

osaic

Advisor Growth and Productivity for the Future

The Anatomy of a Thriving Practice





Am I a Grower?

As one of the nation’s largest independent providers of wealth management solutions, Osaic’s mission is to empower entrepreneurial advisors to thrive. We know that consistent organic growth continues to be a top challenge for financial professionals, with 50% citing “sourcing new clients” as their primary obstacle, and 26% citing “building multi-generational client relationships” as their main hurdle.¹

Seeking to help our independent advisors reach the next level of success and identify what behaviors and activities drive high growth practices, Osaic conducted an in-depth study² of 5,742 financial professionals affiliated with Osaic from 2020 to 2023. Additionally, we conducted in-depth behavioral interviews and questioned advisors about their plans for growth in the coming year. The study compared participants to a 60/40 market and also to their peers, dividing them into three core groups or cohorts: **Growers, Neutral, and Decliners.**

We defined these groups with the following attributes:



Growers

Two consecutive years of **AUA growth greater than 3% of market** (e.g., cumulative market was 1.7% so they grew more than 4.7% during this two-year-period)



Neutral

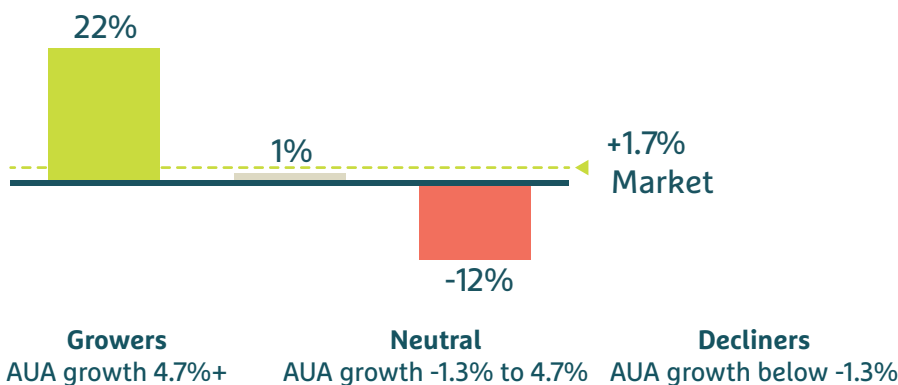
Market growth within **+/-3% of market** (e.g., growth range in between -1.3% through 4.7% of market)



Decliners

Market growth of **-3%+ versus market** (e.g., performance below -1.3% of market)

From 2021 - 2023², **Osaic Financial Professionals with top growth grew on average 22%** versus market performance of 1.7%.



1 Cerulli U.S. Advisor Metrics 2022 Exhibit 2.15 Practice Management Support Dashboard

2 S&P AG 60/40 Benchmark



Growers Embody Distinct Personas

The Growers cohort exhibited industry-leading AUA growth of 22%. Our analysis of the **Growers** cohort revealed uniquely distinct attributes, and further scrutiny of these top growth-oriented advisors uncovered four key growth personas:



Rainmaker



Advisor as CEO



Financial Planner



Private Wealth Specialist

While most growing advisors demonstrate a blend of these personas, our study showed that growth-oriented advisors gravitate towards one or two of these growth personas in their businesses. To assist advisors who are looking to amplify their growth, we've compiled the traits of these high-growth advisor personas and curated their best practices.





Rainmaker Persona

Rainmakers tend to focus on building relationships within a community, mainly through centers of influence (e.g., CPAs, tax attorneys, etc.). They are also highly engaged in lead-generation activities. **Research has shown that high-growth rainmakers see 43% of their AUM growth coming from new clients** (versus a new client growth rate of 33% for non-rainmakers)³.

Our study found that the most successful rainmakers engaged in specific behaviors that increased their chances of success. They ranked the below activities from most to least:

1. Asking for client referrals
2. Leveraging centers of influence, including bank/ credit union referrals
3. Creating educational seminars and classes
4. Having a systematic lead generation process, potentially including 3rd party lead gen tools



Best practice ideas from your Rainmaker peers:

- » **Create your own referral network:** Build a network of business owners that provides needs-based resources such as marketing, outsourced CFO, legal services (attorneys), and others, with an end goal of internally referring clients to each other. This “team of experts” enables business owners to help their customers resolve complex issues such as trusts and taxes, creating a comprehensive approach to planning while at the same time building a network of referrals.
- » **Host with educational seminars:** Create a list of local industries in your area (hospital systems, colleges, telecom companies, large corporations, etc.) and ask for friendly introductions to decision-makers so you can discuss the benefits of providing educational content to employees.
- » **Use niche-specific client appreciation events:** Appreciation events strengthen client relationships and lead to increased revenue and referrals to new prospects. Ask your clients to bring a guest to your niche-specific event such as “Margs and Manis” for female clients, a private dining event for high-net-worth clients, holiday cookie exchange, or a chair yoga class for seniors.





