

# **10 LEARNINGS FROM ADVICE FIRMS SUCCESSFULLY GENERATING NEW BUSINESS IN THE PANDEMIC**

**Successful strategies advisers and firms are using to win new business from existing and new clients**

# CONTENTS

Introduction from our CEO	3
The COVID-19 pandemic brings a set of unique challenges for financial advice firms	4
Finding successful strategies to win new business from both existing and new clients	5
The capacity challenge	9
10 learnings for new business generation in the pandemic – What strategies are working?	9
In short – The 10 learnings	22
How Dynamic Planner can help you grow new business	23

# INTRODUCTION FROM OUR CEO

The COVID-19 pandemic has impacted the financial advice and planning industry in a uniquely challenging way.

The virus can tragically impact both clients' health, particularly older generations and it can also impact their wealth in terms of their investments and their ability to earn. For advisers operating in a traditionally face-to-face industry, working through these issues with clients has become a challenge in itself, with many expecting to continue to avoid face-to-face contact long after lockdown eases.

Dynamic Planner is today used by more than 6,500 advisers delivering investment advice in the UK. From early on, we heard from firms that while they were concerned about the impact on existing clients, which is where their deepest relationships are and the majority of fee income is earned, **they were particularly worried about the drop-off in new business from existing as well as new clients.**

Firms using Dynamic Planner by definition take clients through a robust risk profiling process, one which sets expectations around what bad markets can look like. Firms reported almost all clients staying put and indeed those with higher risk profiles sometimes investing more.

The issue of new business levels however remains and we wanted to speak to the community of Dynamic Planner users to be able to pinpoint strategies that are working. We knew from talking to advisers that some firms are actually seeing an **increase in new business** through the pandemic and felt it would be worthwhile to share this good practice.

To do this, in June we constructed a questionnaire and are very grateful to those who responded and were happy to share their strategies with their fellow professionals. I hope you find this resulting summary guide helpful as you navigate through the pandemic in your own practice.

Kind regards,



Ben Goss, CEO



# THE COVID-19 PANDEMIC BRINGS A SET OF UNIQUE CHALLENGES FOR FINANCIAL ADVICE FIRMS

The COVID-19 pandemic has impacted the financial advice and planning industry in a uniquely challenging way.

The virus tragically impacts people's health, particularly older generations and those with pre-existing conditions. It also impacts their wealth, both in terms of their investments and their ability to earn. We have seen and continue to see huge volatility in the value of investments, from near record highs in January the UK stock market lost almost eight years of growth up to 23 March, a month in which the FTSE All-Share fell more than 30%.

And it's not over yet. The country is already in deep recession and with 9.5m people on furlough at the time of writing and the scheme set to end in October, the country is bracing itself for one of the most troubling economic periods in a century.

Financial advisers' clients are hit badly on both counts, with clients, who are typically older naturally being more vulnerable to COVID-19. Some have been shielding during lockdown, while for the great majority even after lockdown is lifted, face-to-face contact is likely to be minimised to ensure they remain healthy. A challenge for a traditionally face-to-face industry. Very often these clients are planning for or in retirement, where stock market losses and unemployment can negatively impact retirement plans – a challenge to their wealth.

The fear of impacts on health and wealth has without doubt had a negative impact on client confidence, with many firms reporting clients 'sitting on their hands' and 'financial planning not being a priority' right now. To worsen the situation, the traditional introducers of new business – clients themselves, of course but also professional accounting and legal firms too have been in lockdown and their client contact reduced.

# FINDING SUCCESSFUL STRATEGIES TO WIN NEW BUSINESS FROM BOTH EXISTING AND NEW CLIENTS

The result of these challenges, according to a survey we carried out asking firms to compare their new business levels in the four months up to and including May this year, with the final quarter of 2019 to get a comparison with pre-pandemic levels, is that **almost half said that new business was lower or much lower** (16% said it had dropped by more than 70%). Without doubt there is a problem.

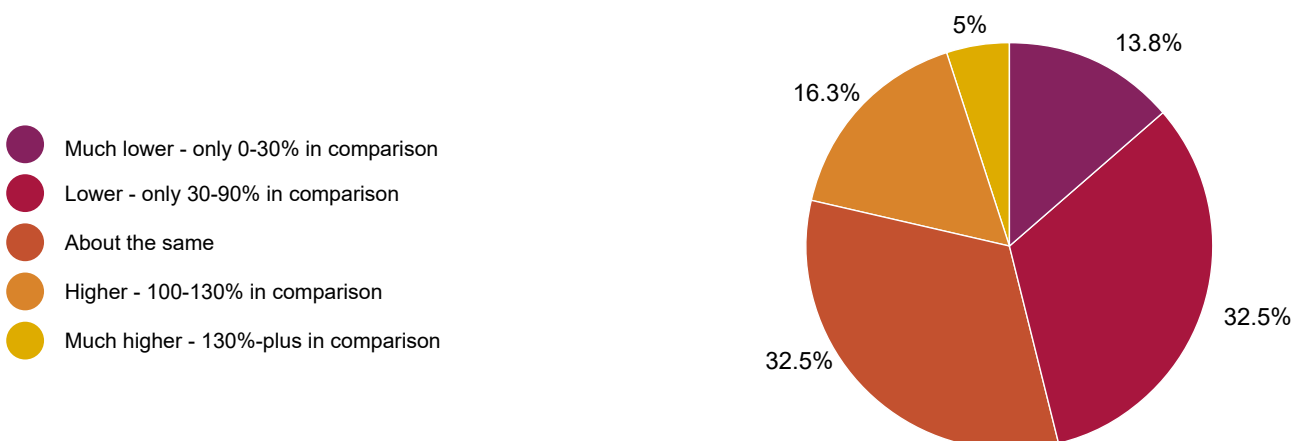
That said, about a third said that new business was about the same and **21% said it had increased and was higher, or much higher**, as in Figure 1 below.

