



PRESENTED BY
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Making a Successful Transition to Managed Accounts

Change Management Considerations



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A hand is shown in the lower-left corner, reaching towards a digital interface. The interface consists of numerous glowing hexagonal nodes of varying sizes and colors (purple, blue, green) connected by thin lines. The background is dark with a subtle grid pattern.

Agenda

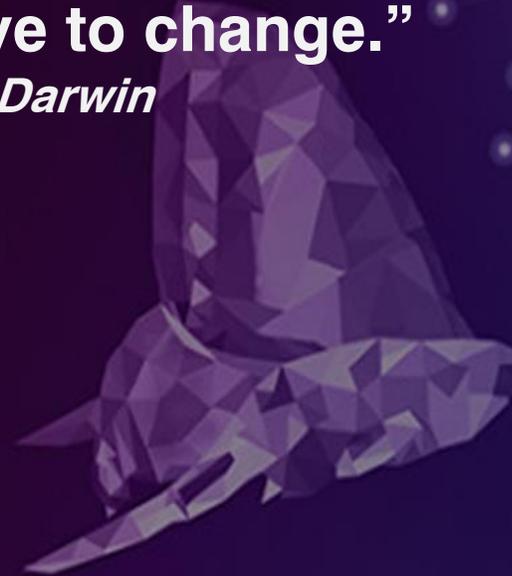
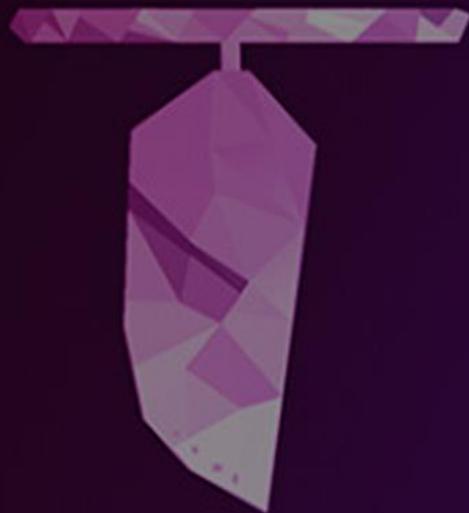
- **Understanding Change Management - A Managed Account View**
- **Change Management Considerations**
- **Successful transition to Managed Accounts**



Understanding Change Management

“It is not the strongest of the species that survives, nor the most intelligent but the one most responsive to change.”

Charles Darwin



A Managed Account View



Understanding Change Management

What can it involve?

New technology partners

Change of advice model

Change to client engagement experience

A possible introduction of non-traditional asset managers

Key Stakeholders

Adviser and/or Principle

Client

Support Staff

Practices that have 75% or more of clients utilising Managed Accounts experience 85% more profit than those that do not recommend Managed Accounts

