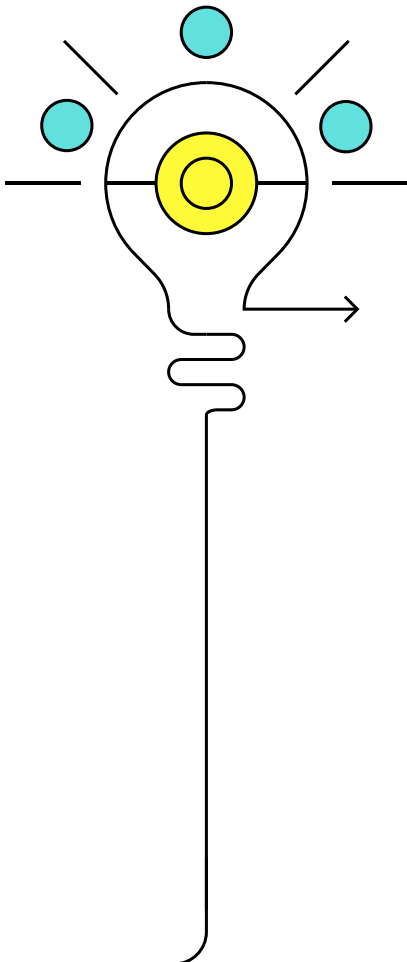


Time matters: How outsourcing
can give you more time to focus
on clients



→ Introduction

For growing advisors, effectively managing their time is the biggest success factor and the greatest challenge. Low-value, administrative tasks often get in the way of the high-value work that drives the bottom line.

Your clients recognize the value of a good advisor and are willing to pay a reasonable fee in exchange for that value. But spending enough time with them is one of the most significant barriers to growth.¹

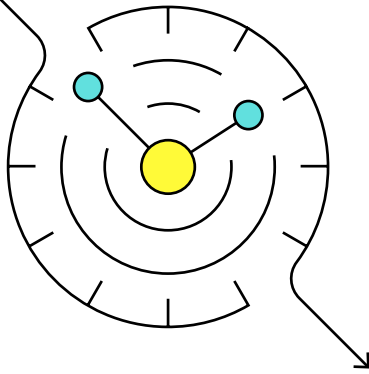
Many advisors expect a difficult investment year: A recent survey of U.S.-based financial advisors said the biggest challenges facing their businesses in 2023 would be the volatility of markets, with 57% responding that they see it as a major hindrance, followed by inflation (56%) and the specter of a recession (49%).²

Your clients will need you more than ever. That also means you will have to get to know them better as their priorities shift. And an estimated \$84 trillion will shift from baby boomers to Gen X and Millennials between now and 2045, with 80% of heirs expected to find a new advisor once they inherit.³ That means for every five clients you have right now, you will no longer be managing the assets of four of those clients once they pass their wealth on to their heirs.

More investors will focus on estate, financial and tax planning, as well as householding. Advisory firms that engage younger clients are growing 10 times faster than those with primarily older clients – and two-thirds of Millennial and Gen Z investors believe in working with an advisor to achieve financial success.⁴

The opportunities are immense for growing advisors. But how can you scale your practice with limited time available to devote to serving clients and prospecting for new ones?

Shrewd advisors are searching for options such as outsourcing to delegate activities and tasks that give them more time to engage with their clients and add real value to their relationships.



→ Where advisors spend their time

A firm's main obstacle to growth is the amount of time an advisor has available to spend on all the administrative tasks: prospecting, generating proposals, onboarding clients, preparing investment policy statements and asset allocations, selecting the investments, trading and monitoring the investments, reporting and meeting with the client.

A typical day for a financial advisor is usually split among the following activities:

- Meeting with and responding to clients
- Managing client expectations
- Reviewing investments
- Preparing a clients' accounts for review
- Following market trends and best practices
- Networking with other professional advisors
- Marketing services
- Keeping current with regulatory bodies

According to Cerulli, advisors across all channels spend 53.4% of their time on client-facing activities, with client meetings accounting for 20.6% – the highest time allocation of any single activity – and on average spend nearly 22% of their time on administrative tasks.⁵

On average, advisors in the independent RIA channel spend the least amount of time on client-facing activities (48%) and the greatest amount on operations (10%), practice management (9%) and investment research (16%).⁵

But the client-facing activities are the ones that matter most. Financial advising is a relationship-driven business that takes time and ongoing effort to nurture. As increased competition and shifts in priorities and generational wealth continue, it becomes more urgent to seamlessly deliver a high-touch experience to clients and their families. That means enhancing client communications to achieve the greatest impact and presenting your value in a clear, compelling and client-centric manner.

The rest of the work can be outsourced to a specialist who is better able to handle specific activities like managing and selecting the individual investments and all the middle and back-office processes that go along with it.

When asked if their firm's decision to outsource investment management allowed them to dedicate more time to client prospecting and development, 61% of advisors said it "definitely" did while another 27% said "probably."⁶

According to Cerulli, 64% of advisors involved in practice management find that serving non-ideal clients is the most prevalent productivity challenge for advisors, followed by insufficient process mapping (52%) and ineffective delegation (52%).⁵

The right outsourcing partner can help you establish a repeatable and scalable discovery process, clearly articulate your wealth management process, and help your clients understand risk and stay committed to their long-term strategies.