We asked all firms when they were successfully generating new business, how they were doing it. We were particularly interested in the strategies being used by those who were generating greater amounts of new business during lockdown and we have used them in this guide to share best practice as to what strategies are working.

## In this guide, we have distinguished between two groups:

- ▶ Respondents who are generating **the same or lower levels** of new business
- ▶ Respondents who are generating **higher or much higher** (more than 30% increase) levels of new business

**Figure 1 - Question: Compared to Sept-Dec 2019, how is your level of new business in Feb-May 2020 from existing or new clients?**



Dynamic Planner is used by today 6,500+ advisers delivering investment advice in the UK. From early on, we heard from firms that while they were concerned about the impact on existing clients, which is where their deepest relationships are and the majority of fee income is earned, they were particularly worried about the drop-off in new business.

At the time of writing, almost all firms have reported their existing client relationships have proven exceptionally resilient.

Firms using Dynamic Planner, by definition, take clients through a robust risk profiling process, one which sets expectations around what bad markets can look like. Firms reported almost all clients staying put and indeed those with higher risk profiles even investing more.

Portfolio values held up thanks to strong performance of Risk-matched, globally diversified portfolios, as in Figure 2 below, and the combination of good expectation setting by firms, often pro-active communications and the resilience of the portfolios has led to good outcomes for clients and for advisers and their firms.

## Figure 2 – Performance of Dynamic Planner MSCI Risk Profile 5 index (B) vs. MSCI United Kingdom Index (A), May 2019 – May 2020

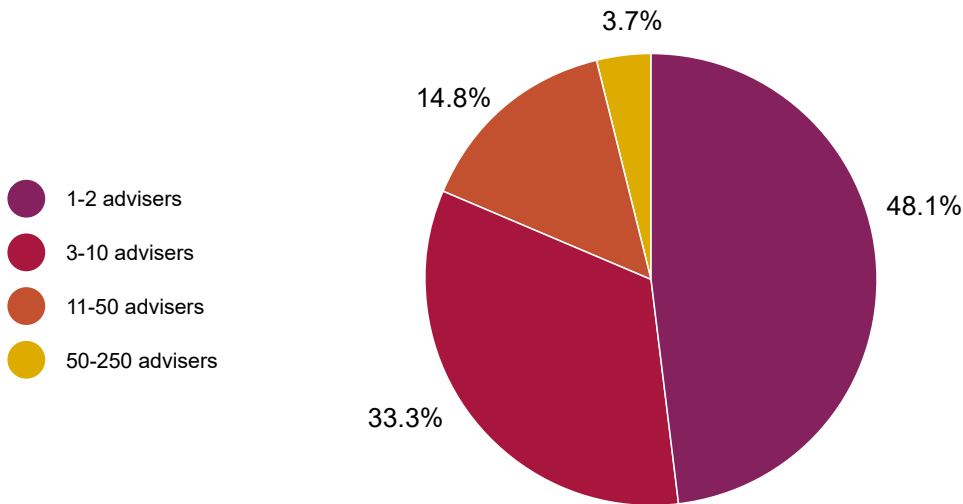


Source: Dynamic Planner, MSCI

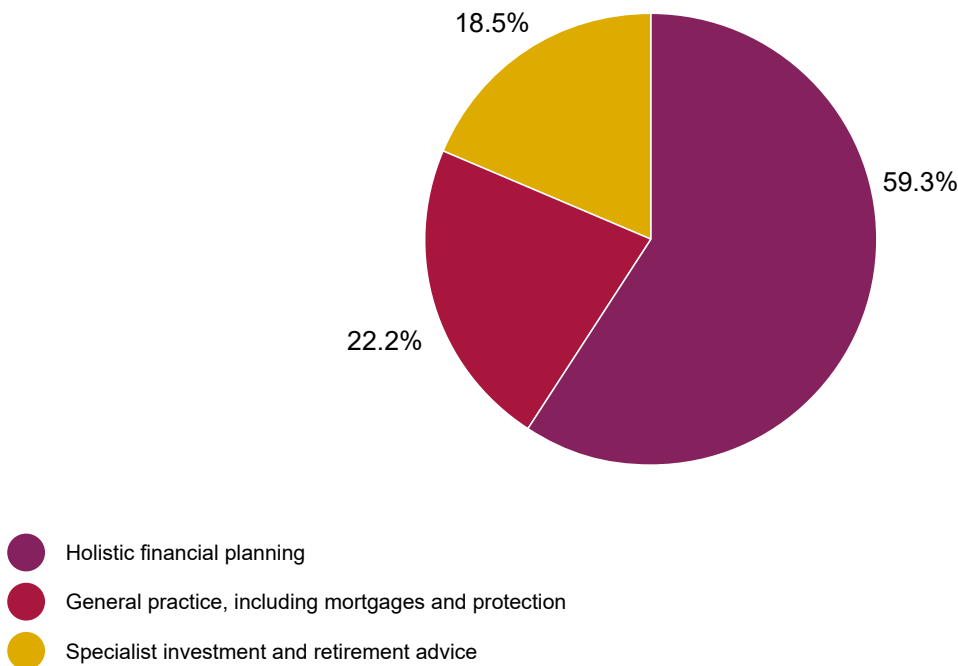
The issue of new business levels however remains, albeit often representing a minority of firms' income and we wanted to speak to the community of Dynamic Planner users to be able to share what was working.

