



intelliflo

Advice, evolved:
A new era in
Australian
financial advice



Nick Eatock
CEO, intelliflo

→ **In today's evolving financial landscape, leadership demands more than just industry expertise; it requires vision, adaptability, and a deep understanding of the human connections that drive our success.**

Across two decades of experience in financial advice, working in the US, the UK and Australia, I have seen how a foundation of collaboration and a dedicated focus on the client can deliver transformative change for advice.

From post-royal commission reforms in Australia to the growing global embrace of digital solutions, the journey has been both dynamic and demanding. Yet, amidst these changes, one constant has remained: the critical importance of earning and retaining client trust.

intelliflo has navigated diverse regulatory environments and consumer landscapes across multiple continents. This exposure has underscored the need for accessible, transparent, and personalised financial advice.

Now, it's clear that our industry stands at a crossroads. On one hand, technology is reshaping the delivery of advice, streamlining processes, and enabling a more scalable approach. On the other, the human connection – the very essence of our value proposition – remains irreplaceable. A vibrant future must harmonise these two forces, ensuring that technology enhances, rather than replaces, the human touch.

Another defining challenge of our time is broadening access to advice, which is a problem both locally and globally. Despite the advancements we've made, nine out of 10 Australians still do not receive financial advice.

This statistic is both a challenge and an opportunity. By leveraging technology and adopting innovative payment models, we can lower the barriers to entry and serve a more diverse clientele. From introducing scaled advice offerings to utilising AI-driven tools for personalised client engagement, we are poised to create a more inclusive profession.

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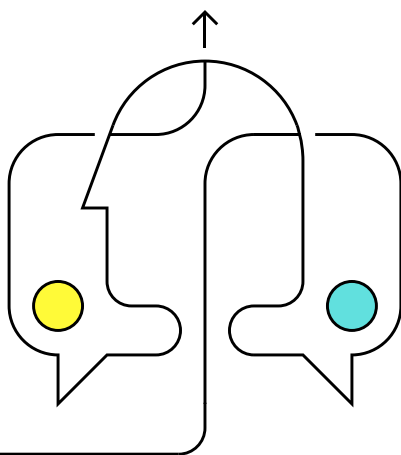
At the heart of this transformation lies the need to redefine the client experience. Consumers today expect more than traditional models of service. They demand simplicity, transparency, and meaningful interactions. By adopting practices that mirror the best-in-class standards of other industries – shorter, focused meetings; streamlined onboarding; and regular, relevant communication – we can foster trust and loyalty that last a lifetime.

Looking to the future, the financial advice profession must also address generational shifts. Millennials, set to inherit trillions of dollars in the largest wealth transfer in history, are digital natives who require a fundamentally different approach. By embracing social media, digital thought leadership, and interactive client portals, we can engage this audience effectively, ensuring they see advice as an essential partner in their financial journey.

My leadership philosophy is grounded in collaboration. I believe that the most enduring solutions emerge when we bring diverse perspectives to the table, be it through industry working groups or dialogues with regulatory bodies. Together, we can build a profession that is not only resilient but also forward-thinking, capable of navigating the complexities of a rapidly changing world.

I am proud to lead a team that shares this vision. Our collective expertise, combined with an unwavering commitment to our customers, positions us to lead the next wave of innovation in financial advice. Together, we will continue to push boundaries, redefine best practices and, most importantly, improve the financial well-being of those we serve.

In closing, the financial advice profession has a profound responsibility – and opportunity – to shape the future. As a global citizen of this industry, I am inspired by the possibilities that lie ahead. Let us embrace them with courage, creativity, and a steadfast focus on what matters most: the people we serve. •



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→ **The financial advice profession is at a pivotal juncture, with millions of Australians still not receiving the advice they want or need to enhance their lives or achieve the retirement they desire.**

Finding solutions to this quandary has been the subject of dozens of inquiries and resulting recommendations, several of which have been hindered by a diminishing workforce, changing regulations and cost constraints. However, emergent technology has offered fresh opportunities to create a client and adviser-led future that embraces innovation to enhance irreplaceable human insights. It's now time for such a model to be operationalised.

In December 2024, *intelliflo* hosted a roundtable in Sydney, Australia with seven of the advice profession's most esteemed leaders. Collectively, they represented the adviser, technology, client, and policy realms, which allowed them to propose workable solutions to the advice profession's most pressing challenges.

From that thought-provoking discussion, *intelliflo* produced this whitepaper featuring seven themes and associated action items that the profession's trailblazers believe will shape the future of advice, both in Australia and globally. Here they are:

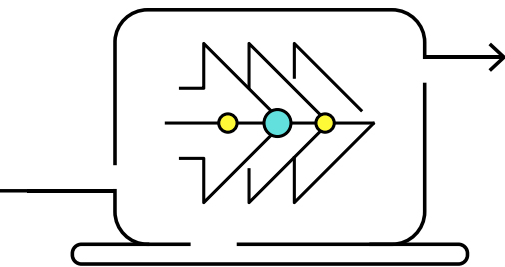
1 Changing the perception of advice

Financial advice may have migrated away from the scandal-linked negative connotations of the past, but many Australians still don't know what an adviser does nor how they add value. It will be up to the profession to educate future consumers in a way that speaks to them, by using digital engagement tools and rethinking the traditional meeting format.

2 Adopting consumer-friendly payment models

Advisers of the future will need to move away from an 'upfront fee' mentality and adapt their methods of payment to meet rapidly evolving consumer expectations. Think accepting payment in instalments and offering limited services for free or even free trials. Shifting away from traditional patterns will be essential to engaging with the masses, who increasingly demand transparent value for every dollar they spend.

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3 Technology as the foundation

Transformational technology is quickly giving advisers a completely new toolbox to change the way they practise. It can help advice businesses build new revenue and relationships, and manage a higher client load, while keeping clients engaged over the course of their wealth journey. It also has the potential to deliver cost and time savings. The most innovative practices will spend the next five years harnessing new forms of technology to enhance the client experience and their business proposition.

4 The next frontier: an adviser-led system

Advice tech has previously been compliance-driven, but for the first time, regulations are no longer dictating the advice process or technological design. The new frontier presents opportunities for advisers and their advocates to become more active in creating a roadmap that involves customised technological solutions, standardised advice expectations, and a broader investment menu.

5 Reaching more Australians through scale

New reforms and innovation have empowered the profession to hit critical mass, especially through heightened M&A activity and after super funds take on their long-awaited expanded role in the advice market. Practices of the future will have a choice about how to adapt their offering to thrive in this rapidly changing market. Some will use technology to reach many customers at scale, while others will take advantage of referral relationships. Ultimately, the client will be the winner, with broader access to advice than ever before.

6 Building a whole-of-life pathway

The advice profession still serves only a fraction of Australians and most begin their relationship with an adviser in their pre-retirement years. The profession must develop ways to engage people at different life stages to help them hit their goals earlier. The new model is likely to involve greater practice specialisation and engagement with institutions, to bring more people along on the journey earlier in their lives.

