



## 2021 SURVEY RESULTS TO INDEPENDENT FINANCIAL ADVISORS

Financial Advisors are facing many challenges, in multiple areas of their business. The pandemic has brought about new uncertainties and has caused a dramatic shift in the way Advisors communicate with their clients and prospects. Advisors are seeking ways to navigate these obstacles, as well as plan ahead for the future.

Ninety-Five practicing financial advisors were surveyed on the challenges heading into this year. Of those advisors, 86% had at least 11 years or more experience and 62% had 20 years or more experience.

This survey research reveals specific challenges in areas such as lead-generation, branding, marketing, prospecting, and technology.

### **Summary of Results:**

The following are the top priorities and most pressing challenges affecting financial advisors in 2021:

1. Building a repetitive, ongoing delivery system of qualified prospects
2. Developing a unique and powerful advisor brand for the market
3. Operating businesses during and after the pandemic

The least important challenges:

1. Training staff
2. Conversing with worried clients and reassuring them

### **Bottom Line:**

In the past, the financial services industry was all about commission-based sales. Financial Advisors would begin each new month with a zero on the production sheet. They would either live or die based on their ability to tell stories that would convince prospects or clients to agree to move money from one investment to another. The old way was a difficult approach to make a living, and one that did not always lead to a win/win transaction between the advisor and the client.

Today, Financial Advisors have access to new technologies and innovative investment products that would have been unimaginable at the turn of the millennium. We also have better access to fee-based asset management services, as well as many more choices than ever before. More choices create more possibilities, but also more complexities. The reality is that even with all the new advancements, advisors and investors alike, are not doing any better than before.

**The truth is that the financial services industry has been stuck in conventional wisdom, old assumptions and old training methods that have become obsolete.**

The COVID pandemic has exposed many weaknesses in the old ways of doing business. On the other hand, the pandemic has helped speed up the adoption of a few new technologies by Advisors. That said, the financial services industry and Advisors have barely scratched the surface on ways to leverage these new tools to revolutionize how new clients are acquired and services are provided.

The challenges facing Financial Advisors in the areas of practice management, client prospecting, and business development will continue to grow. Regulatory issues will continue to persist, and the ability to compete and operate in an ever-changing business landscape will require new methods and a whole new mindset for many advisors. **The path to the evolution of the financial services business and the future success of Financial Advisors will revolve around a whole new approach to Advisor training.**

[View Research And Responses Below](#)

## What are your current priorities?

	HIGHEST PRIORITY	IMPORTANT PRIORITY	MODEST IMPORTANCE	LOWEST PRIORITY	TOTAL	WEIGHTED AVERAGE
#1	33.33% 32	32.29% 31	19.79% 19	14.58% 14	96	2.16
	16.67% 16	23.96% 23	36.46% 35	22.92% 22	96	2.66
#2	52.63% 50	25.26% 24	14.74% 14	7.37% 7	95	1.77
	48.42% 46	31.58% 30	12.63% 12	7.37% 7	95	1.79

## Practice Development / Client Management

	HIGHEST PRIORITY	IMPORTANT PRIORITY	MODEST PRIORITY	LOWEST PRIORITY	TOTAL	WEIGHTED AVERAGE
#2	19.79% 19	34.38% 33	31.25% 30	14.58% 14	96	2.41
	31.25% 30	37.50% 36	27.08% 26	4.17% 4	96	2.04
#1	35.42% 34	40.63% 39	17.71% 17	6.25% 6	96	1.95
	46.88% 45	28.13% 27	17.71% 17	7.29% 7	96	1.85
	13.98% 13	27.96% 26	24.73% 23	33.33% 31	93	2.77

# Prospecting Realities

	HIGHEST PRIORITY	IMPORTANT PRIORITY	MODEST IMPORTANCE	LOWEST IMPORTANCE	NOT APPLICABLE	TOTAL	WEIGHTED AVERAGE
#1	38.95% 37	32.63% 31	24.21% 23	3.16% 3	1.05% 1	95	1.95
	35.42% 34	36.46% 35	22.92% 22	4.17% 4	1.04% 1	96	1.99
	46.88% 45	28.13% 27	17.71% 17	6.25% 6	1.04% 1	96	1.86
#2	44.79% 43	28.13% 27	11.46% 11	8.33% 8	7.29% 7	96	2.05