To do this, in June we constructed a questionnaire and are very grateful to those who responded and were happy to share the strategies that are working for them with their fellow professionals. There were 83 respondents in total of whom almost three-quarters were advisers and the remainder paraplanners, managers, compliance or administrators. There was a good spread of respondents in terms of firm size and those offering holistic planning to more specialist firms, as in Figure 3 and 4 overleaf.

**Figure 3 - Question: How many advisers are at your firm?**



**Figure 4 - Question: What does your firm do?**



## The capacity challenge

One final challenge that firms were already facing pre-crisis, was that they were at capacity. Many reported that they simply didn't have the bandwidth to look for or onboard new clients. Many had been relying on existing clients and referrals. With the latter drying up, it can leave a hole in revenue generation.

Some firms feel caught between a rock and a hard place - lower incomes combined with restricted capacity to take on more clients. As part of this questionnaire, we wanted to know what firms could do using technology to significantly enhance their own productivity, so they were able to add revenue without adding people or unprofitable costs.

The 10 strategies being adopted are very powerful in this regard, because none of them require the addition of more staff and many of them result in significant productivity gains for a practice which help address the capacity challenge.

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## 10 learnings for new business generation in the pandemic – What strategies are working?

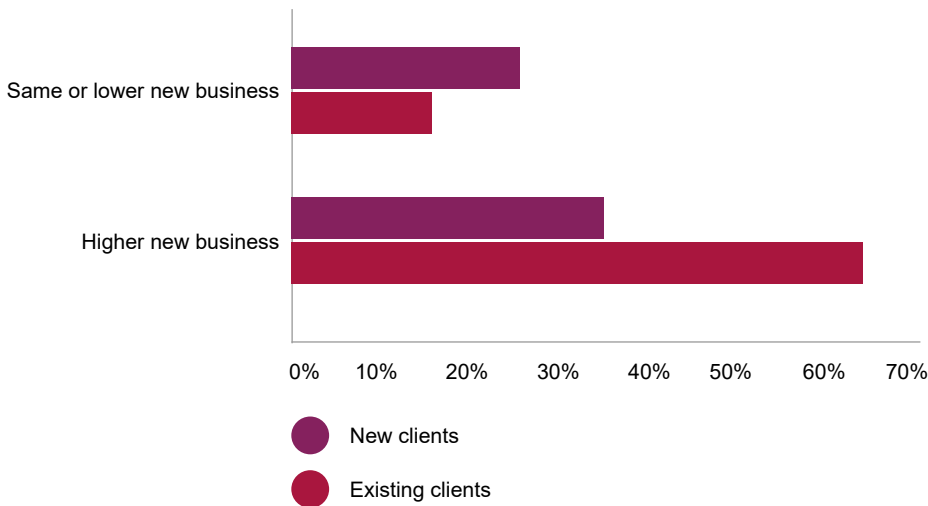
In this section, we've focused on the standout activities which those firms who are generating **higher or much higher** (more than 30% increase) levels of new business during COVID-19 than they were before - and comparing these activities to those undertaken by firms generating **the same or lower levels** of new business.

The results are telling and point to what firms, if they want to generate more new business while the pandemic and social distancing are with us, will need to do.



# LEARNING 1 - FOCUS ON EXISTING CLIENTS

**Figure 5 - Question: Where has most new business come from over the last four months if applicable?**



Those firms doing better were by far and away generating new business from existing clients as shown in Figure 5 above.

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## What's working for firms? They told us:

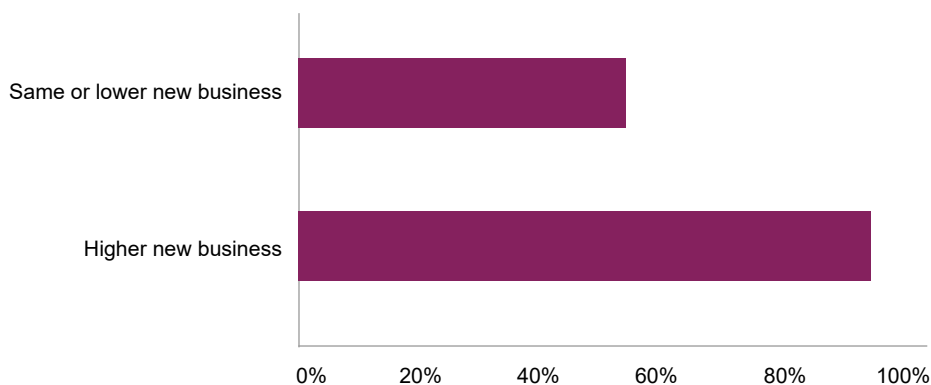
**“It is still a people business - put the client first. Look after the client and the client will look after you.”**

**“Proactively speaking to clients.”**

**“As we're all working remotely, it's important existing clients have continued support and we ensure this is carried out.”**

## LEARNING 2 – ADDRESS COVID AND ITS IMPLICATIONS HEAD-ON

**Figure 6 - Question: When you speak to prospects / clients, what is causing them to get in touch? Answer: COVID-Related**

