

ILLUSTRATIVE
SAMPLE ONLY

Participant Benchmark Report

The State of Client Understanding

Research Partners



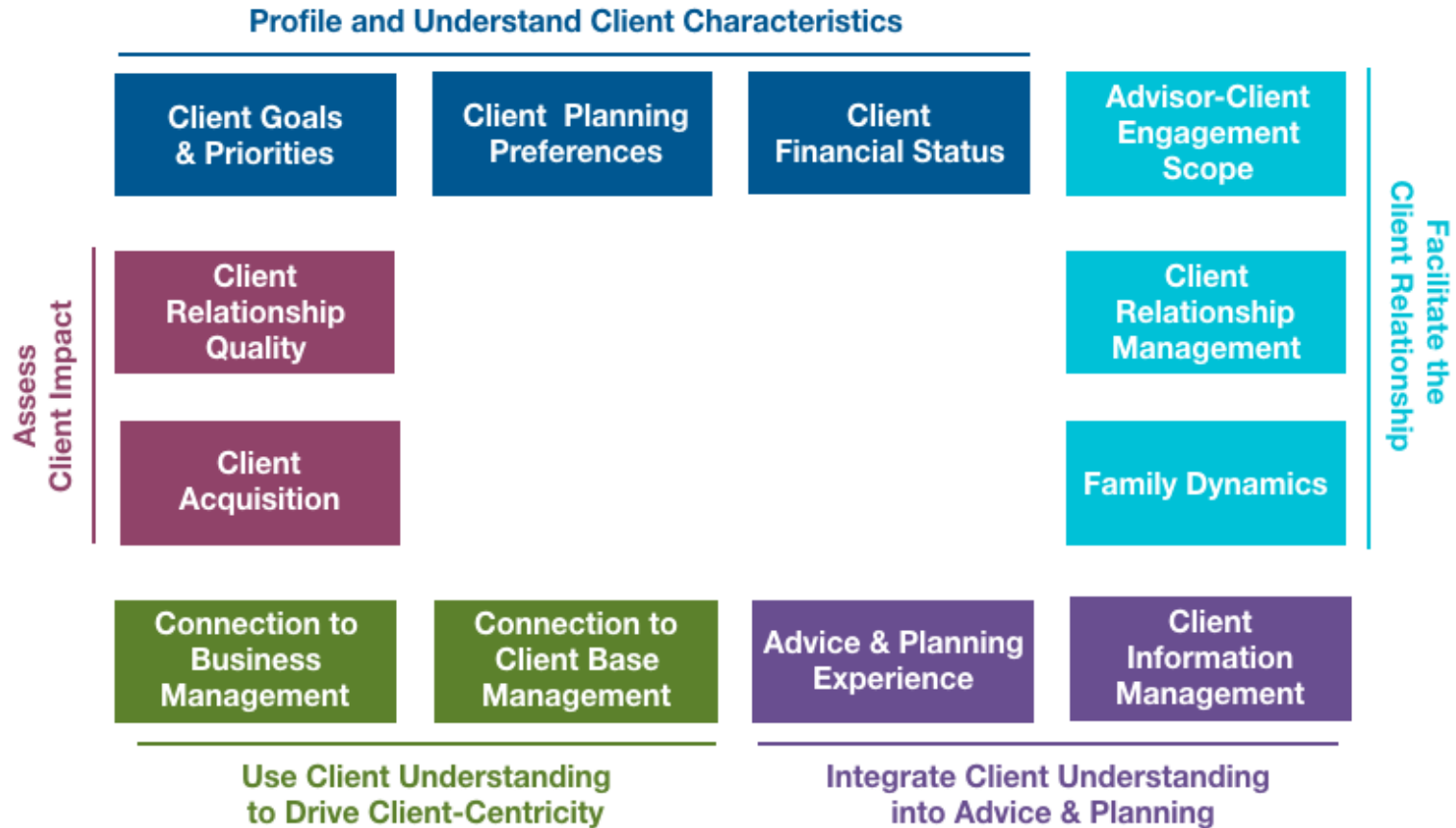
Report Roadmap

Executive Summary	Benchmarking Overview and Key Findings
Benchmarks	Detailed Benchmark Results
Next Steps	Establish Your Action Plan
Appendix	Definitions, Maturity Models, and Additional Data

Anatomy of World-Class Client Understanding

Introduction to Model:

We have developed the framework below to comprehensively represent the scope of practices relevant in understanding clients. Definitions of all categories and attributes can be found in the appendix of this report.