Advisor as CEO Persona

Advisor as CEOs generally focus on business as a whole, and they create specific goals for growth in the coming year. This thriving segment focuses on developing their team, matching needs with expertise, implementing structure and repeatable processes, and measuring results consistently.

Among the highest growth advisors, we found that the majority of these advisors employ a team-based approach, averaging \$250M in AUM (versus the average of \$80M in AUM for solo practitioners). **Team-based approach allows you to offer more services (about 1.1 more on average)**. For more information on Top-Performing Teams, please read our whitepaper⁴: osaic.com/top-performing-teams.

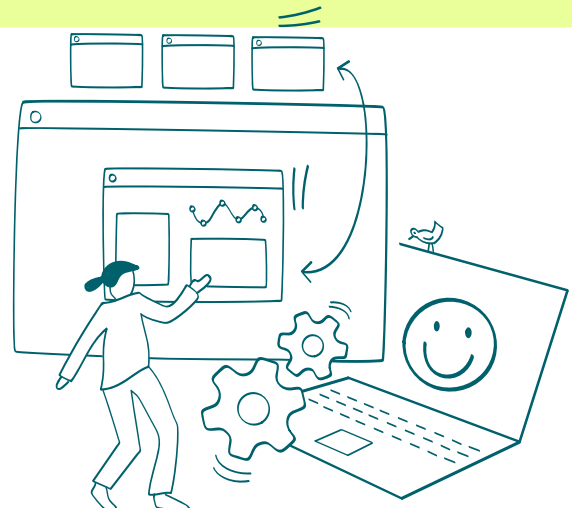
Our most successful Advisor as CEO personas ranked these activities as highly important for accomplishing their growth goals in the coming year:

1. Host networking (or other) events to prospect for/meet new clients
2. Provide additional services to expand wallet share (e.g., college counseling, tax planning)
3. Pursue additional certifications to expand client base and knowledge (e.g., CPWA, BFA)



Best practice ideas from your Advisor as CEO peers:

- » Advisor as CEO personas usually have a **specific and measurable business plan** in place (e.g., to attain \$1B in assets over the next 10 years). Having a defined plan provides a clear roadmap for your business, enabling you to set concrete goals, effectively track your progress, identify potential risks and opportunities, and make adjustments as needed.
- » Advisor as CEOs often start building their succession plan and a business continuity plan well in advance of the actual need for one. Additionally, once they hit the threshold of 100-150 households, they often scale their practice and expand their team by hiring a junior advisor to help service clients.





Financial Planner Persona

This persona tends to focus on growing wallet share within their existing book of business, developing a repeatable financial planning process that may include charging a separate fee for financial planning. The study showed that **advisors who charge a separate fee for financial planning grow 20-30% more assets than peers who don't** charge a separate fee (since they are recouping the value of the time they spend creating a holistic financial plan). For more information on Financial Planning: Fueling Client and Business Growth, please read our whitepaper⁵: osaic.com/embracing-financial-planning.



Best practice ideas from your Financial Planner peers:

- » **Leverage a structured and repeatable process:** Advisors in the Financial Planner persona often utilize a structured client acquisition method and planning process. This enables them to quickly understand the needs and goals of each client before developing specific recommendations or plan implementation. This includes a detailed client discovery meeting to assess financial needs and explore all approaches to wealth accumulation (e.g., long-term care for aging parents, educational funding needs for children, etc.).
- » **Learn from others:** Top planners often obtain advanced certifications such as the Certified Financial Planning (CFP®) credential. They also periodically meet with other professionals in advanced peer-led study groups to share and discuss complex cases like advanced business exit strategies for privately held companies, unique business owner needs, or how to best leverage home office resources and other best practice tips.