7 Engaging young people

Millennials will soon be the beneficiaries of the greatest wealth transfer in our history and millions will need financial advice to manage the transition. To meet the needs of this younger generation, the advice profession will have to rethink how it engages with new customers, which will involve building trust over time and taking on a more active role in social and digital media. Engaging younger generations over time will also require the profession to find ways to bring in a new pipeline of professional advisers to meet demand as the wealth transition occurs.

While technology underpins each of our seven transformations, their creative application will be led by humans. We see the next five years as one of the most important periods in our recent history for creating a future-proof adviser landscape. •

Advice, evolved: Contributors



Nick Eatock
CEO, intelligiflo



Adele Martin
Founder, The Financial
Adviser Scale Squad



Angus Woods
Founder, Adviser Ratings



Peter Worn
Managing Director,
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Clayton Daniel
CEO, Ensombl



Keddie Waller
Financial Services
Policy Advocate



Nick Topham
Founder, ProductRex

This whitepaper combines the expertise of seven esteemed leaders representing technological innovation, policy, advice, and consulting. Their dedication to the future of financial advice has greatly enriched this discussion. We are grateful for their invaluable input.

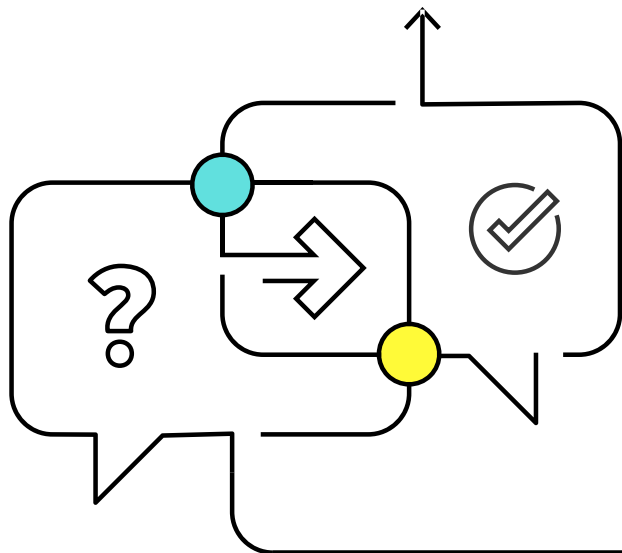
Chapter 1

Changing the
perception of
advice —→



→ **Introduction**

While the financial advice profession may have shed its pre-royal commission image problem, there's another serious issue to address: Consumers often don't know what advisers do. To win over more Australians, advisers will need to improve public awareness and reinvent the client experience. Technology has a big part to play.



It's no secret the public perception of financial advice has faced challenges in recent years, from the fallout of the Hayne Royal Commission to misunderstandings among Australian consumers about how advisers can add value. In the future, the profession's ability to alter the public's view on the importance of financial advice will be critical to increasing the advised population and ensuring many more Australians move through life and retirement comfortably.

The assignment to articulate clearly what a professional financial adviser does is especially timely, given the Federal Government's introduction of its new breed of adviser. In December 2024, the Albanese Government further detailed reforms that will enable regulated institutions to advise on financial products. How will consumers differentiate the new class of adviser from other financial advisers? This question will place further, urgent onus on members of the profession to define clearly who they are, what they do, and how they can help change outcomes for prospective clients.

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Fifteen to 20 years ago, we had double the number of people getting advice, compared with today. At the time, you had the banks and AMP coming out with massive awareness campaigns, which gave consumers a constant reminder about the need to look after their money. No-one owns that space now.

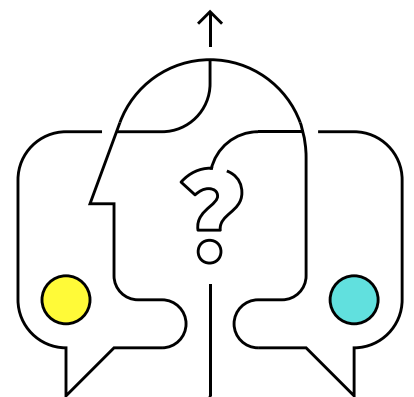
Angus Woods
Founder, Adviser Ratings

→ What is financial advice? An ongoing perception challenge

Financial advice – and what it entails – is frequently misunderstood. Advisers feel their value proposition is often poorly differentiated, in the public’s eyes, from accountants, product advisers and mortgage brokers. While mortgage broking is viewed in relation to the life event of buying a property, and accounting is linked to yearly or quarterly tax management, the timing of seeking financial advice isn’t as well conceptualised. The siloed nature of other financial professions and industries, and their associated regulators, further compounds this problem and results in a more confusing landscape for the end client.

At the same time, advice is perceived as something that only wealthy Australians pursue. Research by *Adviser Ratings* found four-in-five consumers who want advice cannot pay what the average retail adviser charges – which is between \$2500 and \$5000. Also, the possibilities of using superannuation to pay for retirement advice and scaled-advice options are often not common knowledge.

Previously, large institutions would run awareness campaigns about the need for financial advice and what it involves, but in more recent years, a gap has emerged in the market. Boutique advice practices can’t match the marketing budgets of larger institutions. Their role will more likely involve social media and word-of-mouth marketing to improve the perception of advice. As super funds move more into the advice space following the Federal Government’s post – *Quality of Advice Review* reforms, they may take the reins of larger-scale public marketing campaigns about the need for financial advice throughout our lives. The Federal Government’s *Delivering Better Financial Outcomes* reforms allow funds to provide ‘nudges’ to their members at trigger life stages, such as when they are allowed to start a transition-to-retirement pension. We expect super funds to take advantage of these new powers, which could open a new gateway to the full advice experience with a qualified adviser.



→ Re-creating the client experience

While a technology revolution is under way, Australians are still seeking a human face they can trust when accessing advice. Consumers want a relationship much like one with the family doctor; they want someone they can access on a regular basis, who listens to their anxieties, knows their unique needs and situation, and can simplify their financial picture.

To build trust, the client experience must match the standard of other professions and cutting-edge industries. Unfortunately, antiquated processes are still in place throughout financial advice that further alienate clients and prospective clients. Examples include:

- The continued use of jargon
- The failure to personalise the client journey completely, such as by distributing newsletters irrelevant to the clients
- Long meetings
- Irregular communication
- Confusing documentation
- An extensive and confusing onboarding process.

Action items



- **Have a clear mission statement** articulating what you do and how you add value.
- **Find ways to build your profile** and the profession's by hosting financial literacy sessions or live social media events.
- **Employ AI** to help personalise the client experience, including keeping consensual records of conversations and creating alerts.
- Keep client meetings **shorter and focused**.
- **Further engage clients** with automated tools, such as cashflow modelling to visualise their goals and client portals for personalised updates.

To keep pace with what people have come to expect in other aspects of their lives, advice must evolve to become more engaging, streamlined and tailored to clients' changing expectations.