Where Do I Stand in Client Understanding?

The overall client understanding scorecard aggregates scores across the 5 major categories of practices.

- Measured on a scale of 0 to 3, the scores represent how advanced your development is in each area of client understanding according to our quantitative and qualitative evaluation criteria.
- The next pages provide more detailed benchmarks for each activity, allowing you to quickly identify strengths and opportunities for improving client understanding.

Overall Client Understanding Scorecard

Activity Category	Score
Profiling & Understanding Client Characteristics	1+
Facilitating the Client Relationship	2
Integrating Client Understanding into Advice & Planning	2+
Using Client Understanding to Drive Client-Centricity	1+
Assessing Client Impact	1-

Scale:
0 = elementary practice
1 = standard practice
2 = leading practice
3 = most advanced practice

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Definitions, Maturity Models, and Additional Data

Detailed Benchmark Results

Note to reader: On the next two pages, you'll find an example of a maturity profile for a single attribute; in the full report you will receive a maturity profile for each of the 6 attributes listed in the blue box below.

Section I: Maturity Profiles

Maturity profiles are based in qualitative best practices research and findings from statistical analysis of survey data.

Profiling & Understanding Client Characteristics

1. Client Goals & Priorities
2. Client Planning Preferences
3. Client Financial Situation

Facilitating the Client Relationship

4. Advisor-Client Engagement Scope
5. Client Relationship Management
6. Family Dynamics

Section II: Comparative Benchmarks

Comparative benchmarks solely present findings from statistical analysis of survey data

Integrating Client Understanding into Advice & Planning

7. Client Information Management
8. Advice & Planning Experience

Using Client Understanding to Drive Client-Centricity

9. Connection to Client Base Management
10. Connection to Business Management

Assessing Client Impact

11. Client Acquisition Metrics
12. Relationship Quality Metrics

Maturity Profile: Client Goals & Priorities

Definition: How advisors identify, validate, and prioritize the full range of client goals and priorities

Your Current Score:

Based on your data, the current maturity score for Client Goals & Priorities is at **Level 1+**.

Level 0	Level 1	Level 2	Level 3
Advisor documents client self-reported goals with minimal, informal exploration of broader context or prioritizes	Advisor works with client to define full set of the client's financial needs, goals and priorities; advisor uses informal discussion aids to facilitate prioritization	Advisor works with client to understand personal non-financial needs, goals, and priorities; advisor uses planning simulations to size, prioritize, and adjust goals	Advisor works with client to understand unrecognized conflicts in motivations (e.g., limiting beliefs, fears, conflicting values); advisor relies on behavior/decision analysis tool to determine the priority of goals mathematically

Peer Comparison:

Based on aggregate data, 55% of advisors/planners have a maturity score of Level 1 +/-.