Private Wealth Specialist Persona

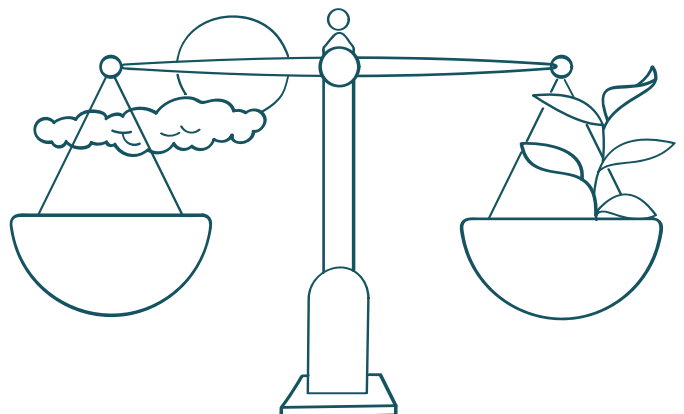
Private Wealth Specialists tend to embody several growth personas and, for the purposes of our study, have five or more investors with at least \$5M in investable assets. They usually develop expertise in multiple areas of complex specialization and solutions, utilizing a team of experts (e.g., estate attorney, CPA, etc.) for more complicated cases. The most common client types they support include family wealth, business owners, and corporate executives.

Among this group, we found that **advisors who focus on 2-3 core client niches (e.g., women investors, widows or divorcees, industry niches, demographic niches) tend to do better when pitching themselves to new prospects** within that niche.



Best practice ideas from your Private Wealth Specialist peers:

- » **Build subject matter expertise in complex issues:** After attaining her CFP® and CPWA® certifications, one advisor built a CPA referral network and focused on a local industry. The advanced certifications helped her unlock access to corporate executives at Fortune 500 companies and service complex cases within her referral network.
- » **Leverage a specific client niche to build out additional high-net-worth clients:** One advisor built a relationship with local hospitals and physician's networks, providing services including medical insurance and educational guidance about student loans for physicians.





Summary and Case Studies

Growth starts with a vision for what you want to achieve in the coming months and years. By adopting the habits of one or more growth personas you can effectively unlock your growth superpowers and accomplish your vision.

Case Study 1

Leveraging Local Connections as a Rainmaker into Private Wealth

Background: A high-growth advisor based in Michigan initially started prospecting in her local community (e.g., faith-based, chamber of commerce, etc.) and branched out into serving executives from the automotive industry (a pillar in Michigan).

- » To increase competitiveness in the market, she attained her CPWA® designation and took advanced tax courses to boost confidence and credibility with potential clients. She landed her first referral when working with a local CPA; she found her knowledge of advanced taxes helpful for a high-net-worth case she was working on for a corporate executive. She continued referring clients to her.
- » These efforts allowed her to grow organically through others in the automotive industry and referrals in the CPA community, leveraging both her Rainmaker and Private Wealth Specialist growth personas.





Summary and Case Studies (cont.)

Growth starts with a vision for what you want to achieve in the coming months and years. By adopting the habits of one or more growth personas you can effectively unlock your growth superpowers and accomplish your vision.

Case Study 2

Being Intentional About Your Book/Transitioning to Private Wealth

Background: A financial advisor started out in insurance sales; by partnering with Osaic's National Planning Institute she was able to offer additional services and provide financial planning for a separate fee to her clients. She leveraged a structured financial planning process that included a detailed checklist she implemented with each new client.

- » As of today, she has grown her practice past \$200M in AUM and, through a detailed client segmentation process, is working on transitioning her smaller clients so she can focus on her larger and more complex clients. She is also working to bring on the next generation of advisors to help service her top clients.
- » She exemplifies the Financial Planning growth persona, Advisor as CEO through business planning, and Private Wealth Specialist by moving upmarket in her approach and the clients she takes on.





Osaic Resources to Support Your Growth

We know that thriving advisors are most often a combination of multiple growth personas. As you look toward the next frontier of growth, the success and evolution of your practice will rely on your ability to lean into your growth superpowers. We encourage you to explore what Osaic has to offer. As always, if you have any questions or are looking to learn more, please reach out to our team at joinosaic@osaic.com. Based on the data presented, we recommend taking the following course of action:

	<i>Action Items</i>	<i>Osaic Resources</i>
Rain-makers	<p>Review referral numbers and set referral targets which coincide with revenue goals</p> <p>Review your marketing strategy and implement a print and digital plan for the next 3 months</p>	Business Coaching and Consulting
Advisor as CEO	<p>Implement client segmentation and a service model and set a 3 year growth target</p> <p>Set revenue goals and goals for the team/individuals</p> <p>Review your administrative support and overall path to ensemble if you are a solo practitioner</p>	Business Coaching and Consulting
Financial Planners	<p>Consider charging a separate fee for financial planning if you currently don't charge / evaluate your fee structure if you are charging for planning</p> <p>Document if you are consistently creating a written/ documented financial plan for each client</p>	Financial Planning Advisory Solutions
Private Wealth Specialist	<p>Segment your clients and understand what wealth bands they fall into versus your service model</p> <p>Consider taking additional courses to attain your CFP or other advanced accreditation</p>	High Net Worth Solutions