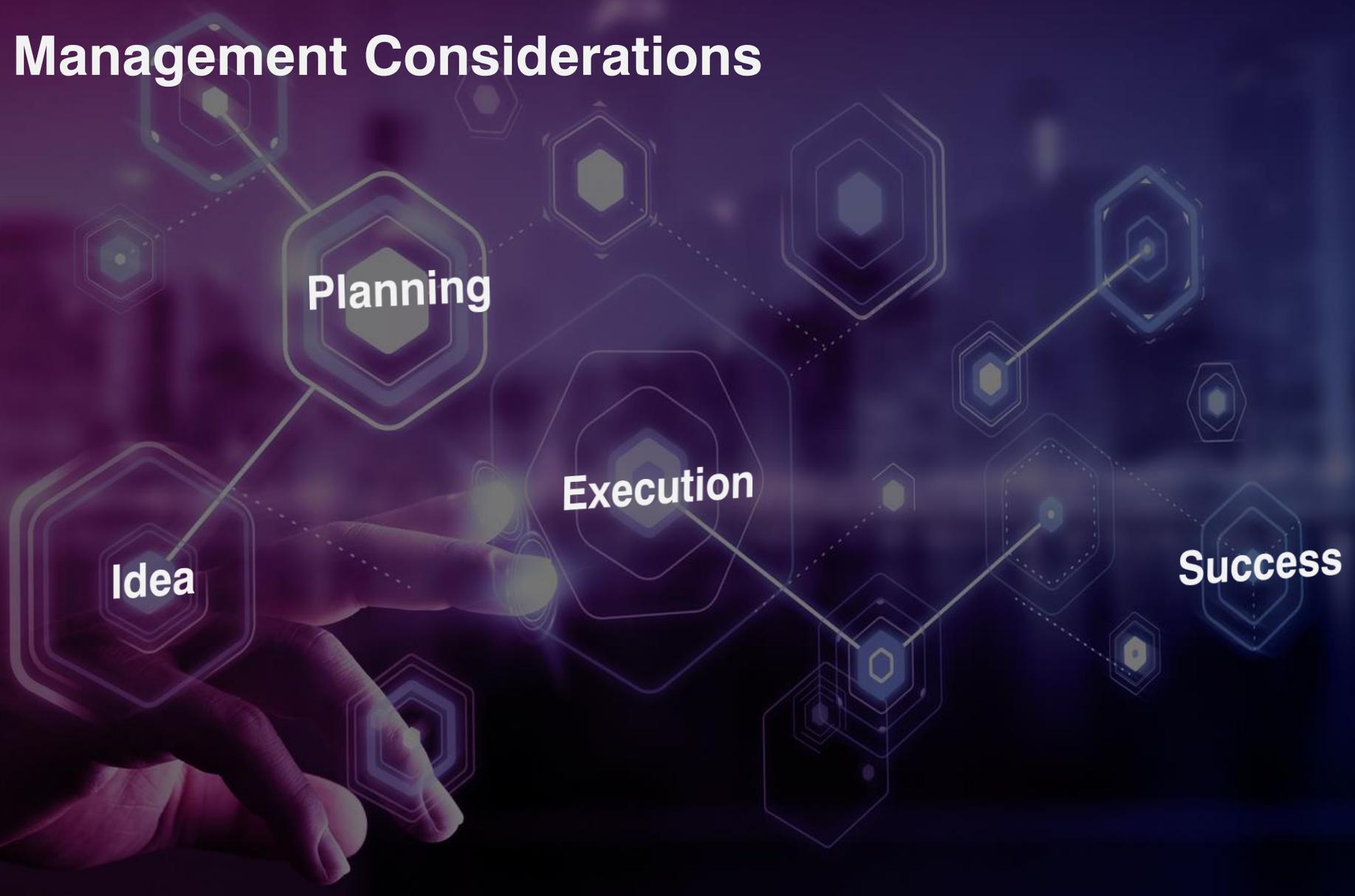
Accounts

(Business Health/Praemium)

A Managed Account View



Change Management Considerations





Change Management Considerations

1. Define and detail your business model
2. Understand Your Customer
3. Create a change management plan
4. Engage your clients early
5. Engage your team
6. Manage the project slowly and expect setbacks



Consideration 1 - Define and detail your business model

Customers needs are changing

Demographics are changing

Technology is changing

Tactical Approach

Or

Strategic Approach

Only 40% of Australian organisations have a detailed enough level of clarity around required systems and processes, indicating the challenges many businesses will face in keeping up with the pace of change. (Ricoh)

Consideration 2 - Understand Your Customer

Who is your customer and what do they value?

40%

of customers today prefer self-service over human contact.

(Source: Aspect)



50%

of clients believe their adviser should offer a digital solution.

(Source: Accenture)



75%

of the global workforce will be comprised of millennials by 2025.

(Source: Deloitte)



Customers have little interest in a businesses issues and are therefore more concerned with the value they are receiving from the advice process.

What clients value

- Transparency of information
- Personalised experience
- Ongoing access to information
- Relationship management
- Regular reviews of their progress to plan
- SOA presentation
- Identification of goals and needs
- Plans to achieve their goals

Adviser tasks that clients do not see or value

- Strategy research and review
- SOA preparation
- Placing investments
- Monitoring investments
- Report preparation
- Tax statement preparation
- Practice management
- Portfolio rebalancing
- Administration
- Portfolio Management
- ROAs for portfolio changes



Consideration 3 - Create a Change Management Plan

When documenting your plan, you should consider

- » **What will your business look like post the change?**
- » **What are you aiming to achieve?**
- » **Why are you doing this and how will it support your Investment and Advice Model?**
- » **What are the benefits to all stakeholders?**
- » **What are your technology needs and what is the universe of providers to review?**
- » **What tasks through the process will need to be done and who will be assigned the responsibility?**
- » **Key milestones to hit as you progress through the project**
- » **What are the measurable goals once the project is finished?**



Consideration 3 - Create a Change Management Plan



Everyone knows their role, what they are assigned to deliver and in what timeframe



Consideration 4 - Engage Your Clients Early

Bring your clients on the journey as early as possible

Educate Early

- **Educational Newsletters**
- **Webinars**
- **Surveys**
- **Seminars or Information Sessions**

Focus Groups and Beta Testing

- **Small segmented groups**
- **Workshop strategy, changes benefits**
- **Beta test different client types**
- **Assess advice docs, tech delivery etc**
- **Engage staff and clients with defined testing parameters**

Ongoing Communication

Provide regular and clear updates to all clients

By addressing this successfully you will be able to deliver on the practical aspects of implementing managed accounts in your business and make client onboarding a seamless and time-efficient experience.



Consideration 5 - Engage Your Team

Benefits of Special Projects

20% increase in job satisfaction
75% of employees feel special projects help them develop skills that their day to day role would not.

Benefits of Empowering Your Team

Identifying Barriers to Success
Minimise administration issues
Greater clarity on tech needs
Reduce time to delivery
Messaging to clients is consistent and positive.