Technological innovation has largely taken away the administrative burden responsible for keeping advisers tied up and away from clients. As a result, advisers can now redirect their efforts into marketing their services and building relationships. Part of that will involve building the profile of the profession and improving financial literacy in the community more generally. Furthermore, advisers can use technology to learn more about their clients and prospective clients for personalised follow-ups. Artificial intelligence (AI) can now be used to keep records of conversations and create reminders about recent client events. At the next meeting, the adviser can remember to ask about a child's recent birthday party or the family pet's operation. Over time, these gestures can build trust and remind clients that their adviser cares about them and sees the relationship as long term.



Doctors are now using AI to help them remember the last five patient interactions and to personalise the experience. I can see that happening with advice too. We now have the tools to give us a summary – or cheat sheet – before we go into the next client meeting. It makes it personal, without you having to remember – which is impossible to do if you have 2000 clients.

Adele Martin

Founder, The Financial Adviser Scale Squad

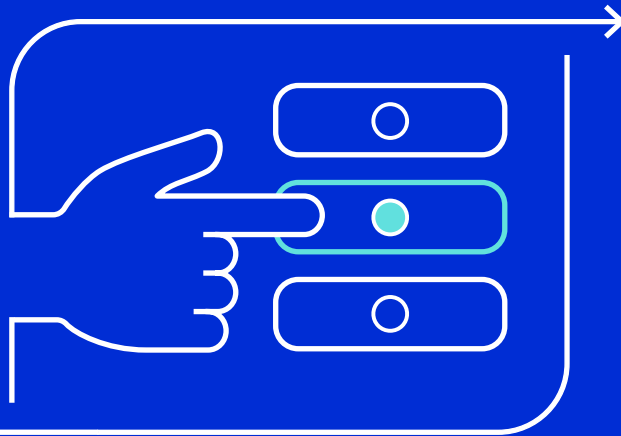


Chapter 2

Adopting
consumer-
friendly payment
models —→

→ **Introduction**

The one-off annual fee is misaligned with changing consumer preferences and habits. In the next few years, practices will have to go along with the consumer and offer more progressive ways to pay.



The price of financial advice continues to be a major barrier for Australians and one that has the potential to become even more pronounced in the future, as consumers grapple with higher living costs. On the adviser side, new innovations are continuing to bring down the cost of doing business, but despite that, we don't expect to see the average fee drop on the retail side. In the United Kingdom, which the Australian advice market has loosely followed, consumer demand from an ageing population continues to outstrip supply, which pushes up prices.

The profession of the future will need to find ways to reach more Australians at a lower price point or through incremental payments, which will involve a combination of:

- Combining human expertise with digital offerings
- Partnerships with institutions to offer scaled advice
- Instalment-based payment plans
- Self-service models to engage clients with basic advice for free.

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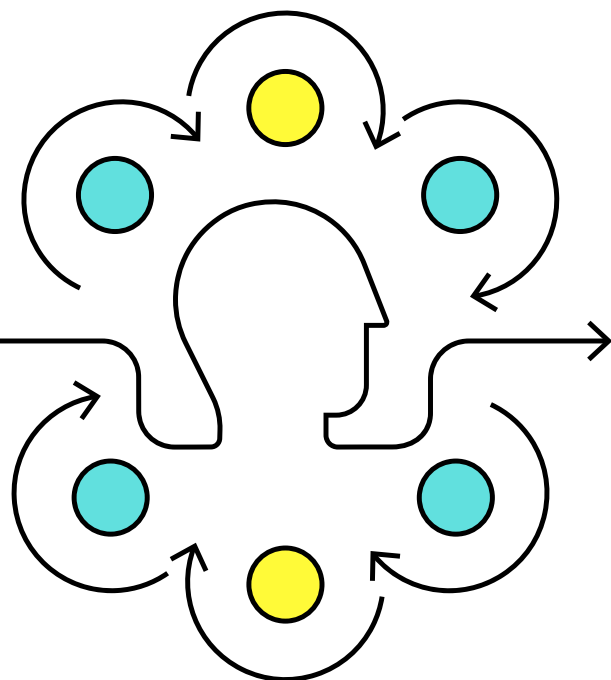
In the UK, firms are inviting prospective clients to engage with a self-service model, often for free. It allows clients to fact-find more about their financial forecast and long-term goals and whether they're likely to meet them. It's cost free for the adviser and a way for the prospective client to get an introduction to the value of advice.

Nick Eatock
CEO, intelligflo

→ **A consumer-friendly approach**

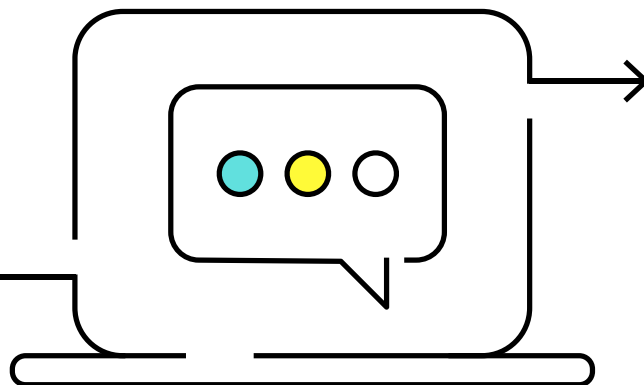
To engage more clients in the advice process, the profession will need to shift away from its traditional reliance on upfront and annual fees and adopt a more consumer-centric approach. Confusion about the structure and nature of fees – and the value received in turn – have served to alienate clients in the past. While some high-net-worth clients are still willing to pay an upfront premium for quality, personalised service, younger clients, in particular, will demand easier and more transparent fees-for-service.

As Australians shift en masse to newer payment models to structure their financial lives, it will become increasingly important for advice to keep pace. For example, offering the ability to pay in small instalments, much like Afterpay, is one way progressive firms are moving. Some are also giving their clients discounts for upfront payments. Similarly, offering introductory periods, or an easy way for consumers to buy in and exit the relationship if it's not for them, will be a means for the profession to allow customers to test the waters.



→ **Embracing technology and communication**

Through technology, advisers of the future will be able to engage new clients inexpensively. Already, they can fast-track the discovery phase for free through self-service fact-finding models. These require simple inputs from the customer and offer an indication of the value of engaging in a full-scale advice relationship. The prospective client just has to enter some basic information to receive simple cashflow forecasts and see how those forecasts may measure up to long-term goals. For advisers and firms, the hefty cost of onboarding is reduced through this model, too, as the fact-find is already complete when the client comes aboard.



Action items



- **Find flexible ways** to service clients according to their cost constraints, such as payment plans or a tiered offering.
- **Educate prospective clients** about superannuation-based payment options.
- **Consider how** your business can offer limited advice for free, as an entry point.
- **Be clear** about what clients are receiving in exchange for their money – and what they can do if they are unsatisfied.

