

# The 2020 FA Insight Study of Advisory Firms: Growth by Design

Similar to our past *Growth by Design* studies, this year's research focuses on the best practices related to creating and sustaining business growth. Strategic planning, client service, operational efficiency, technology, pricing, marketing and business development practices are all given particular emphasis.

New this year is greater income statement detail and expanded coverage of social media use, pricing alternatives, cybersecurity and software integration. Perhaps most significant, however, we have also added an optional compensation benchmarking module, open to any firm completing the *Growth by Design* portion of the survey. The module is identical to the compensation section previously offered only every two years within our *People and Pay* study theme. Any firm opting to take part in this entirely optional section will receive a separate compensation benchmarking report in addition to all benefits specific to *Growth by Design* participation (described ahead).

Depending on the size and complexity of the firm, the survey will take 45–60 minutes to complete. The optional compensation module will require another 15 to 30 minutes of a participant's time. To speed completion, you will need access to your firm's latest financial statements, as well as compensation data for your team should you elect to complete the optional compensation module.

## Study Coverage Summary

Firms will be asked to provide information on the following topics:

### Core Characteristics of the Firm

- Financials (including complete income statement for 2019)
- Staffing and ownership
- Affiliation model, service model, and custodian information

### Clients and Assets

- Client and asset totals
- Age and asset size range of clients and how assets are invested

### Strategy and Growth

- Value proposition influence on strategic plan

- Characteristics of the firm's strategic plan
- Initiatives utilized to drive growth
- Revenue growth attributable to top producers
- Expected challenges to meet future growth
- Merger or acquisition experience

### **Client Service**

- Services offered
- Extent of service variation across clients

### **Operations and Technology**

- Process management and structure for managing workflow
- Technology usage and integration
- Methods for ensuring best return on technology spend
- Cybersecurity impacts

### **Pricing**

- Pricing determination and approach
- Changes in overall fee levels
- AUM-based pricing and alternative pricing
- Minimum fees
- Financial planning charges

### **Marketing**

- Target client definition and minimum asset level requirements
- Client retention efforts
- Marketing strategy including budget, areas of new client acquisition and marketing accountability
- Marketing through social media

### **Position Inventory and Compensation (optional)**

- Detail on the positions and the individuals that fill them—including base salary, commissions, incentives, age, years of experience, gender, and ownership

## **Participation Benefits**

We greatly appreciate your commitment to study participation. To extend our gratitude, all individuals completing the *Growth by Design* survey will receive:

- A complimentary copy of the full study report (Summer 2020)
- A custom benchmarking report with robust peer benchmark comparisons (Summer 2020)
- An entry into a drawing for a DJI Mavic Quadcopter Drone and one of four Oculus Go Virtual Reality Headsets\*

In addition, those firms electing to complete the optional compensation module will receive an additional compensation benchmarking report.

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