O.C.Tanner, Global Culture Report

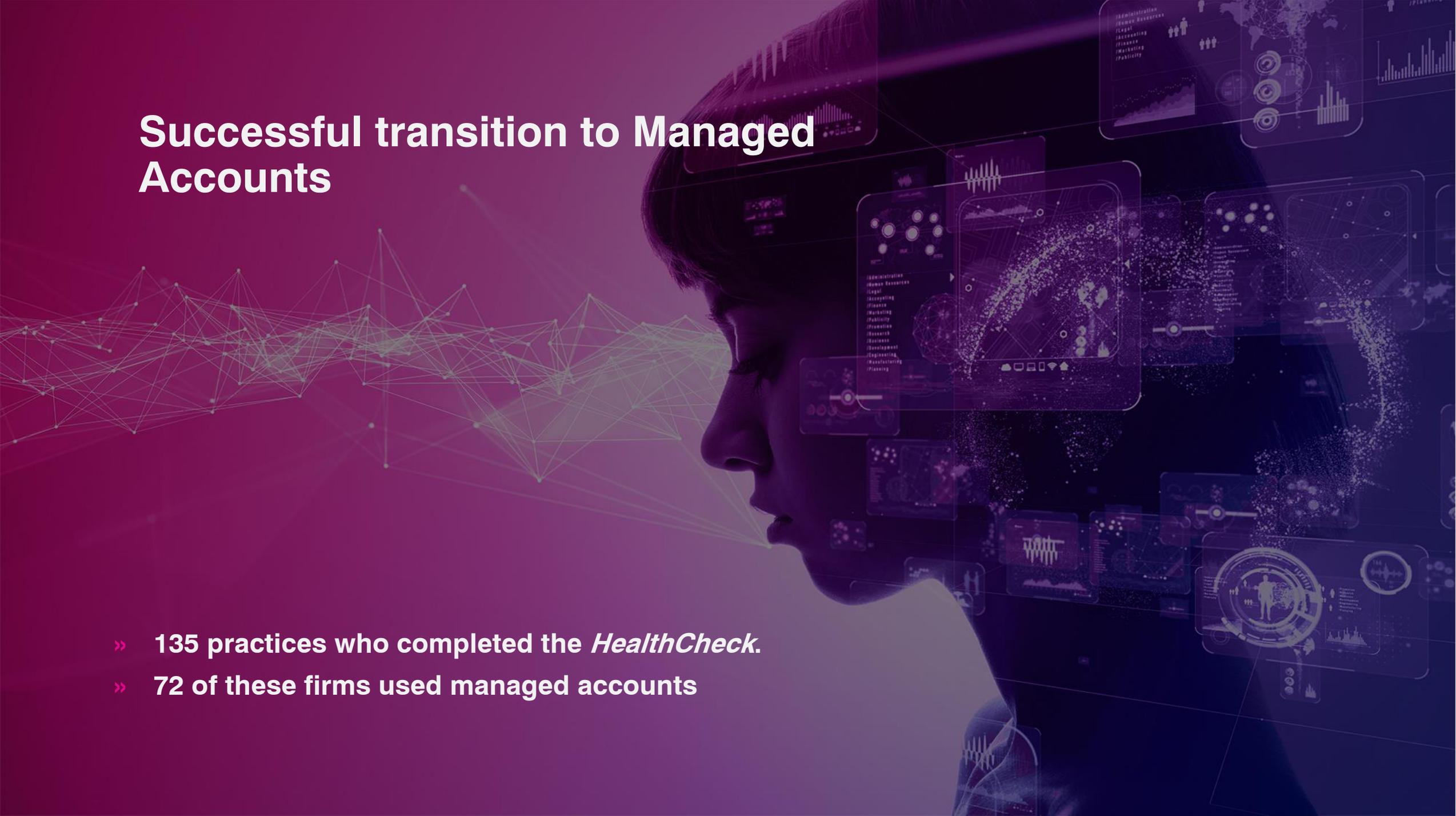
The worst outcome would be confused clients and disconnected employees limiting the success of such an important change.



Consideration 6 - Manage the project slowly and expect setbacks

Following a considered change management plan will ensure the setbacks can be minimised.

Successful transition to Managed Accounts



- » 135 practices who completed the *HealthCheck*.
- » 72 of these firms used managed accounts

Managed Accounts – the real impact

Factor	Uplift
Revenue per FTE adviser	22.6%
Notional practice profit	21.3%
Notional profit per client	28.8%
Clients per adviser	12.4%

Key productivity measure	Profit Per Principal	Profit Uplift
Length of time using managed accounts		
Do not use managed accounts	\$252,573	-
Less than 1 year	\$228,128	-10%
Between 1 – 3 years	\$331,060	+31%
More than 3 years	\$337,298	+34%
Proportion of clients invested in managed accounts		
Do not use managed accounts	\$252,573	-
Less than 10%	\$276,359	+9%
Between 51% - 75%	\$408,171	+62%
More than 75%	\$467,884	+85%



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