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CENTREPOINT ALLIANCE VIRTUAL MASTERCLASS

# Insights to Excellence: How High Performing Firms Achieve Success

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# Learning Outcomes

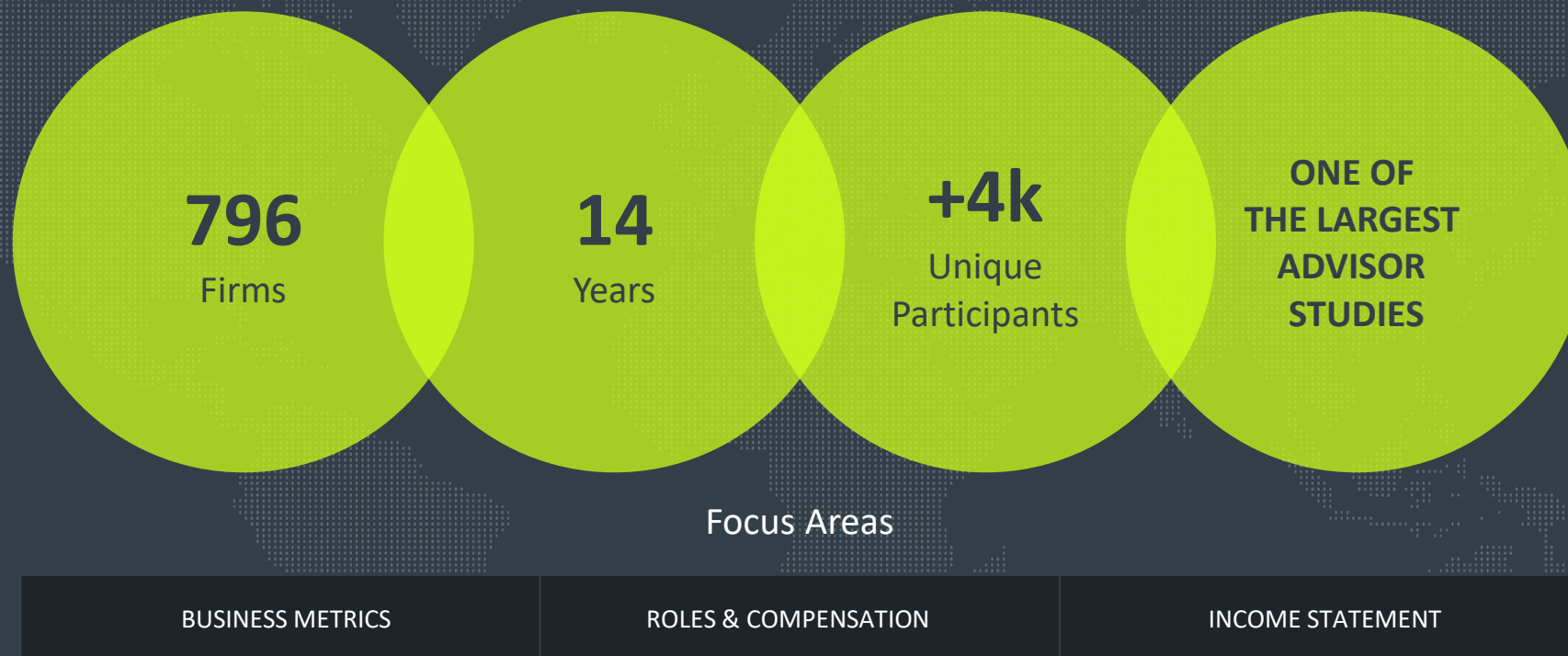
Identify the primary **growth** opportunities for advice firms in Australia and New Zealand.

Gain insights into the strategies High Performing Firms are using to enhance **capacity & profitability**.

Understand how to effectively deliver **strategic planning** benefits across many areas of your advice business.

## GLOBAL ADVISOR STUDY (2024)

A strategic practice management tool



# 2024 Global Advisor Study



## FOCUS AREAS

Core Business Metrics	Income Statement	Roles + Compensation
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Assets in AUD.  
Results from Dimensional 2024 Global Advisor Study. AU/NZ Only.

# High Performing Firms Defined



Dimensional defines the universe of High Performing Firms by ranking firms across five key metrics.

Each firm is given a percentile rank across the five metrics, and the average of these determines the overall ranking. The top quartile of firms by overall ranking are selected as High Performing Firms<sup>4</sup>.