→ The outsourcing advantage to value creation and delivery

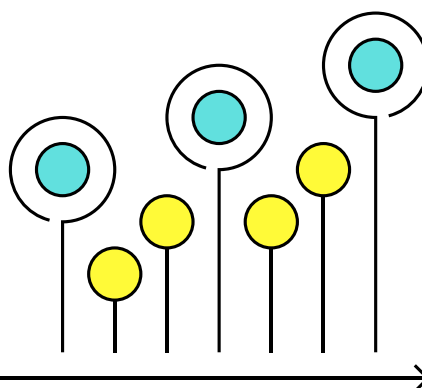
The main advantage of outsourcing is that it gives you back more time in your day. The more lower-value middle and back-office functions you can delegate, the more time you have to concentrate on tasks that best demonstrate your genuine worth.

According to a WealthManagement.com outsourcing survey, 69% of advisors said the primary benefit of outsourcing investment management is allowing more time to spend on other services, client relationships and business development, followed by 53% citing AUM growth.⁶

Turnkey asset management platforms (TAMPs) facilitate investment selection and management, allowing you to offload time-consuming back-office functions – investment research, manager due diligence, portfolio construction, rebalancing, reconciliation, performance reporting, tax optimization and statement preparation – and enabling you to focus more on gathering assets, acquiring new clients, and servicing your existing accounts.

TAMPs that offer multiple portfolio solutions – ranging from passive, active, hybrid, smart beta and tax-aware solutions utilizing mutual funds, ETFs and separately managed accounts – provide diversified ranges of model portfolios that are managed to pre-defined risk targets, enabling you to choose the one that best suits your clients' risk profile.

Model portfolios eliminate the time, effort and complexity of personalizing portfolios from the ground up while making it easier to scale. Model portfolios offer guidance while allowing you to optimize portfolios and achieve better client outcomes. Select models and spend more time on higher-value activities as your outsourcing partner handles all the middle and back-office services on your behalf.





→ **Delivering more value to your clients**

Forward-looking advisors are getting ahead of the future by focusing on those aspects of the business their clients value the most: personal attention, insight into unique situations, service and trust.

Outsourcing can save you time, help you scale your sales and servicing activities, and increase your focus on higher-level functions like financial and estate planning and accessing professional investment advice and model portfolios.

Imagine taking all that administrative and investment management time you now have back and giving it back to your clients.

At the end of the day, it's all about spending more time on client relationships, enhancing the client experience, and delivering more overall value to clients.

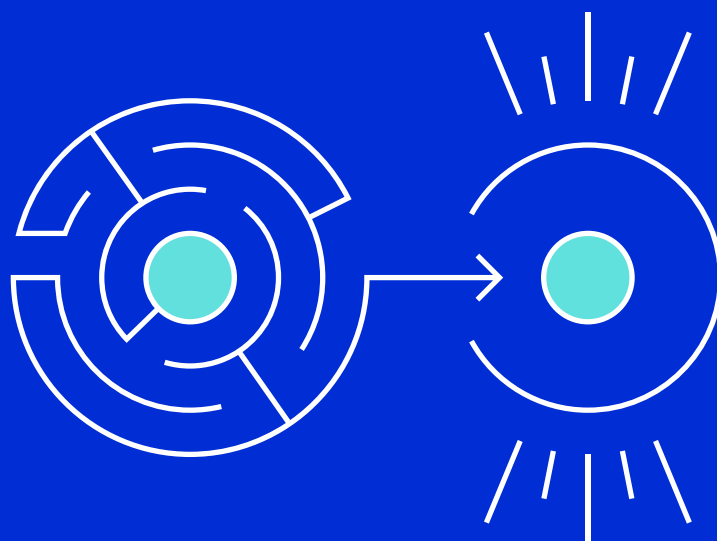
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- [1] [America's Best TAMPs 2023](#), The Wealth Advisor, March 2023.
- [2] [Advisers Anticipate Difficult Investment Year in 2023](#), PlanAdviser.com, February 2, 2023.
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- [4] [Young Clients A Priority For Growing Firms](#), Financial Advisor, January 24, 2023.
- [5] [Cerulli: Non-Ideal Clients Undermine Productivity](#), National Association of Plan Advisors, March 18, 2022.
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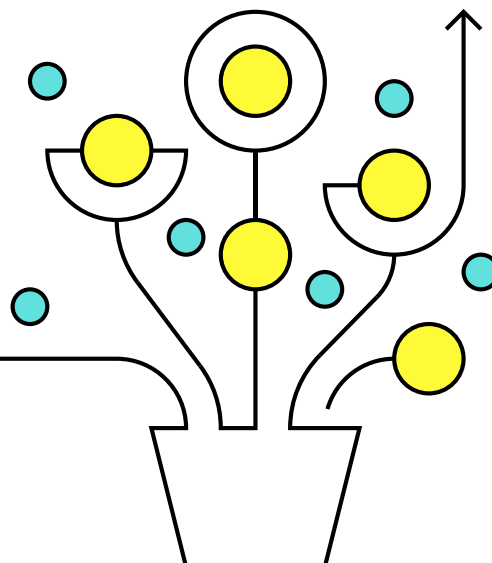


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