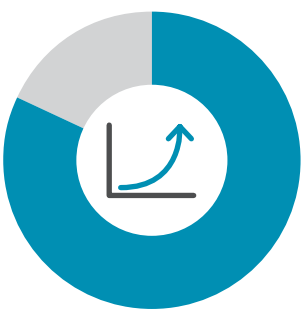


The Path to Financial Advisor Success

As the pressure to grow profit margins increases, continuous improvement within the Financial Advisor ranks becomes ever more important at each phase of a Financial Advisor's career. Building a true performance culture is paramount to Financial Advisor success.

Implementing a Performance Improvement Strategy Makes a **BIG** Difference



Firms that rigorously utilize these building blocks / tools for Financial Advisor success in their performance management cycle have experienced **82% better production growth** over the past several years.

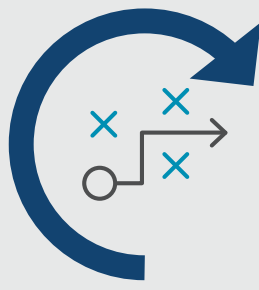
A True Performance Culture Requires a Clear Process

Performance cultures are characterized by continuous improvement. This means you need to identify where you are now, where you want to be, and how to get there, and then continuously repeat this process.



Identify Opportunities

A foundation of competitive intelligence helps you understand where you are and **identify areas for improvement.**



Construct a Plan

Utilizing critical building blocks, you **construct an action plan for success.**



Assess and Repeat

Benchmark progress, **assess the impact** of the action plan, and **repeat** the process to build a true performance culture.

Competitive Intelligence Sets the Foundation

Understanding the market is essential to establishing a baseline of where you are now and for putting stakes in the ground for achievable improvement.

Our research shows:

Average productivity in the Cincinnati market is **15% higher** than in the Cleveland market, despite their relatively close geographic proximity.

Average productivity for advisors with 11 to 15 years of experience is **71% higher** than for advisors with 8 to 10 years of experience in Cincinnati.

Median organic growth per same store advisor in 2016 was **- 2.0%**. This validates several firms' increased focus on improvement for this population.

Nearly all of 2016 Net New Assets were derived from recent **experienced recruits**, while same store advisors continue to tread water at best on Net New Assets.

Over 75% of total assets under management are concentrated in **key households** with more than \$1 million dollars of investible assets.

The **growth rate** experienced by advisors with a **heavier fee-based book of business** has been **33% better** than for more transactional book advisors in recent years.

Your Improvement Areas Guide the Action Plan

Understanding what areas need improvement informs which building blocks to utilize when developing an action plan for performance improvement. The building blocks for success help firms to improve on KPI's such as Financial Advisor productivity, organic growth, and customer and Financial Advisor retention.

The Building Blocks for Success



The top **CX KPIs** most closely **correlated with NPS** can be **different from CX KPIs correlated to asset growth**, identifying an important distinction between client satisfaction and share of wallet.



Nearly **60%** of client **assets are at-risk** by being tied to advisors fast approaching retirement.



Top quartile recruits **ramp up** AUM rates nearly **20% faster.**



5% increase in engagement results in **3% incremental revenue growth.**



Average productivity for Financial Advisors **on teams** was about **30% higher** than solo Financial Advisors.



Firms that spend efficiently on product support functions are **24% more productive** (relative to market) than firms that either over or under invest.

We leverage 50 years of knowledge in financial services to help firms build a performance culture for Financial Advisor success.

Paul Wagner
+1.312.381.4843
paul.wagner@mcclagan.com

Todd Crowley
+1.312.381.9706
tcrowley@mcclagan.com

About McLagan

McLagan provides tailored talent, rewards, and performance expertise to financial services firms across the globe. Since 1966, we have partnered with the largest and smallest financial services firms to help them make data-driven decisions to hire, retain, and engage the top talent for keeping the global economy running. Our compensation surveys are the most comprehensive, in-depth source of rewards data covering over 150 countries from more than 2,500 clients. Our consultants work with hundreds of firms annually to design total rewards programs and benchmark financial performance for boards of directors, executives, employees, and sales professionals. McLagan is a part of Aon Hewitt, a business unit of Aon plc (NYSE: AON). For more information, please visit mcclagan.aon.com.