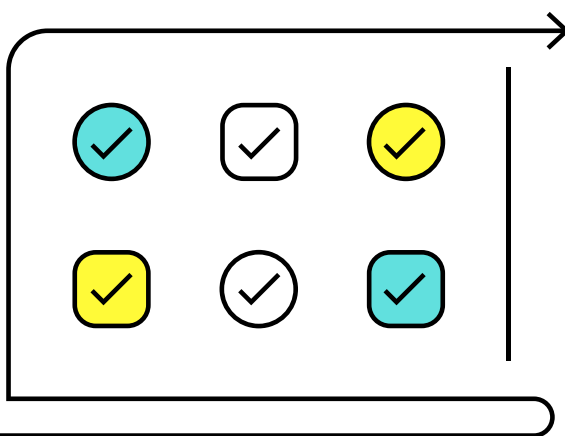
Chapter 3

Technology as the foundation →



→ Introduction

The human adviser will never be replaced, but embedded technology can slash the cost of providing advice and drastically improve the client experience. Forward-thinking practices will spend the next five years harnessing it to future-proof their business.



Technology will be the bedrock of the future advice process, giving advisers new ways to build revenue and relationships, while keeping clients engaged and updated about their wealth picture over the longer term.

In the shorter term, technology is helping advisers manage their time and onerous compliance burden, which still accounts for more than half the cost of advice, research by Marshan Consulting and fintech platform Elemnta shows. However, through automation, tasks that would previously take hours can now be managed by technology, while manual errors are quickly flagged for correction. Meanwhile, through AI-powered tools, advisers can record meetings and automate follow-up tasks, which can save up to 10 hours a week. The result is a reduction in the time and cost of providing advice, enabling firms to service more clients at a lower price point.

Technology is also giving advisers greater reach and capacity to manage a higher client load without compromising the standard of their advice. Our analysis showed practices that leveraged *intelliflo* technology and achieved 'Champion' status were able to see 40 per cent more clients per adviser. These are not small gains. Because of this rapid change, advisers can become more focused on the client coaching aspects of the profession – which often drew them to a career in advice in the first place – while having the mental space to focus on business growth.

The advanced advisers and practices are now thinking further outside the box and using technology to strengthen their bonds with existing clients and recruit new, like-minded clients. Essentially, they are using technology to design and carve out a business that matches their personal goals and philosophy – a trend that will become more prominent in the future.

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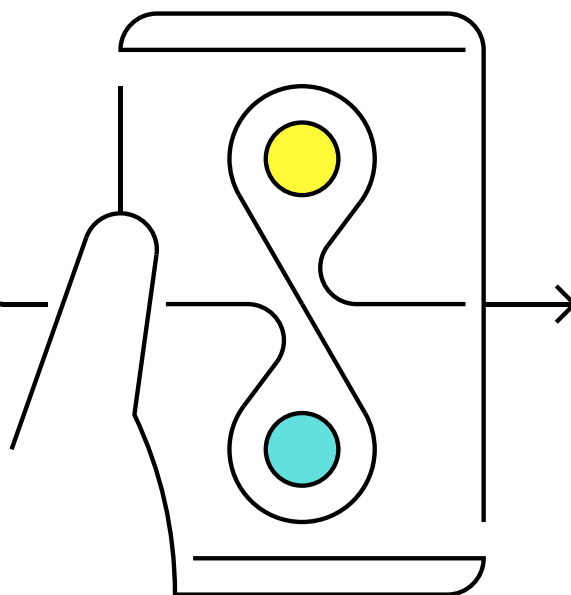
A quote I've borrowed from a former CEO of Morningstar articulates the landscape we can expect: 'Technology won't replace advisers, but advisers who use technology will replace those who don't.' You have to have it as part of your toolbox, but it will never replace the human relationship.

Nick Eatock
CEO, intelligiflo

→ Engaging clients in new ways

Digital native clients, who will soon account for most advice-seekers, will expect advisers to interact with them in new and more captivating ways. For example, they'll expect free financial education to be delivered as a supplement to the advice they pay for, either through social media or client portals. We're increasingly seeing financial influencers build strong followings by sharing bite-sized tips and finding ways to let their audiences know they understand or can relate to their financial situation.

Client portals will soon become the norm for providing regular snapshots of clients' advice journeys. In addition to creating a sense of trust between the client and the adviser, they can make the client feel both empowered and more active in their own role in their financial future.



→ Mastering data

Financial advice businesses have historically been hamstrung by a tangled mess of data, which can often go back decades. Many Australian advice businesses operate legacy systems and poorly integrated platforms, which act as an anchor to practice growth and innovation. In some cases, this has kept advice businesses tied to expensive licensees from which they are receiving limited ongoing service.

The advanced advice businesses of the future will master their data, which will allow them to report on compliance matters in real time and fully harness business intelligence (BI) dashboards to give them useful insights about their client base and business metrics. Once data is clean and relevant, businesses will be able to ensure all the technology they use in their business is synchronised and relevant. With the exception of clients, data is probably the most powerful tool firms have. The smart businesses already prioritise mastering it, to give them the most transparent view of their clients, hurdles



No one – or very few companies – has mastery of their data. It's pandemonium out there and it's why some of these financial services companies have existed for such a long time. They have created this Jenga tower of data that can fall over at any time, and often does.

Clayton Daniel
CEO, Ensombl

Action items



- **Create an ambitious** business and growth plan and find out how technology can help achieve those goals.
- **Remove** the administrative and compliance burden by employing technology to produce documents and fact-check.
- **Keep clients engaged** with regular client portal updates.
- **Create a free** financial education channel to keep regular clients motivated and attract new clients.
- **Take control** of your data to give your business the best shot at producing clear insights about your clients, revenue, profit and potential.



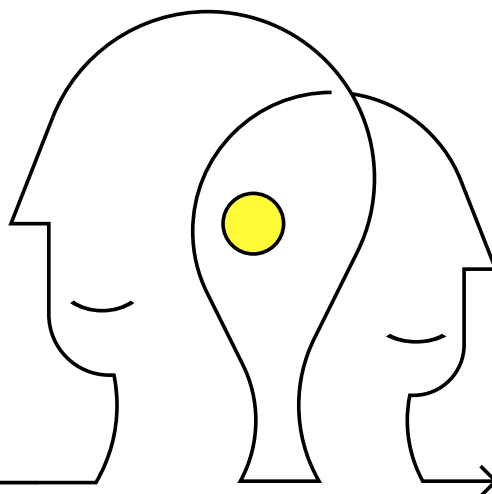
Chapter 4

The next frontier:
an adviser-led
system →



→ Introduction

The advice profession is at an inflection point, with compliance no longer dictating how the advice process runs nor how technology is designed. Advisers are now in complete command, with client relationships at the forefront and tedious processes in the background. While the coming transformation promises to be liberating, it also places responsibility on the advisers to take control of how the future looks for the profession at large.



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Historically speaking, advice is a young profession, especially when you compare it with accounting or law. It could take another generation or two before the average person on the street intuitively knows what an adviser can do for them. However, I think super funds getting into advice en masse, like they're about to do, is potentially going to change that.