# Business Development, Marketing, and Communications

	HIGHEST PRIORITY	IMPORTANT PRIORITY	MODEST IMPORTANCE	LOWEST PRIORITY	TOTAL	WEIGHTED AVERAGE
	42.71% 41	42.71% 41	10.42% 10	4.17% 4	96	1.76
	42.71% 41	36.46% 35	14.58% 14	6.25% 6	96	1.84
	46.32% 44	36.84% 35	11.58% 11	5.26% 5	95	1.76
#1	66.67% 64	27.08% 26	3.13% 3	3.13% 3	96	1.43
	44.79% 43	39.58% 38	13.54% 13	2.08% 2	96	1.73
#2	57.29% 55	23.96% 23	15.63% 15	3.13% 3	96	1.65

## What best describes your advisory?

ANSWER CHOICES	RESPONSES
Small advisory - with maybe one employee	48.42% 46
Mid-size advisory - with 2-4 employees	38.95% 37
Large advisory - with over 5 employees	12.63% 12
<b>TOTAL</b>	<b>95</b>

## How long have you been in the financial advisory business?

ANSWER CHOICES	RESPONSES
less than 5 years	6.32% 6
6-10 years	7.37% 7
11-19 years	24.21% 23
20 plus years	62.11% 59
<b>TOTAL</b>	<b>95</b>

## Open Ended Question

From your own perspective and understanding that no one really knows, what is your best guess about the challenges your industry segment will face, and which of those challenges will affect your practice specifically?

### RESPONSES

Identifying in hiring capable assistance

Staying with consistent quality of clients I wNt to work with

discretionary cash flow

Limited public engagements, reducing opportunity to build rapport and trust, when forced to use virtual platforms.

Building relationships virtually

No real challenges- hopefully this Covid-19 will "run its course", and we will be back to pretty-normal activities soon.

Regulatory pressures, fee compression, and competition from online/AI advice

Doing all meeting virtually makes building trust and a business relationship more difficult. I'm not closing as many cases since virtual meetings started in March.

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Need to embrace technology that allows to offload details but need to be able to provide additional value than one can get from googling, large on-line presence financial companies etc.

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Commoditization, and more people thinking they can do everything themselves online. Needing to convince them that they cannot realistically plan out a tax free ( or close) retirement themselves

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Preparing clientele to understand and act to changes occurring in the financial world.

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uncertainty cause anxiety which put financial decisions on hold

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contact prospects---building trust so will become clients

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more agents to grow my FMO

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An extended period of weakness for US stocks will make it difficult for asset allocators to add value to their client portfolios. Those with a flexible investment mandate will be well positioned to capture market share and grow their businesses.

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Not sure what you're looking for

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It will be more technologically challenging

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More regulation, more hoops to jump through to do business, more exposure to lawsuits

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People w no money

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Regulation becoming more onerous than it is already; the passage of wealth from one gen to the next--how do we be sure we are on "the inside" so the kids use our services as well and we are not relegated to "oh that was Dad's advisor--we can't use him."

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Competing with all-in-one technology services large online brokerage services can provide.

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Finding a reliable way to attract new clients that is consistent and can be taught to new advisors

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Dealing with regulations and adjusting our fees as we continue to provide high-end services to protect our clients

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Taxes and inflation

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Most likely regulation and pressures on fee based business

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I am not sure I understand the question, but from my prospect the economy is on shaky ground and some Americans will have to tap their retirement accounts prematurely to survive.

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Doing live events again

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The challenges my industry segment is hiring the most professional agents and having and giving the best service possible.

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Regulation challenges

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Prospecting to the beneficiaries of my clients.

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How to effectively get in front of enough qualified prospects.

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Communication with prospects and clients.

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Transition to fully cyber business model

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Fee compression and Robo advisors.

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more regulations

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Financial Advisors must recognize the need to use new technologies or be eliminated like Dinosaurs. But using what fits best for you means we have to figure that out. It's a pretty daunting area for those who are of median age for our profession with likely 15 years maximum of work ahead of us.

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Building rapport and continuing to build business.

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Over regulation (which provides more confusion to our clients).

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MARKETING PUBLICLY WILL CONTINUE TO BE A COVID CHALLENGE FOR SEVERAL MONTHS TO A YR.

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Getting Back In Front of Clients Again

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Meeting face to face. People may visit/chat online, but when it comes to committing 100s of \$1000s of their life savings to a uniquely personal Retirement Plan, they want to look you directly in the eye face-to-face. Figuring out how to do this and keep them feeling safe will be key.

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I seen compression as the primary component. We must build our value to retain an efficient pricing model.

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Coronavirus uncertainty

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The biggest challenge is the Commoditization of our industry. It will drive fees down and customers expectations will be diminished.

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fee compression and differentiating how we're different from some run of the mill financial advisor firm.

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How to change with the times

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