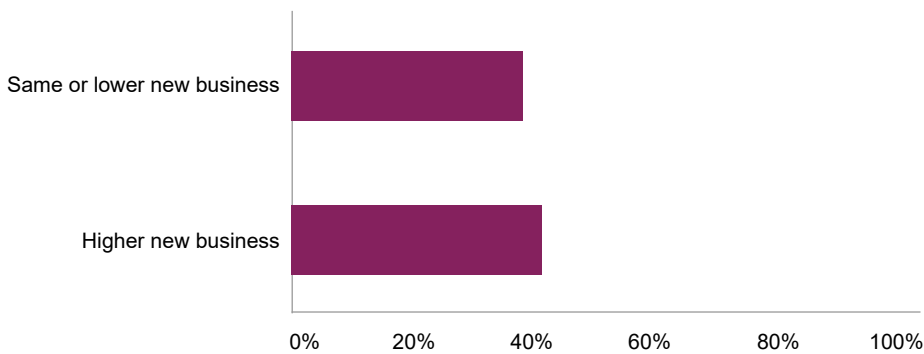


The impact of COVID-19 on health and its potential financial impacts, combined with lockdown giving people more time to sort finances and re-evaluate life priorities, creates opportunities for firms to help clients plan for the future.

While firms in both groups spoke to clients about these impacts in Figure 6 above, it was clear that those who are being most successful were talking to clients about COVID-related concerns more. Retirement income concerns ranked second in both groups, but by quite a distance. The lower performing group were having more conversations with clients in this area than the higher performers.

# LEARNING 3 - SPEND MORE TIME BUILDING RAPPORT

**Figure 7 - Question: Where you are successful with new business, are you spending more time building trust, rapport and understanding? Answer: YES**



Both groups, as in Figure 7 above, recognised the importance of investing more time in building trust, rapport and understanding, with the higher performers marginally emphasising this aspect in their interactions. Most respondents reported the same level of time being required.

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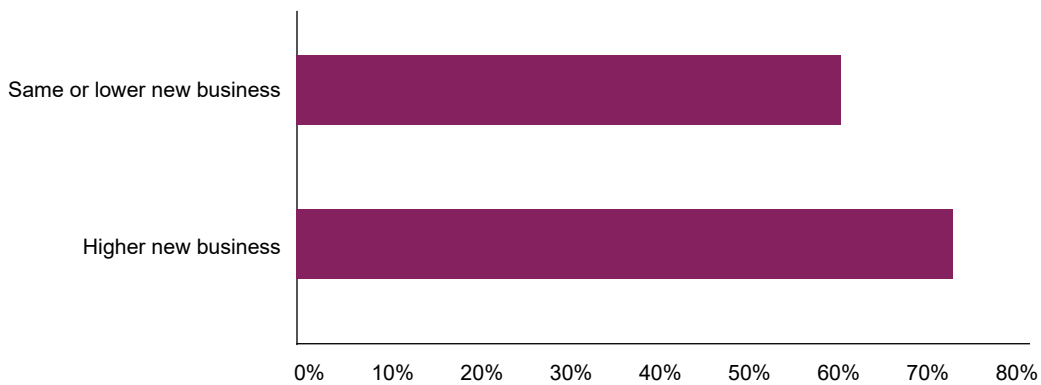
## What's working for firms? They told us:

**“Building trust and rapport with clients, being clear about our investment style and educating clients about how investments work and what to expect throughout our relationship.”**

**“Transparency; service-centric ideology; drop the sales mentality; and believe in advice and guidance.”**

## LEARNING 4 - OFFER A FREE INITIAL CONSULTATION

**Figure 8 - Question: Where you are successful with new business, are you providing any free / special offers or incentives? Answer: Initial consultation at no cost**

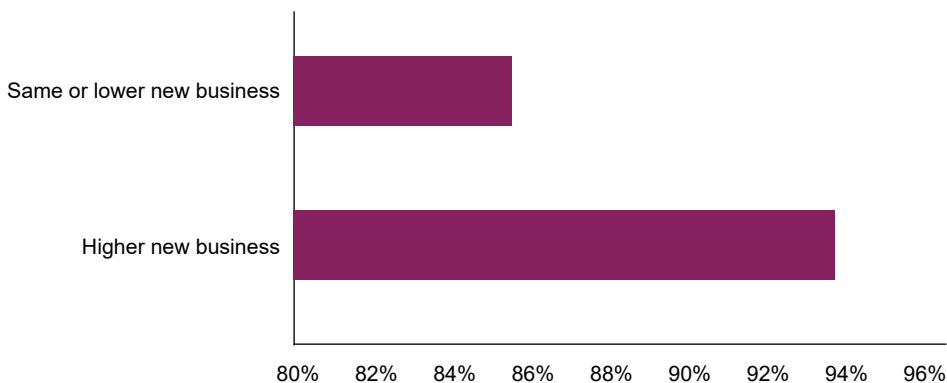


Given the complexity and uncertainty of the current environment, alongside the importance of building rapport and talking to clients about the implications for them as above, it's perhaps not surprising that those firms being most successful, as in Figure 8 above, are more likely to offer an initial consultation at no cost in order to attract new business. One firm is also offering a discount for NHS workers.