Peter Worn

Managing Director,
Finura Group

For decades, Australian advice businesses have been at the behest of changing regulations, resulting in a compliance-led operation model, which stifled innovation across the landscape. As a result, Advice tech has historically been compliance-driven in its design, with the practical needs of the advisers and their clients coming in second.

We're now finally moving into an adviser-led system, however, where innovation begins with the needs of the end client and the adviser, while intuitively building in compliance at the same time. For the first time, compliance will move to the passenger seat, while the advice business will have total command of how it employs technology to best serve clients well into the future.

In some ways, the adviser-led revolution mirrors what happened in the accounting sector, where the introduction of Xero was the catalyst for change in how the profession approached its responsibilities. In turn, accountants evolved from being bookkeepers to leaders within the business community.

→ Taking action for an adviser-led future

To make this adviser-led system a reality, the advice community must come together and make its future needs and expectations clear to technology providers. It will involve working groups and probably an industry framework dictating the roadmap. For some, it won't be an easy transition, given the amount of change and their long-held ties to a regulation-driven system.

The profession will also have to agree on how to standardise the delivery of advice, so that it can reach more Australians. Previously, these challenges have been addressed by regulators and government, but in the future, it will be up to the profession to carve out its own path and move towards more of a self-regulation model. AI-led technology enables this shift, as it can pick up mistakes in client documentation and flag areas for further investigation from the adviser.

From a client point of view, the adviser-led era allows the profession to further prioritise human connection and better solutions. Advisers will be freed up to advocate more strongly for a broader range of investment options for their clients, including those we rarely see in the Australian market.

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We need to set the agenda for how we think we should work and what's good for the consumer. If we don't do that, then we've got ourselves to blame when we create a challenging environment.

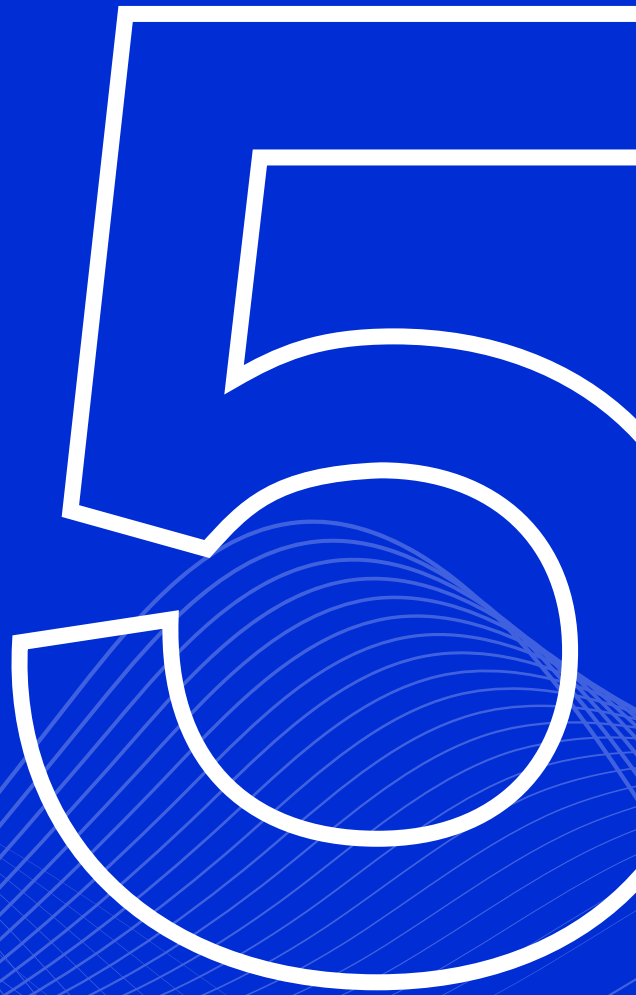
Nick Eatock
CEO, intelligiflo

Action items →

- **Form working groups** with respected industry peers and demand technology is designed to match your evolving needs as an adviser.
- **Create a framework** for self-regulation with other advisers.
- **Find ways to champion** an adviser-led future, such as hosting community talks about how advice is evolving.
- **Bring your adviser-led vision** to clients and let them know you're now able to spend more time with them and are searching for the best solutions for their personal needs and goals.

Chapter 5

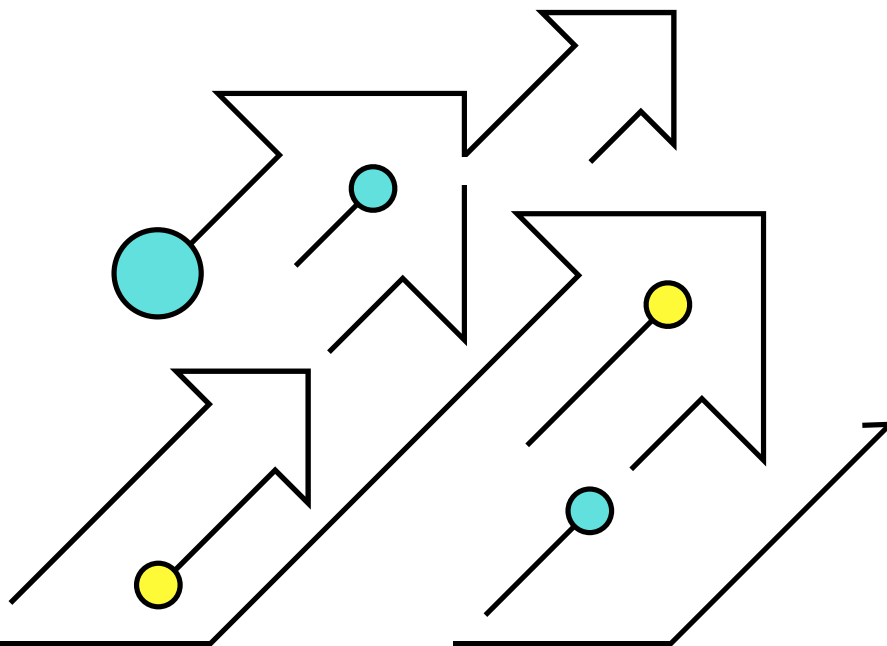
Reaching more
Australians
through scale →



→ **Introduction**

The profession finally has the capability to hit critical mass and reach millions more Australians. Between the arrival of super funds in the advice space and an expected explosion in M&A activity, it will be a transformative five years for the profession.

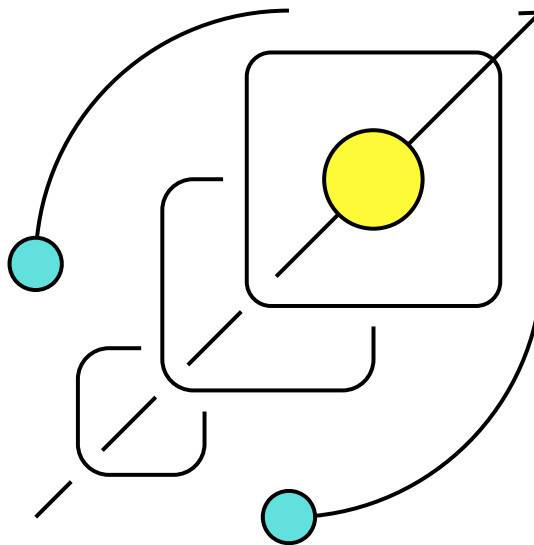
It's well established that nine-in-10 Australians don't receive financial advice, but today's technology-enabled professional evolution – and shifting regulations – are set to change that. We're seeing the first wave of micro-advice businesses, which are powered by technology, including AI, to offer quality advice to thousands of clients. As these models evolve and super funds make their long-awaited entry into the retail advice market, current access and affordability challenges will finally be tackled, providing more Australians with quality advice throughout their lifetimes.