1. Excluding death, divorce, "we terminated".

2. Excluding "we terminated".

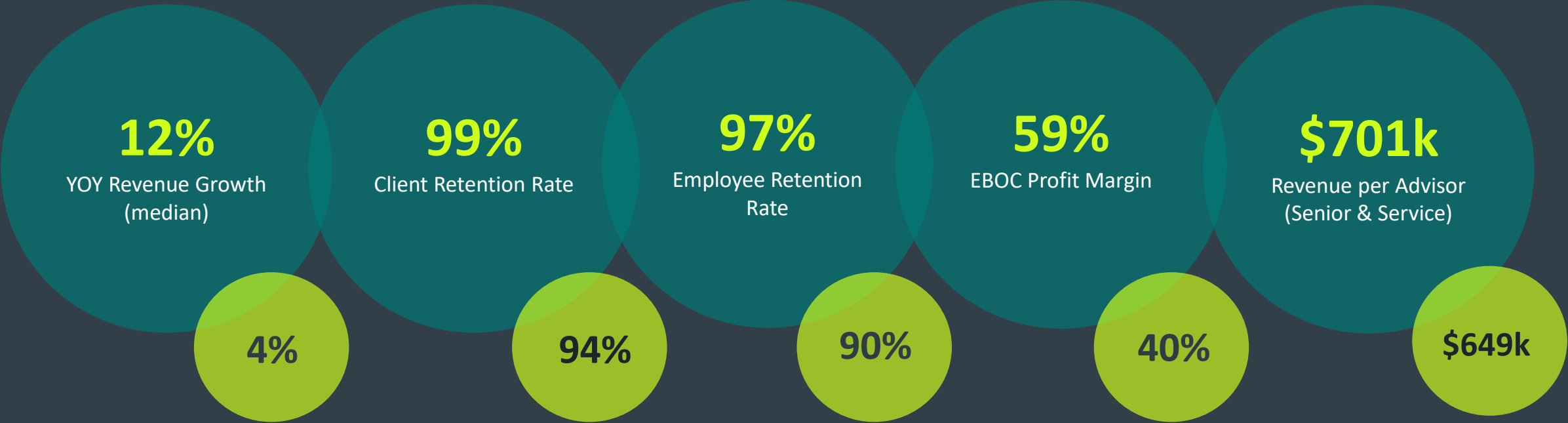
3. Service and Senior combined.

4. Firms must provide data for at least four of the five metrics to be under consideration as a High Performing Firm. Results from the Dimensional 2024 Global Advisor Study. 796 firms participated, of which 199 were designated as High Performing Firms.

# Summary | AU/NZ



High Performing Firms vs Other Firms



In AUD.  
Results from the Dimensional 2024 Global Advisor Study. 55 firms participated across AU/NZ, of which 14 were designated as High Performing Firms.

## QUESTION 1

What were the top three *growth* challenges for AU/NZ firms in 2024?

- A. Differentiating from competitors
- B. Sourcing prospective clients
- C. Developing a marketing strategy
- D. Capacity constraints
- E. Inorganic growth (M&A)
- F. Developing rainmakers

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# Challenges | 2024 AU/NZ Firms



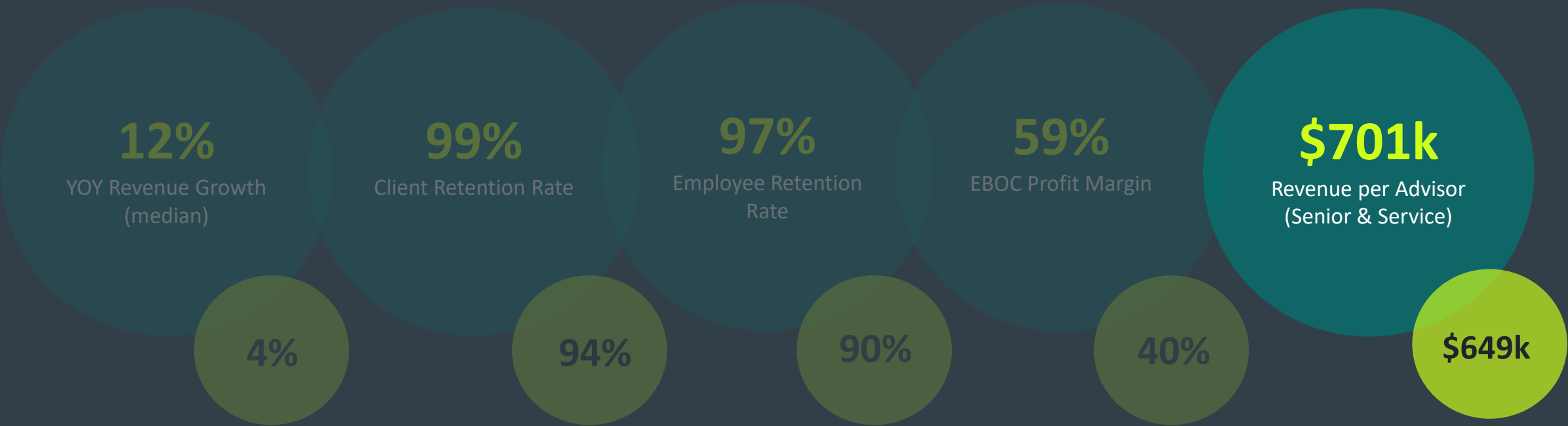
GROWTH		
	Other Firms	High Performing Firms
1	Sourcing Prospective Clients	Capacity Constraints
2	Developing Rainmakers	Sourcing Prospective Clients
3	Capacity Constraints	Developing Rainmakers