## LEARNING 5 - OPEN QUESTIONS ARE MOST POWERFUL FOR NEW BUSINESS

**Figure 9 - Question: Where you are successful with new business, how are you building trust, rapport and understanding in initial / discovery meeting?**

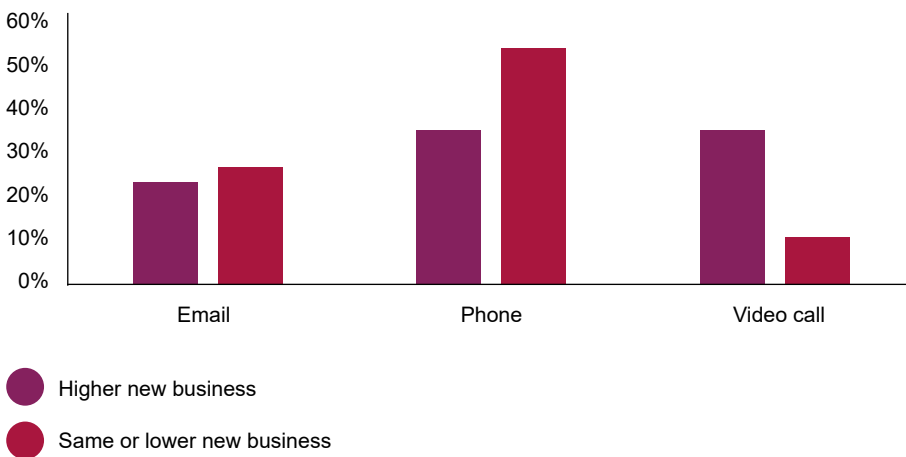
**Answer: Use open questions**



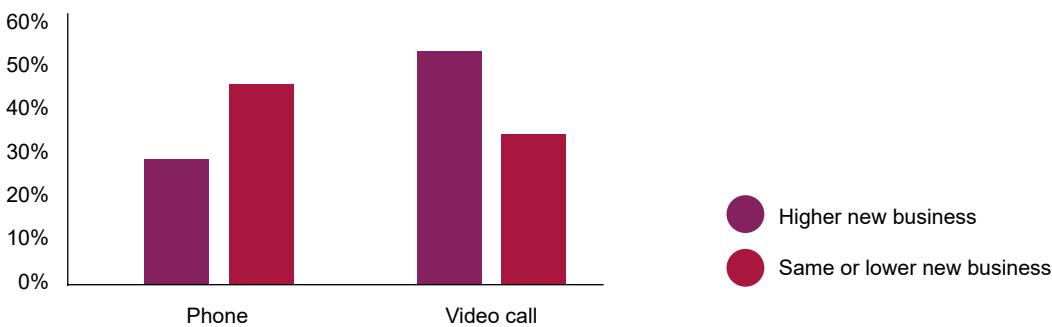
In the initial or discovery meetings, the use of open questions was clearly demonstrated more frequently among the higher performing group, as in Figure 9 above, with almost all respondents saying they utilised this approach. Intuitively, this makes sense given the unique set of circumstances each client can find themselves in at the moment.

# LEARNING 6 - MAKE THE MOST OF VIDEO FROM THE OUTSET

**Figure 10 - Question: Where you are successful with new business, which medium are you typically using for the first interaction?**



**Figure 11 - Question: Where you are successful with new business, which medium are you typically using for initial / discovery meeting?**



Video calls have been embraced to a much greater extent by the higher performing group, as in Figure 10 top and 11 above. Not just as one might think for the discovery meeting, where over 50% of high performers use it, but also in the very first client interaction, where it's used by 35% of respondents in this group, the same as use the phone.

**Those firms generating higher levels of new business told us what's working for them:**

**“Nearly all clients have no experience of Zoom-type software. Helping set up allows them to start using it with their friends and family too.”**

**“Give clients the option to contact you with any media they wish. No programme is a barrier to me - downloading if it makes the client more comfortable.”**

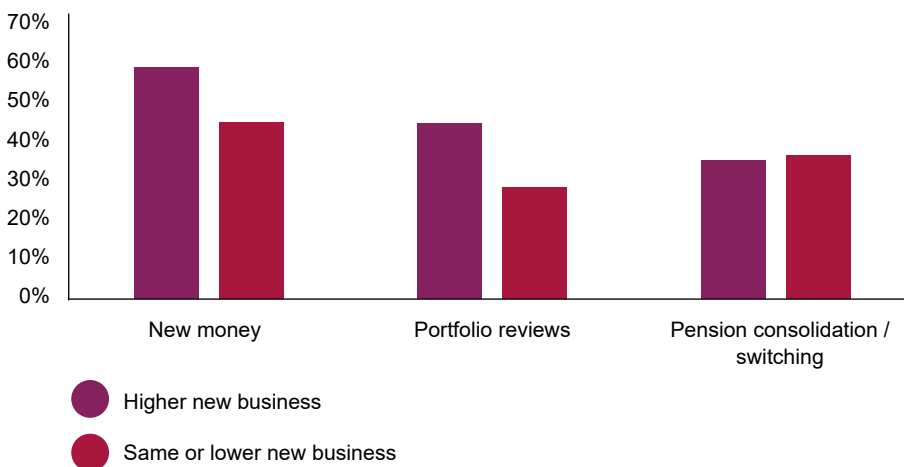
**“We embraced video conferencing from day one and clients are more than happy to use this medium as they are using it with everyday contact with families and friends.”**

**“The ability to 'see' more clients per day under COVID conditions due to not having to travel and substituting video calls for meetings.”**

**“Video has enabled us to be ahead of our 2019 figures at this stage of the year. It has meant we can speak with a client in Belfast, Devon and Essex in the same day. Using face-to-face would have taken a week.”**

# LEARNING 7 - INVESTING NEW MONEY AND REVIEWING PORTFOLIOS ARE A KEY PART OF A SUCCESSFUL OFFER

**Figure 12 - Question: Where is the majority of new business fee income coming from?**



The more successful firms are by definition attracting more new money. There is also a marked difference when it comes to fee income generated from portfolio reviews, as in Figure 12 above, where those firms attracting more new business are generating significantly more income from this activity.





