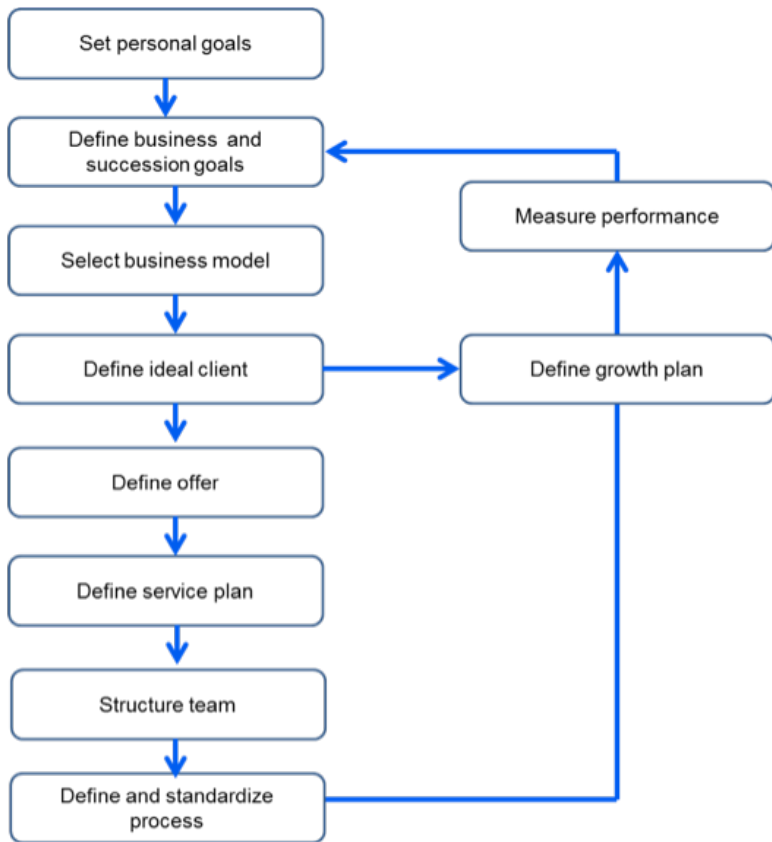


# The Future of Practice Management

The *Future of Practice Management* is the inaugural study for the Financial Planning Association’s Research and Practice Institute (RPI). The study is a comprehensive assessment of current and future trends for financial advisors, related to managing and growing an advisory business. More than 2,300 respondents participated, including approximately 1,900 advisors and 400 support staff and non-advisor management.

The results identify key gaps for advisors in running an effective advisory business and highlight trends that will influence how businesses are run in future. The Practice Management Map below outlines the key elements of business management for advisors, highlighting the critical importance of alignment from one step to the next. Key findings for each step are provided.



1. **Define personal goals:** Nearly half of advisors say they do not have a clear plan in place for their own retirement.
2. **Define business and succession goals:** 50% of advisers have a written business plan and 25% have a formal succession plan.
3. **Select business model:** There is a strong shift toward ‘wealth management’ from other models which are more purely focused only on investment management.
4. **Define ideal client:** 25% of advisers have a formal definition of their ideal client; 38% of advisers who have defined that ideal say a majority of their clients fit that profile.
5. **Define offer:** Advisers are offering an increasingly broad range of services, targeting business owners and offering specialist planning (e.g. special needs, same sex couples).
6. **Define service plan:** 71% of advisers have defined service goals for clients, with 28% documenting those in a formal service agreement.
7. **Structure team:** Advisers are establishing non-advisor management roles, particularly operations support. Fewer than half have formal training or mentoring programs in place.

8. **Define and standardize process:** Advisers feel confident they have defined processes in their businesses, with the exception of a business development process. 42% have a formal operations manual.
9. **Define growth plan:** Advisers use a wide range of tactics to drive growth, with an increasing focus on social media.
10. **Measure performance:** Advisers track key metrics such as growth, with a minority tracking metrics related to profitability and client satisfaction. 22% of advisers ask, formally, for client feedback.

Future studies will be highly tactical and focus on ‘bridging the gaps’ by examining those areas that advisers consider to be the biggest challenges and going deep to uncover and share best practices.