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Ninety per cent of Australians are not being given advice at the moment. If they're making \$65,000 a year, they can't afford \$3000 or \$4000 worth of financial advice. But if you abstract the process and reduce the cost, you can give them something that's accessible. That's where I think we're going with everything.

Nick Topham
Founder, ProductRex



→ **Hitting scale and targeting the right clients**

Technology has made it possible for today's practices to service thousands of active clients. The opportunities to reach more Australians at scale are expected to expand further in the next five years. Advice businesses will have a choice to make: either move down the specialisation path and continue to service a smaller cohort of high-net-worth clients or use technology to achieve market breadth. Already we are seeing some Australian advice businesses manage client bases upwards of 4000 with a few advisers. We will soon see advice practices using technology to enact processes that allow them to sculpt financial plans to the needs of clients at a rapid rate while staying within the regulatory guardrails.

To further build awareness of advice, we expect to see big institutional money managers using data to market to potential new clients when they hit a 'trigger' life event, such as getting married, buying a home or approaching retirement. We have already seen this model used effectively, and somewhat controversially, with social media giants, such as Facebook and Instagram, which use data to personalise advertisements.

With the consent of clients, some advice businesses are recording conversations and extracting insights to use for marketing purposes. For example, they are synthesising themes and insights and then using that information in an anonymised or generalised form to further engage their current clients or market to prospective new ones. It's often done via newsletter, social media marketing or updates in a client portal.

→ Super funds to make their move

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If super funds are going to be able to collectively charge for advice in a way they never have before, I think we're going to see one of the great experiments in Australian history on people's appetite for advice and where they are going to get it.

Peter Worn

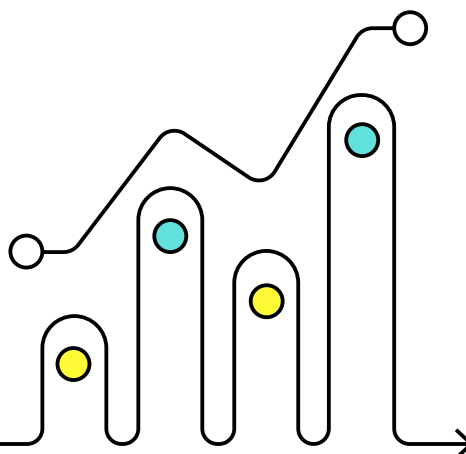
Managing Director,
Finura Group

In the coming years, super funds are expected to flood into the financial advice market – in some capacity. The Federal Government's second tranche of its *Delivering Better Financial Outcomes* package clarifies who can offer simple advice and under what conditions money can be taken from super to pay for advice. The reforms are aimed at getting advice into the hands of more Australians. How exactly the super funds will make their move and what form their offering will take is still unknown. Unanswered questions include:

- Will they offer scaled advice to all members?
- Will they partner with full-service advisers for more comprehensive advice?
- How much will they choose to charge, if anything, and will it be paid by the individual or through a small fee charged to all members?
- How responsive will members be?

Thinking from a digital perspective, but also a human perspective when delivering advice, is a difficult task when you've got millions of members. Ultimately, their success will come down to their ability to get into the minds of members.

While parts of the profession have criticised reforms to allow super funds and other large institutions into the market, we anticipate it will be a positive move for both advisers and consumers. Ultimately it should provide a taste of the advice process and broaden the general awareness of the need for financial advice. It will also mean people who need advice, but have never been on the radar of qualified financial advisers or have been unable to meet the cost, will have a wider range of options.

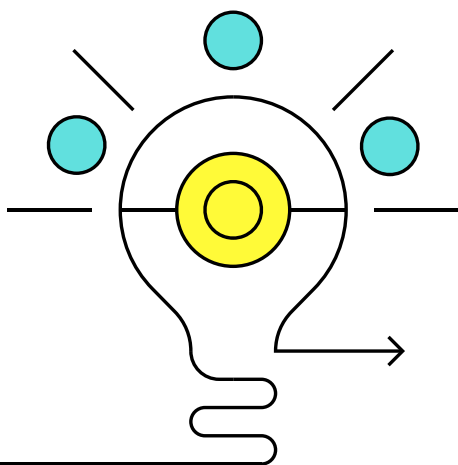


→ Growth through M&A

The financial advice sector is set to become a major target for M&A, with a flurry of activity already under way and more expected in the next five years. Big money is flowing into Australia and looking for takeover targets, while practices with growth intentions are increasingly seeing opportunities to partner up with other businesses. The key challenge for practices is aligning processes, culture and business goals. For example, if firms are using different tech stacks, the integration process can become convoluted and challenging, which means forward planning is critical.

Standout advice businesses in the M&A market are building their valuations by clearly and simply articulating how they formulate and deliver advice and demonstrating organic growth. Practice mergers tend to fall over when the two prospective businesses cannot align on their style of working.

From a prospective buyer's point of view, assessing a practice's potential often comes down to evaluating its data, which we have noted is often quite poor. In the UK, 'consolidators' work with practices to validate their data and provide an independent assessment. This is a trend we're likely to see more of locally as the M&A market booms.



Action items



- **Decide** whether you'll scale your offering to serve more clients or develop referral partnerships.
- **Consider** asking for clients' consent to record conversations and collect generalised themes or insights, which can be used to market to other potential clients of the same age or other demographic.
- If you are priming your business for sale or merger, **clearly articulate** your style of working, culture and goals. If your data is disordered, consider hiring a consolidator.

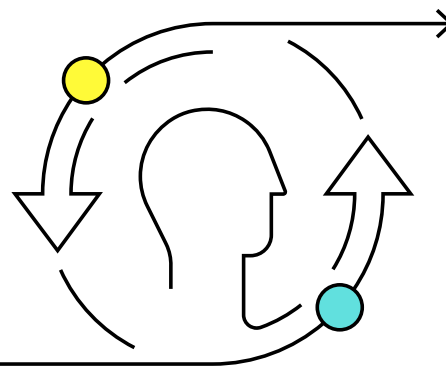
Chapter 6

Building a
whole-of-life
pathway →



→ **Introduction**

The financial advice experience should begin in early adulthood, but for most it starts in the pre-retirement years. Through a careful recalibration, the profession can better serve Australians at different stages of life, preparing them for more financially confident and secure lives.