## **What's working for firms? They told us:**

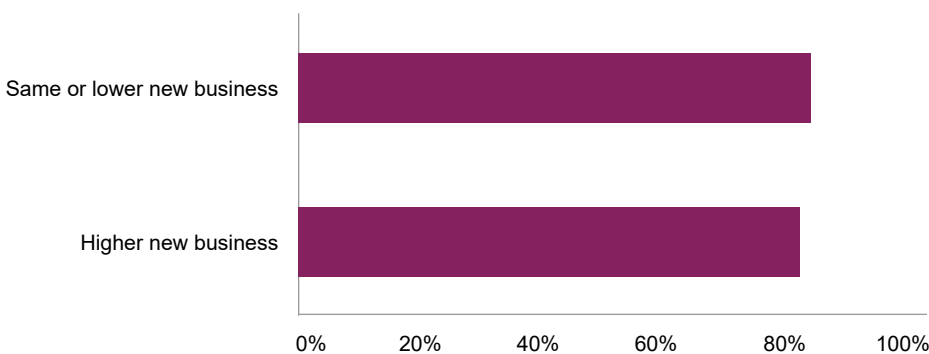
**“Clients like to see our software and how the portfolios are made, managed and compare - how using Dynamic Planner risk profiles remain consistent with each other.”**

**“I am regularly monitoring our portfolios and sharing my conclusions with individual clients.”**

**“We have built a panel of ESG investments, which, ahead of the regulatory requirement, I am proactively discussing with my clients. I'm experiencing an 80%+ conversion rate with existing clients and 100% with new clients.”**

# LEARNING 8 - YOUR ONGOING REVIEW IS CENTRAL TO WINNING NEW BUSINESS

**Figure 13 - Question: Where you are successful with new business, how much are you emphasising your ongoing review service? Answer: It's central to our proposition**



Regardless of performance group, firms are emphasising their ongoing review service, as in Figure 13 above. This makes sense at a time of great uncertainty and often change for clients. The knowledge that a professional firm will continue to review your circumstances and portfolio to make sure that the client is in the best position to achieve their objectives.

**What's working for firms? They told us:**

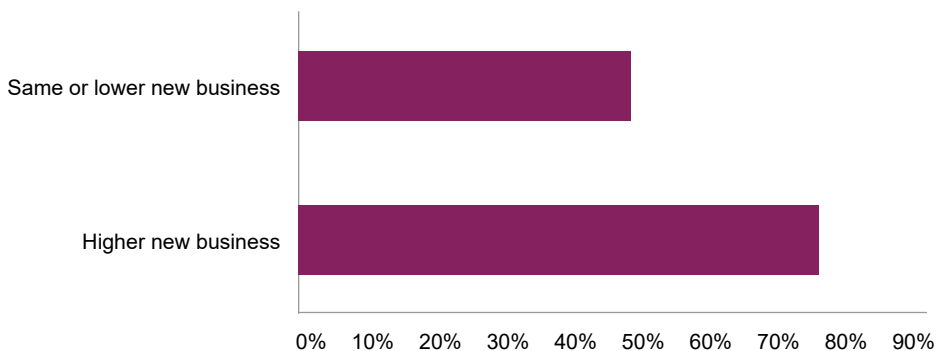
**“Consistent review of wealth and customer needs and regular explanation of the things that we can offer and help with always works.”**

**“Dynamic Planner Investment Progress Report - short report over the past 12 months to give perspective.”**

**“Using video calls to review ongoing for those clients on lower service levels and/or require light touch.”**

## LEARNING 9 - ONLINE RISK PROFILING IS USED BY MOST HIGH PERFORMERS

**Figure 14 - Question: Where you are successful with new business, how are you completing the suitability assessment process with social distancing? Answer: Online risk profiling**

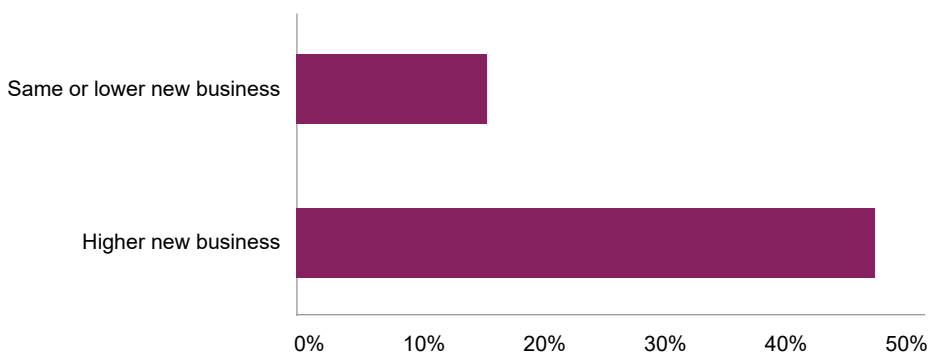


Ensuring clients aren't taking unnecessary risks is at the heart of building confidence and trust during the pandemic. In Figure 14 above, three-quarters of firms generating more new business use online risk profiling to provide a convenient and accessible way for clients to consider how they feel about taking risk. While used by almost 50% of other firms, there is clearly a gap to be closed. 10% of respondents were still using paper and post for risk profiling.

