Important information

Disclaimer

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Respondent profile

**AFS Benchmarking**
- Surveyed Nov / Dec 2017
- 396 senior leaders
- Wealth, accounting and multi-disciplinary firms
- Mix of licensing models
- <$2m through to $5m + revenue

**Propensity Project**
- Surveyed throughout 2017
- 19 firms
- 3,430 end clients
- 71% with wealth as the main contact
What will it take to be a firm of the future?

Clients
- Personalisation
- Referrals
- Engaging the next generation

Systems
- Impact
- Integration
- Data aggregation

People
- Recruitment of client-facing
- Reward and retain
- Upskill
What do you believe are the most effective strategies to improve profitability in the current market?

Adding value to existing clients

2017 all firms: 58%
2017 benchmark firms: 68%

Source: Macquarie 2018 AFS Benchmarking Report
Personalisation
Focussing on what matters to clients

1. I feel my adviser values my business and relationship with the firm
2. I receive the right level of information about my status / progress
3. My adviser proactively manages my affairs

How often do you engage with your main contact’s spouse?

- **All the time**

2017 all firms: 23%
2017 benchmark firms: 34%

Source: Macquarie Propensity Project, 2017
Source: Macquarie 2018 AFS Benchmarking Report
Referrals
The reason for increased profits

Which of the following describes the reason for an increase in profit?

Increasing client referrals from existing clients

2017 all firms: 59%
2017 benchmark firms: 74%

Source: Macquarie 2018 AFS Benchmarking Report
Turning clients into advocates

1. Your proposition
2. Educate generously
3. Know who, when and how to ask
Engaging the next generation

What strategies are you implementing to engage with the next generation of clients?

Actively engaging with the adult children of your current client base

2017 all firms

67%

2017 benchmark firms

82%

Source: Macquarie 2018 AFS Benchmarking Report
What does the next generation want?

Connections
#1 satisfaction driver: identifies my needs and connects me to others

Responsive service
#2 satisfaction driver: speed and efficiency of implementation

Information and education
Twice the average want more educational and portfolio-specific communication

Source: Macquarie Propensity Project, 2017
People

Recruitment of client-facing

What do you believe are the most effective strategies to improve profitability in the current market?

Retaining high-performing staff

2017 all firms: 52%

2017 benchmark firms: 64%

Source: Macquarie 2018 AFS Benchmarking Report
Recruitment, retention and upskilling

What recruitment channels do you use to find new staff?

**Recruitment agencies**

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<thead>
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<th>2017 all firms</th>
<th>2017 benchmark firms</th>
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<tr>
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<td>41%</td>
<td>56%</td>
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<td>2017 benchmark firms</td>
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In addition to salary, what do you offer staff to reward and retain them?

1. Flexible working arrangements
2. Training opportunities
3. Workplace environment

**Training**

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<td>2017 all firms</td>
<td>64%</td>
<td>78%</td>
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<td>2017 benchmark firms</td>
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Source: Macquarie 2018 AFS Benchmarking Report
Using systems to improve profitability

What do you believe are the most effective strategies to improve profitability in the current market?

Improving profitability through efficiency gains with technology

- 2017 all firms: 66%
- 2017 benchmark firms: 78%

Improving profitability through process improvements

- 2017 all firms: 55%
- 2017 benchmark firms: 72%

Source: Macquarie 2018 AFS Benchmarking Report
Systems

Impact

Integration

Data aggregation

Impact Integration Data aggregation
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Thank you