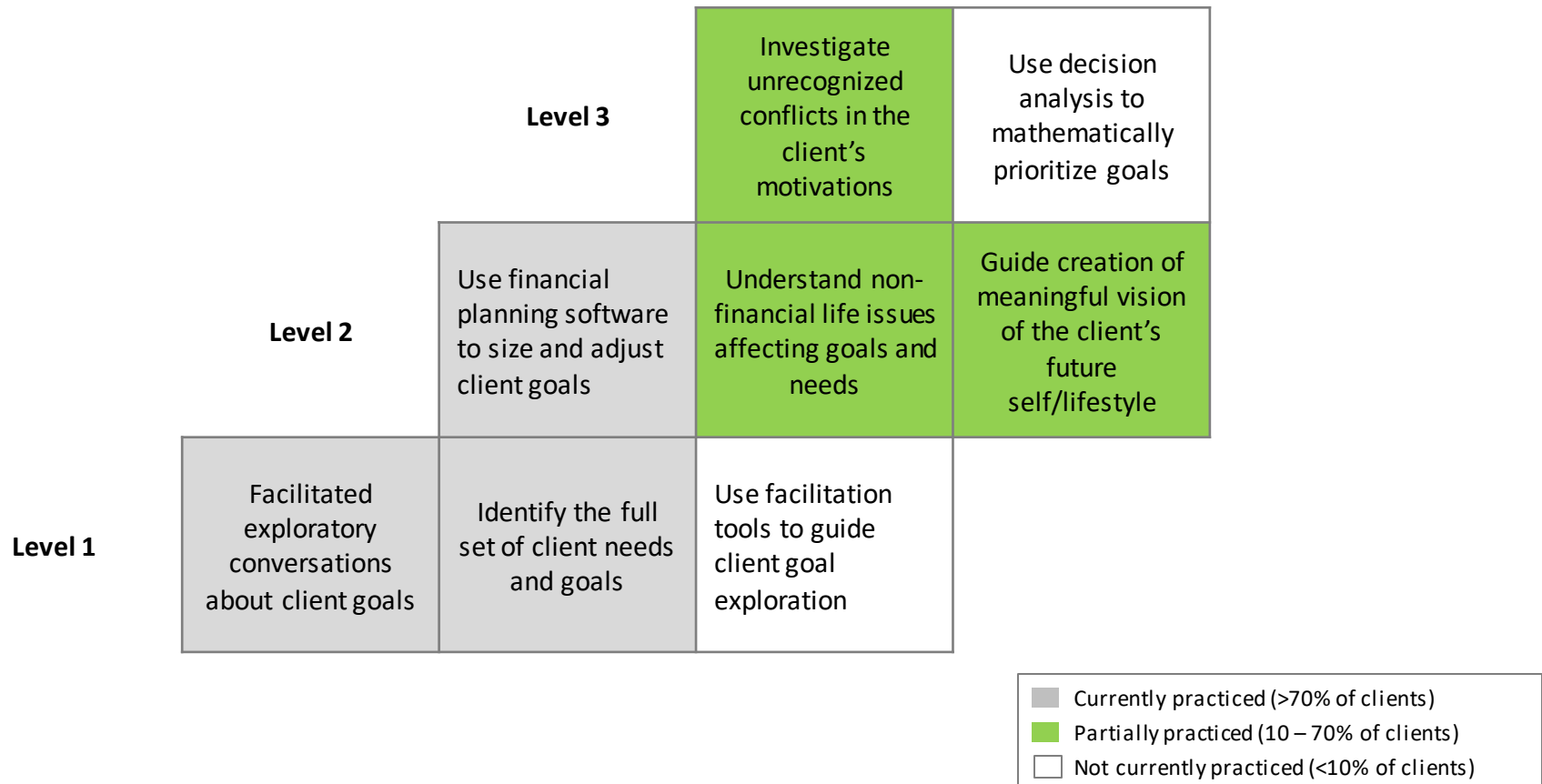
Level 0	Level 1	Level 2	Level 3
15%	55%	22%	8%

The average maturity score is Level 1-

Maturity Profile: Client Goals & Priorities (Continued)

Consider these next steps to “level up” your practice in this attribute:

- 1) New Opportunity: Explore what opportunities exist to incorporate facilitation tools into client goal exploration
- 2) Broaden Application: Explore barriers to more thoroughly/regularly understanding the client’s broader non-financial life issues, and what value you may be missing as a result
- 3) Broaden Application: Evaluate why you don’t more often guide creation of meaningful visions with clients, and what value you may be missing as a result



Note to reader: Provided on the next three pages are examples of comparative benchmarks for two attributes; in the full report you will receive more extensive data for all the attributes listed in the blue box below.

Detailed Benchmark Results

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Comparative Benchmarks: Client Information Management