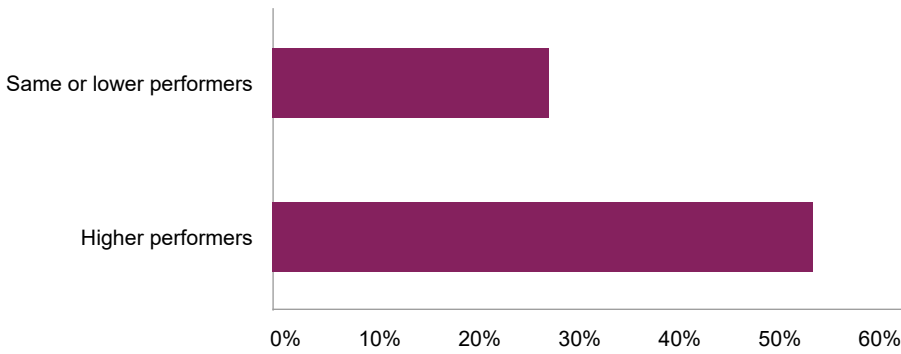
# LEARNING 10 - SCREENSHARING FOR FACTFINDING AND DISCUSSING RECOMMENDATIONS IS USED MORE FREQUENTLY BY HIGHER PERFORMERS

**Figure 15 - Question: Where you are successful with new business, how are you completing the suitability assessment process with social distancing?**

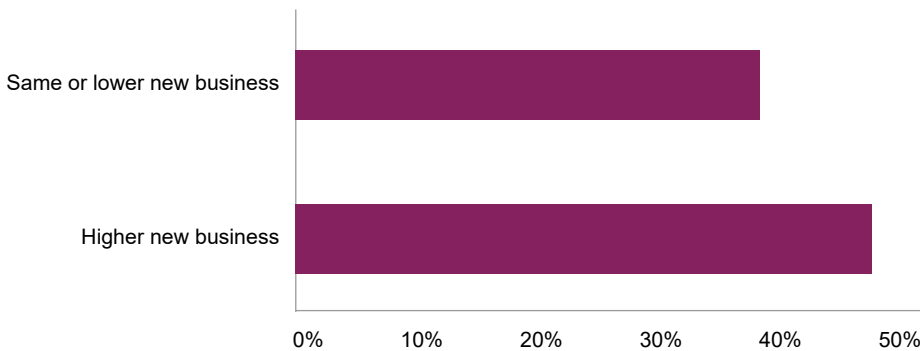
**Answer: Digital completion of fact finding on video call**



**Figure 16 - Question: Where you are successful with new business, how are you completing the suitability assessment process with social distancing? Answer: Sharing and discussion of suitability assessment and recommendations on video call**



**Figure 17 - Question: Where you are successful with new business, how are you completing the suitability assessment process with social distancing? Answer: Online fact finding**



When it comes to completing the suitability assessment process with social distancing, the higher performing group are turning to online fact finding and the use of video in higher percentages than those with the same or lower new business, as in Figure 15 - 17 respectively above. This replicates the pattern seen with the initial and discovery meetings, where higher performers again appeared to have a greater comfort, particularly with video.

# IN SHORT – THE 10 LEARNINGS

In summary, the data and commentary from respondents provides a helpful snapshot of what it takes to increase new business during the pandemic. The 10 learnings to take away are:

