s business was identified as one of the key goals of effective time management
- Despite investing significant time in their businesses, a very small minority of advisers feel completely in control of their time or their businesses.
- Only 13% feel in complete control of their time and 10% in complete control of their businesses; over half of advisers are feeling out of control.
On average those advisers who feel somewhat or completely in control of their time and their business are holding approximately 50 more client meetings per year.

“Obviously if only 13% of advisers feel they have complete control over their time there are going to be far reaching ramifications on their businesses and their overall stress level,” added Valerie Porter, CFP®, Director of the FPA Research and Practice Institute™. “As a practicing CFP® professional myself, I know the impact positive time management has had on my business and my work with FPA and RPI.”

The study also revealed that the greatest obstacles advisers face (as it relates to increasing productivity) are: trying to do too much (36%), increased administrative burden (31%) and procrastination (30%). But the study did uncover three vital aspects of an adviser’s business that have the potential to create greater efficiency and, therefore, sense of control. They are strategic focus, effective infrastructure, and personal efficiency.

Clear Strategic Focus

• The study found that effective time management and productivity starts with a clear vision.

• The advisers who had clearly defined business goals (68%) and personal goals (59%) were more likely to have more control. More importantly, the quality of the plans differed for those advisers who are in control. Eighty-four percent of those teams who are in control rate their plan as effective compared to 44% who are not in control.

• When asked about the issues that had the greatest impact on productivity, the most popular responses related to investing time in planning – both on the business as a whole and, more specifically, investing time in planning and prioritizing activities every day.

An Effective Infrastructure

• In addition to having a clear vision, advisers who had strong infrastructures (team, process and technology) were more likely to be in control.

• Fifty-one percent of advisers indicated that having clearly defined/standardized processes was the best way to improve efficiency, followed by better delegation (47%) and better scheduling (38%).

• Advisers who were in control were more likely to delegate a wider range of activities.

A Focus on Personal Efficiency

• With respect to personal productivity, advisers who are in control are more likely to follow a model day or week and schedule more of their activities.

• Forty-four percent of teams who are in control have a set schedule compared to 20% who are not in control.
• Those advisers who are in control are more likely to have used tools such as a time tracker (42% of teams who are in control compared to 28% who are not) and are less likely to deviate from their schedules.

“The good news is that there is no shortage of ideas shared by advisers as to what they have done to improve productivity,” said Julie Littlechild, CEO of Advisor Impact. “We hope this report helps provide some structure to the way advisers think about productivity and a roadmap to assess where they might improve.”

A full report of The 2014 Time Management and Productivity Study is now available HERE and includes additional details and narratives on these issues.

RPI will begin continuing its quarterly studies in 2014, including a Q2 study on client communications, a Q3 study on business development, and a Q3 study on team training. The research will be provided to advisers through a series of reports and whitepapers as well as the development of a suite of tools and resources for advisers to create more efficient, prosperous businesses.

“FPA endeavors to provide our more than 23,000 members, including 16,000 CFP® professionals, with one connection to opportunities for business success. The work we are doing through the FPA Research and Practice Institute™ will make all of our members better business owners now and in the future,” concluded Schadle.

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Since 2000, the Financial Planning Association® (FPA®) has been the principal professional organization for CERTIFIED FINANCIAL PLANNER® (CFP®) professionals, educators, financial services professionals and students who seek advancement in a growing, dynamic profession. More than 23,000 FPA members adhere to the highest standards of professional competence, ethical conduct and clear, complete disclosure to those they serve. Through a collaborative effort to provide members with One Connection™ to tools and resources for professional education, business success, advocacy and community, FPA has become an indispensable force in the advancement of today’s CFP® professional. Learn more about FPA at OneFPA.org and follow on Twitter at twitter.com/fpassociation.

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The FPA Research and Practice Institute™ is the CFP® professional’s One Connection™ to practice and business management insights that help financial planners achieve business success. A program of the Financial Planning Association® (FPA®), the Institute conducts original research on business-centric topics and issues, including operations, personnel, human resources, marketing and technology. Detailed analyses, reports, whitepapers and resources, based on the research, are made available to financial planning professionals to help them identify their business gaps and address them. Learn more here.