“

How are we looking to service the 90 per cent of the population who are not receiving any financial advice at all? We tend to take a longer term or holistic view about retiring with enough money, but when people are facing key life events – such as getting married, buying a house, or having a child – we generally don’t cater to those point-in-time financial advice needs.

Keddie Waller
Financial Services Policy Advocate

If advisers are intent on reimagining their client demographics to service a broader range of Australians, the natural starting point is early adulthood. Data from *Adviser Ratings* shows the average advice client is 58 years old and paying more than \$4300 a year. Where are the clients in their early 30s and 40s? They make up a slim minority of advisers’ books, for three reasons:

- 1 They cannot afford the typical comprehensive advice annual fee
- 2 They have never been actively targeted by a financial adviser
- 3 They perceive financial advice as the pursuit of much older Australians.

To correct this imbalance, the advice profession and a range of other stakeholders will need to build a ‘whole-of-life pathway’, which involves engaging Australians in their early earning years and maintaining their involvement in the advice process through to their elderly years. The whole-of-life pathway will likely involve the emergence of more Millennial-focused advice practices, gateway-to-advice technology offerings, and strong inter-profession partnerships to ensure Australians are captured and catered for through each life stage.

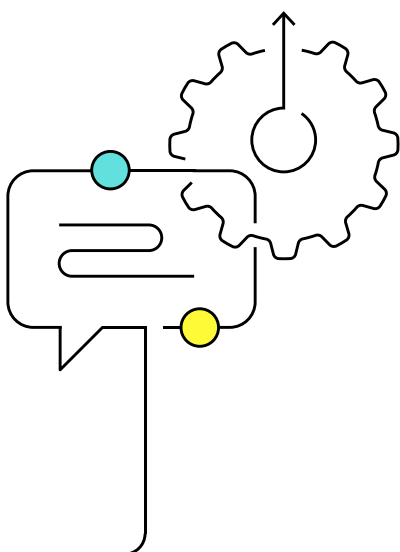
→ Overcoming barriers

If practices want to tap into a younger market, the logical first step is bringing down the cost of advice. Firms are rising to this challenge in various ways, including using technology to create in-house efficiencies, outsourcing paraplanning through technology, and becoming more discerning about their licensee. There are other cost challenges, such as the Australian Securities and Investments Commission (ASIC) Levy and now the Compensation Scheme of Last Resort, that will need to be addressed by more targeted professional association advocacy and regulatory action.

If the cost of providing advice is reduced, the second barrier for advisers would be finding their way into a market that doesn't typically consider financial advice to be for them. By and large, this measure will involve community engagement, including creating referral partnerships with other industries, online marketing, and hosting sessions and stalls at workplaces, schools, universities, markets and town fairs, with a clear message about how advice is appropriate and necessary at each life stage.

→ Prompting action

The medical profession effectively uses age triggers to encourage Australians to get tested or screened for certain diseases when they hit the relevant birthday. Similarly, some super funds use this strategy to engage members around salary sacrifice and additional contributions. The advice profession is expected to move further in this direction in the future by using technology to prompt Australians to take actions based on their age and life stage. To reach scale, advice practices will likely further tap into social media to try to engage prospective clients earlier.



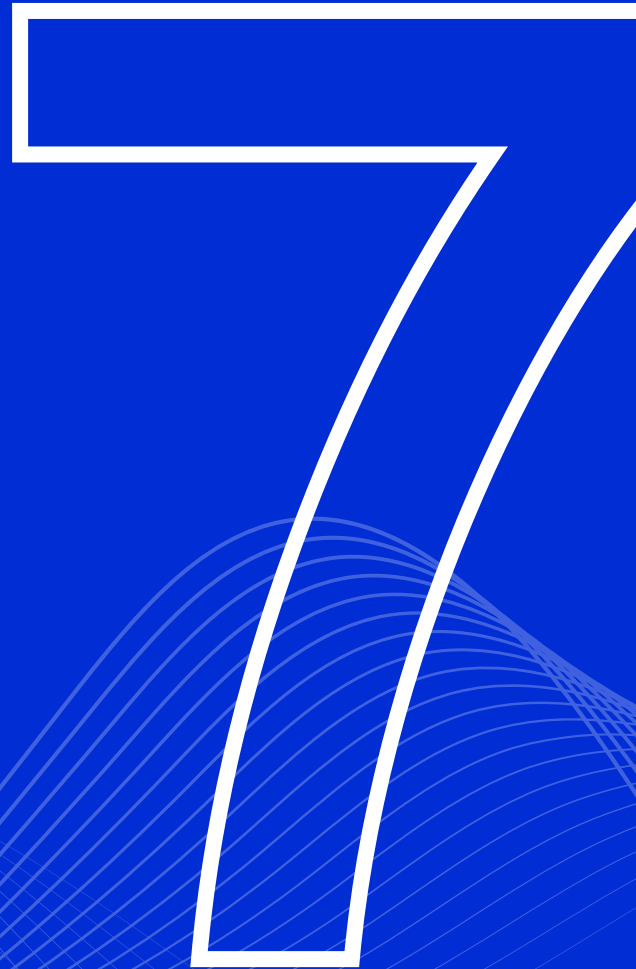
Action items



- **Engage technology** to encourage new audiences to access advice at earlier ages and at life trigger events.
- **Build professional networks** with accountants and lawyers to provide referral pathways for younger Australians who want and need advice.
- **Advocate for your business** and show its understanding of different client needs in the community and at local workplaces, schools and universities.

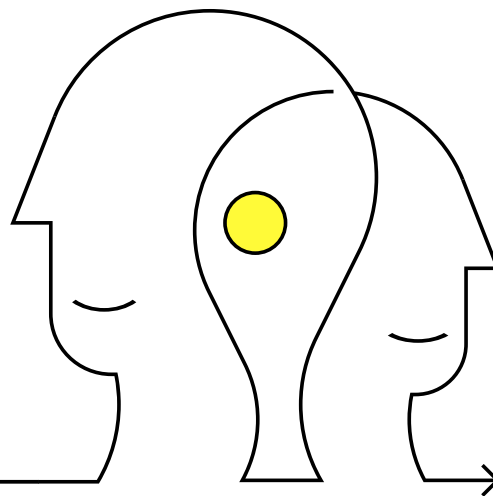
Chapter 7

Engaging young
people ———→



→ **Introduction**

Millennials will soon be the beneficiaries of the greatest wealth transfer in history, but only a minority receive financial advice. The advice profession will have to shift gears to engage this generation – and ensure it has the talent for the task.



“

How do we support the community in upping their financial literacy education? Finfluencers are a part of that. When done well, I think finfluencers could be a bigger part of that in the future, because they've got a message you can get to masses.

Adele Martin

Founder, The Financial Adviser Scale Squad

While most advisers recognise we are on the cusp of the biggest intergenerational wealth transfer in history, how many have primed their businesses to prepare for it? An estimated \$3.5 trillion will be passed from older generations to younger ones over the next 20 years, which means Millennials will quickly be in command of an enormous volume of wealth and will need the right tailored advice to prepare.