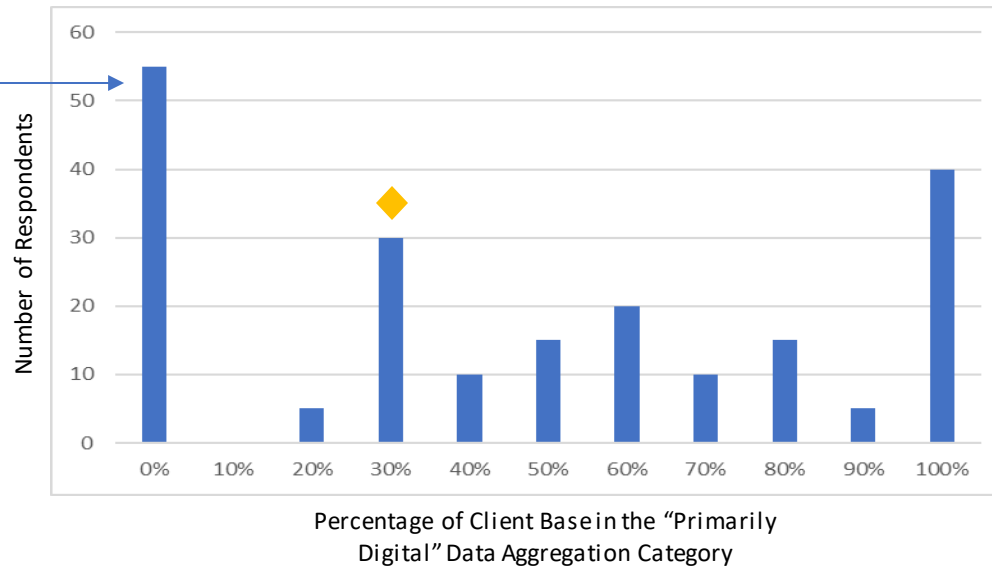
About this chart:

The question asked is **What percentage of your clients fall into the following data aggregation categories?**


- **Primarily Manual:** Client financial data is aggregated and organized manually (e.g., questionnaires, bank statements)
- **Primarily Digital:** Client financial data is aggregated and organized using digital tools (e.g., client accounts linked in client portal providing real-time data)

How to read: The graph shows what percentage of clients fall into “Primarily Digital” category across all respondents; you reported that 30% of your clients fall into the “Primarily Digital” category (meaning it’s primarily manual for 70% of clients).

“Primarily Digital” Data Aggregation



The greatest number of respondents (55) report that they do no digital aggregation with clients.

Your response 

Comparative Benchmarks: Client Metrics

About this table:

This table reports the data you submitted for a range of client metrics along with average benchmarks with your peer group and the aggregate data set.

Client Metrics

	You	Peer Group Average	Aggregate Average
Number of Clients	130	125	145
Lost Clients (past 12 months)	2	2	4
New Clients (past 12 months)	3	4	7
Net Client Growth Rate	0.8%	1.6%	2.1%
Prospects (past 12 months)	8	10	18
Prospect Conversion Rate	37.5%	40.0%	38.9%
Referrals (past 12 months)	6	14	22
Referrals per client	0.05	0.11	0.15
Client Willingness to Recommend	70%	76%	68%
Client Willingness to Commit	80%	66%	55%
Client R'ships Fulfilling to You	50%	62%	45%

n = 96

n = 205

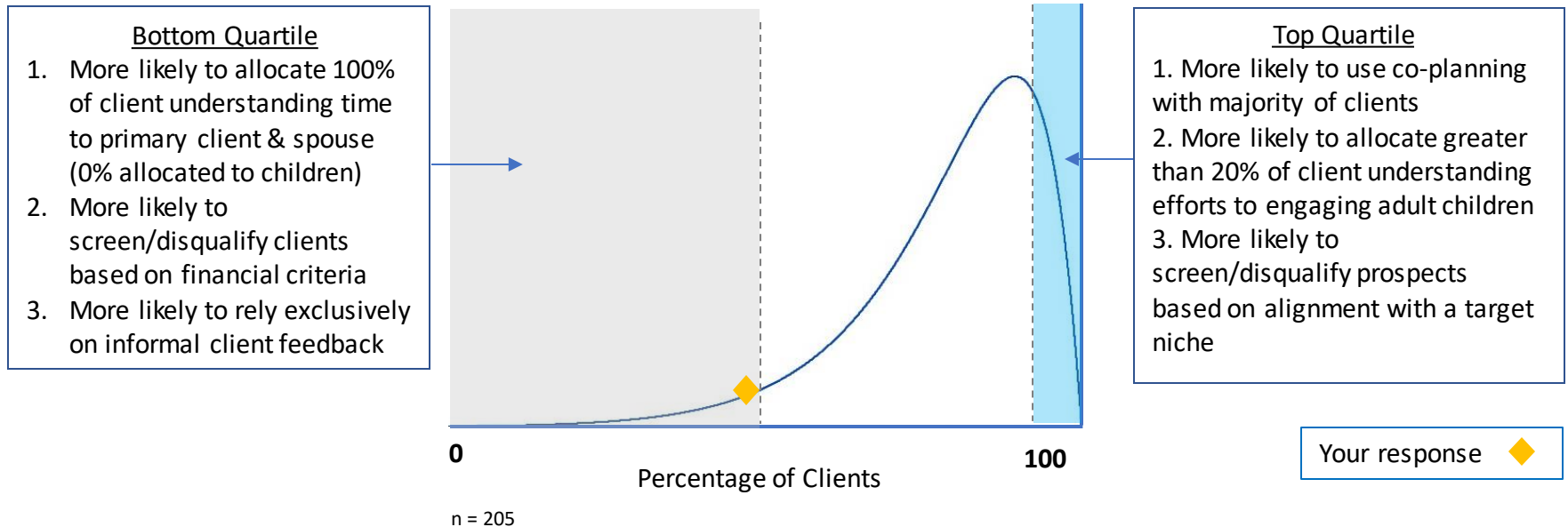
Comparative Benchmarks: Willingness to Recommend