**1**

**FOCUS ON EXISTING CLIENTS**

**2**

**ADDRESS COVID AND ITS IMPLICATIONS HEAD-ON**

**3**

**SPEND MORE TIME BUILDING RAPPORT**

**4**

**OFFER A FREE INITIAL CONSULTATION**

**5**

**OPEN QUESTIONS ARE THE MOST POWERFUL  
FOR NEW BUSINESS**

**6**

**MAKE THE MOST OF VIDEO FROM THE OUTSET**

**7**

**INVESTING NEW MONEY AND REVIEWING PORTFOLIOS  
ARE A KEY PART OF A SUCCESSFUL OFFER**

**8**

**YOUR ONGOING REVIEW IS CENTRAL TO WINNING  
NEW BUSINESS**

**9**

**ONLINE RISK PROFILING IS USED BY MOST HIGH  
PERFORMERS**

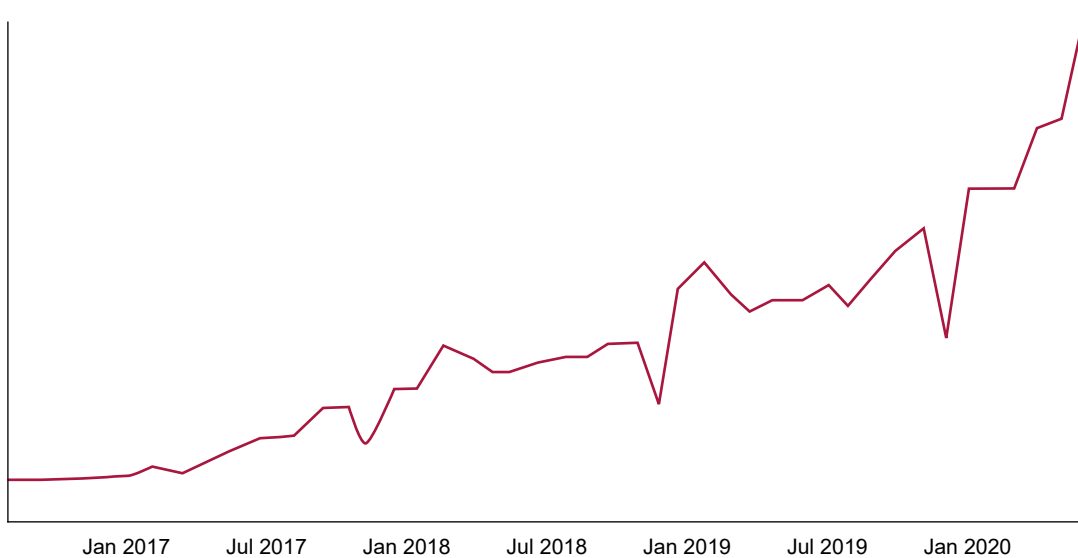
**10**

**SCREENSHARING FOR FACTFINDING AND DISCUSSING  
RECOMMENDATIONS IS USED MORE FREQUENTLY BY  
HIGHER PERFORMERS**

# HOW DYNAMIC PLANNER CAN HELP YOU GROW NEW BUSINESS

NEW BUSINESS LEARNING	HOW DYNAMIC PLANNER CAN HELP
Focus on existing clients	Dynamic Planner's <b>integrations</b> enable you to pull through existing clients' data from leading platforms, providers, CRM and practice management systems, including Intelligent Office from Intelliflo and Iress' Xplan which is in progress. A lot of the financial planning review of existing clients once in Dynamic Planner is automated.
Address COVID and its implications head-on	Dynamic Planner's <b>cash flow</b> planning capabilities allow you to model a client's existing situation, cash flows and assets along with a wide range of future risk-based scenarios around both the client's situation (for example the loss of employment) as well as potential investment losses and gains. Helping clients engage with their future finances can be very reassuring and/or help them take action to ensure better outcomes.
Spend more time building rapport	A particularly human ability, rapport building can only be done by the adviser. Once that's done though Dynamic Planner will ensure that the remainder of your financial planning process is as efficient as it can be. Outputs from the Dynamic Planner investment process - for example, the performance of the Dynamic Planner risk profiles throughout the pandemic crisis - can be used to reassure clients that you're using the best system in the business to support them. Behavioural finance is embedded in Dynamic Planner.
Offer a free initial consultation	Some firms have gone further, offering a cut down review using Dynamic Planner's <b>Review Module</b> . It looks at the client's current situation, portfolio and assesses all aspects of suitability. Firms estimates it takes about 10 minutes to create a simple review and are offering that to all clients as part of their initial consultation.
Open questions are the most powerful for new business	Again, a particularly human ability to ask and understand the responses to open questions. Dynamic Planner's <b>Cash Flow</b> model though helps model some of the key questions at the heart of client concerns. The speed of the system enables more conversations.
Make the most of video from the outset	The latest version of Dynamic Planner has been built to be <b>mobile friendly</b> and to enable you to engage with clients with the <b>system collaboratively</b> . Whether you are using Zoom, Teams, Skype or other video conferencing software - and on a laptop, tablet or even mobile - it looks fantastic and is designed to help you engage clients in their financial planning. <b>Online factfinding</b> is coming later this year.
Investing new money and reviewing portfolios are a key part of a successful offer	<b>Dynamic Planner's review process</b> is ideal for investing new money or reviewing portfolios. The ESG screen in Dynamic Planner's portfolio suitability hub is increasingly used by firms to screen for investments which meet clients' desires to have their values reflected in their portfolio.
Your ongoing review is central to winning new business	<b>Dynamic Planner's review process</b> generates a report which looks more like a personalised lifestyle magazine for your clients. In your brand, logo, colour and photo suite - a powerful, engaging review can be created in minutes, leaving you to discuss the implications with your clients.
Online risk profiling is used by most high performers	The use of Dynamic Planner's <b>risk profile client invitations</b> has grown significantly by 218% during the pandemic, as in figure 18 overleaf. Simple to use and white labelled to your firm, the client can be requested to complete a risk profile online, quickly and securely, helping you engage with your client efficiently whether they are new or existing. Some firms are using the invitation as a mechanism for building rapport with new clients.
Screensharing for factfinding and discussing recommendations is used more frequently by higher performers	The latest version of Dynamic Planner has been built to be <b>mobile friendly</b> and to enable you to engage with clients with the <b>system collaboratively</b> . Whether you are using Zoom, Teams, Skype or other video conferencing software - and on a laptop, tablet or even mobile - it looks fantastic and is designed to help you engage clients in their financial planning. <b>Online factfinding</b> is coming later this year.

**Figure 18 - Growth in risk profile client invitations**



“Before, we did complete risk questionnaires with clients face-to-face, but now perhaps 75% of our advisers email the client ahead of a meeting to complete the questionnaires on their own. That completely changes the conversation and allows you to go to that meeting and talk it through.”

**JACK IGGLESDEN,**  
**RADCLIFFE & CO**



“Advisers have started using the option Dynamic Planner offers to invite the client to complete risk profiling questionnaires on their own, prior to a meeting. In the future, we hope that will become standard.”

**CLARE EDES,**  
**SKERRITTS CHARTERED FINANCIAL PLANNERS**



“Dynamic Planner has helped even more this year. We’ve been able to send clients a link to complete their attitude to risk, prior to a meeting and people have had time on their hands, so they have been getting on with it. I sent one link out and it came back within five minutes!”

**SUSAN HILL,**  
**SUSAN HILL FINANCIAL PLANNING**