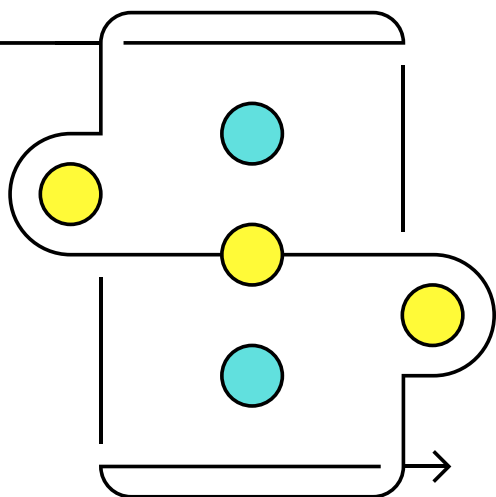
Given younger generations are digital natives and have been largely excluded from the traditional advice model, using existing strategies to engage them is likely to fail. Advice businesses of the future will need to reposition themselves to help the emerging generation of wealth decision makers. It will involve greater investment in social media and understanding the different needs of younger people.

→ The adviser pipeline

The shallow pipeline of new, qualified financial advisers represents a challenge for the next generation of advice seekers, even if technology plays a much greater role in scaling advice. Data from *Adviser Ratings* shows there are still just a few hundred new advisers entering the profession each year, with the more onerous professional requirements representing a barrier. Few practices put their hand up to sponsor budding advisers through their professional year, largely due to the cost of training.

Areas of the profession – regulators and associations in particular – will need to consider seriously their role in how to replenish the adviser workforce in future years, which begins with bringing in new talent. We expect associations to work more proactively with universities and workplaces to ensure financial advice is seen as a viable career for the future and that budding advisers receive the right workplace training, although the reduction in educational institutions providing financial advice qualifications is a concern. To further attract talent, we expect advocates within the profession to shift the perception that it is ‘maths-based’ – given the impact of technology on this skillset – to one of human connection and coaching. In doing so, advice can bring in students from traditionally humanities-based disciplines.

Furthermore, the profession will need to adapt to become more accommodating to the expectations of younger workers, like progressive firms in other sectors. For example, offering four-day work weeks and flexible working arrangements.



→ Adopting new approaches



One of the wonderful things about our first wave of cloud and social technologies is you can build a brand quite quickly through social media. I think you need to just assume, as advisers, that information arbitrage is no longer a competitive advantage. The information itself is not what you do; it's the ability to convince people to do things that they don't always want to do. That's what makes you a great adviser.

Peter Worn
Managing Director,
Finura Group

The rise of the financial Influencer or 'finfluencer' demonstrates the appetite for money guidance that exists among millions of Australians. While parts of the Australian advice market have dismissed finfluencers, ignoring their power is a mistake. An ASIC survey in 2021 found almost two-in-three Australians aged between 15 and 21 had changed their financial behaviour based on tips from a finfluencer.

Increasingly, qualified financial advisers are shifting into the finfluencer space and we anticipate this will become a much bigger trend in the next five years. Social media allows people and companies to build a trusted brand and following quickly. This can act as a gateway to the full-service model or simply build greater general awareness about advice.

Part of the way finfluencers build trust is offering tips and guidance for free, which can be a psychological hurdle for some operating in the more traditional model. Despite the seemingly transient nature of social media content, it takes a long-term mindset to navigate these emergent technologies properly.

AI and technology will play a much bigger role in engaging young people. Client portals and self-service education tools are now being used to a greater extent between adviser/client meetings to maximise the client's buy-in to the process, but we're yet to see the full extent of what these applications can offer. In the future, their evolution will be consumer-driven and we're likely to reach a point soon where nearly all interaction happens between formal meetings. Ultimately, the goal is to demonstrate value to the end client, which involves recognising how they like to spend their time and interact with others.

Action items



- **Look to social media** to build a brand that resonates with younger Australians.
- **Find different ways** to engage with younger people, such as through podcasts, webinars and digital thought leadership.
- **Speak to clients** about the financial needs of their children and how you can help.
- **Use technology** to keep younger clients engaged, including client portals.

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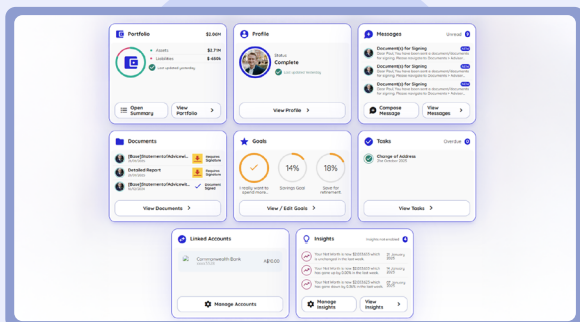


“ Real-time cashflow modelling

As an adviser, you no longer need to spend ten minutes setting up the software before showing clients potential scenarios. With intelliflo office, I can share my screen, and clients can see the live process in real-time. It's simple, fast, and incredibly visual.

William Cant

Senior Financial Adviser, Ally Wealth Management



“ Secure client portal

We love the ability to offer each of our clients their own portals through intelliflo office. This feature allows clients to log in, view their information, update their details, and receive advice documents from us—all in one convenient place.

Jodie Bindig

Practice Manager, Latitude Private Wealth

Client Name	Provider	Plan	Policy	Income Type	Frequency	Total	Total	Total	Label	Status
Mely O'Connell	Intelliflo	57550000	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	14,118	2,71	14,117	80000000	50
Mely O'Connell	Intelliflo	57550000	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	21,150	1,95	23,25	80000000	50
Shawell Dahan	Intelliflo	58481048	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	5,126	2,21	5,127	80000000	50
Shawell Dahan	Intelliflo	45489709	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	13,511	2,84	13,48	80000000	50
Nadia Baskara	Intelliflo	58780762	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	15,572	2,44	16,24	10000000	48
Nadia Baskara	Intelliflo	52747471	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	24,824	2,38	27,46	10000000	48
Lena Ken	Intelliflo	877878274	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	18,124	6,76	19,43	20000000	34
Lena Ken	Intelliflo	245482787	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	888,018	3,48	888,55	10000000	48
Shawell Dahan	Intelliflo	52428000	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	42,141	1,98	42,92	10000000	31
Shawell Dahan	Intelliflo	542484848	Provider	Provider Fee - Ongoing Fee - 1% of Assets	Monthly	22,172	1,14	23,58	10000000	48

“ Streamlined income reconciliation

I can now knock out 45 provider statements in an hour, which previously would have taken a lot longer. Our tracking is now a lot clearer, too.

Hailey Lawrie

General Manager, QSA Financial Services

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→ **About intelliflo**

intelliflo widens access to financial advice through leading technology powering the financial advisory experience. We use open software architectures combined with unmatched industry experience to simplify a complex digital landscape to help advisers compete and grow. Our solutions support over 30,000 financial professionals worldwide, representing over three million end-investors.

intelliflo.com