About this graph:

This graph presents the range of data for the following question: **What percentage of your clients would you estimate are very willing to recommend you to close friends and family?**

Using quartile analysis, we have identified the major features and practices that distinguish practitioners who reported the highest percentages of clients willing to recommend from practitioners reporting the lowest percentages. This information is a helpful input for prioritizing what practices to focus improvement efforts on if you have a high interest in increasing client willingness to recommend.

Distribution of Client “Willingness to Recommend”



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Establish Your Action Plan

Supporting your development efforts

Based on the best of what we've discovered in the qualitative phase of this research—we have developed a library of tools, case studies, and implementation resources to support your development efforts.

Prioritize

Determine where to prioritize improvement efforts

In addition to the guidance provided by the maturity profiles and benchmark analysis, you will have access to our Prioritization tool—which helps clarify what next steps to focus on given your specific context.



Plan

Visualize and outline your development path

Our library of case studies showcase approaches other practitioners have had success with in client understanding—and how they got there—to help you visualize and map your own development path.



Execute

Manage implementation and refinements

In addition to case studies, you will have access to a range of tools and templates to accelerate development in high-priority client understanding practices.



Note to reader: Provided on the next page are the definitions for the attributes as outlined in the Anatomy of World-Class Understanding; in the full report the appendix will also include more in-depth analysis of maturity models and additional benchmarking data.

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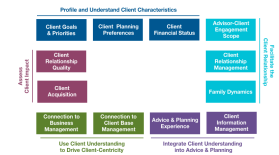
Next Steps

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Definitions, Maturity Models, and Additional Data

Definitions



- 1. Client Goals & Priorities** *How advisors identify and validate the full range of client goals and financial objectives*
- 2. Client Planning Preferences** *How advisors identify a client’s preferences and aversions related to financial planning and management*
- 3. Client Financial Status** *How advisors assemble a complete picture of the client’s financial situation and constraints*
- 4. Advisor-Client Engagement Scope** *How advisors identify and manage a client’s preferences related to the scope of engagement and the advisor’s and client’s roles*
- 5. Client Relationship Management** *How advisors identify a client’s communications preferences and facilitate relationship-building*
- 6. Family Dynamics** *How advisors understand and work with multiple family stakeholders and facilitate group dynamics*
- 7. Client Information Management** *How advisors aggregate, organize, and update relevant and useful personal information about clients*
- 8. Advice & Planning Experience** *How advisors use client understanding to inform advice and plan design and managing ongoing monitoring, updating, and adjustments*
- 9. Connection to Client Base Management** *How client understanding informs and if influenced by segmentation and service/experience tiering across the client base*
- 10. Connection to Business Management** *How client understanding informs and if influenced by the design and management of business processes and systems*
- 11. Client Acquisition** *How advisors use client understanding to inform and shape lead generation and qualification efforts*
- 12. Client Relationship Quality** *How advisors understanding the attitudes and quality of client relationships*

Thank You!

Questions or Comments?

For questions, comments, or to schedule a conversation with the research team, please reach out to rob.hamshar@capitalpreferences.com

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