# Capacity

# Summary | AU/NZ



High Performing Firms vs Other Firms



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# Business Metrics | AU/NZ Firms



		Other Firms	High Performing Firms
FTEs	Revenue	\$240k	\$300k
	Assets	\$36M	\$50M
	Households	28	47
Advisor (Senior & Service)	Revenue	\$649k	\$701k
	Assets	\$100M	\$121M
	Households	83	117
Household	Revenue	\$8,804	\$7,469
	Assets	\$1.4M	\$1.4M

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## QUESTION 2

What were the top three *operational* challenges for AU/NZ firms in 2024?

- A. Selecting and maintaining technology
- B. Developing employees
- C. Lack of succession or exit strategy
- D. Implementing workflow processes
- E. Improving profitability
- F. Managing compliance and regulatory changes

## QUESTION 2

What were the top three *operational* challenges for AU/NZ firms in 2024?

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C. Lack of succession or exit strategy

D. Implementing workflow processes

E. Improving profitability

F. Managing compliance and regulatory changes

# Challenges | 2024 AU/NZ Firms



OPERATIONAL		
	Other Firms	High Performing Firms
1	Improving Profitability	Developing Employees
2	Implementing Workflow Processes	Selecting & Maintaining Technology
3	Selecting & Maintaining Technology	Implementing Workflow Processes

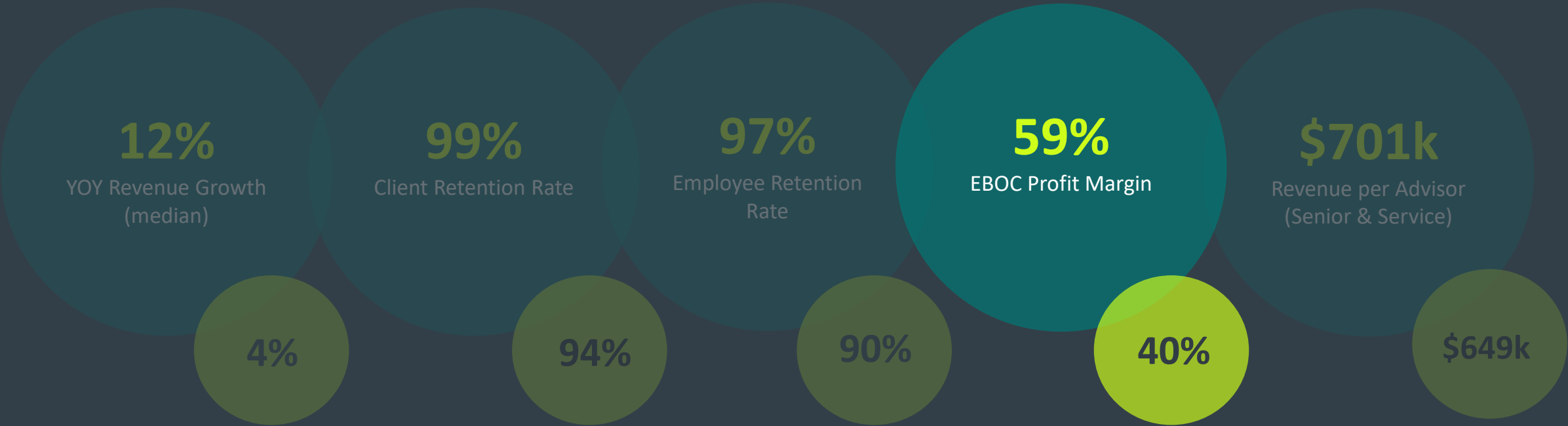
# Profitability



# Summary | AU/NZ

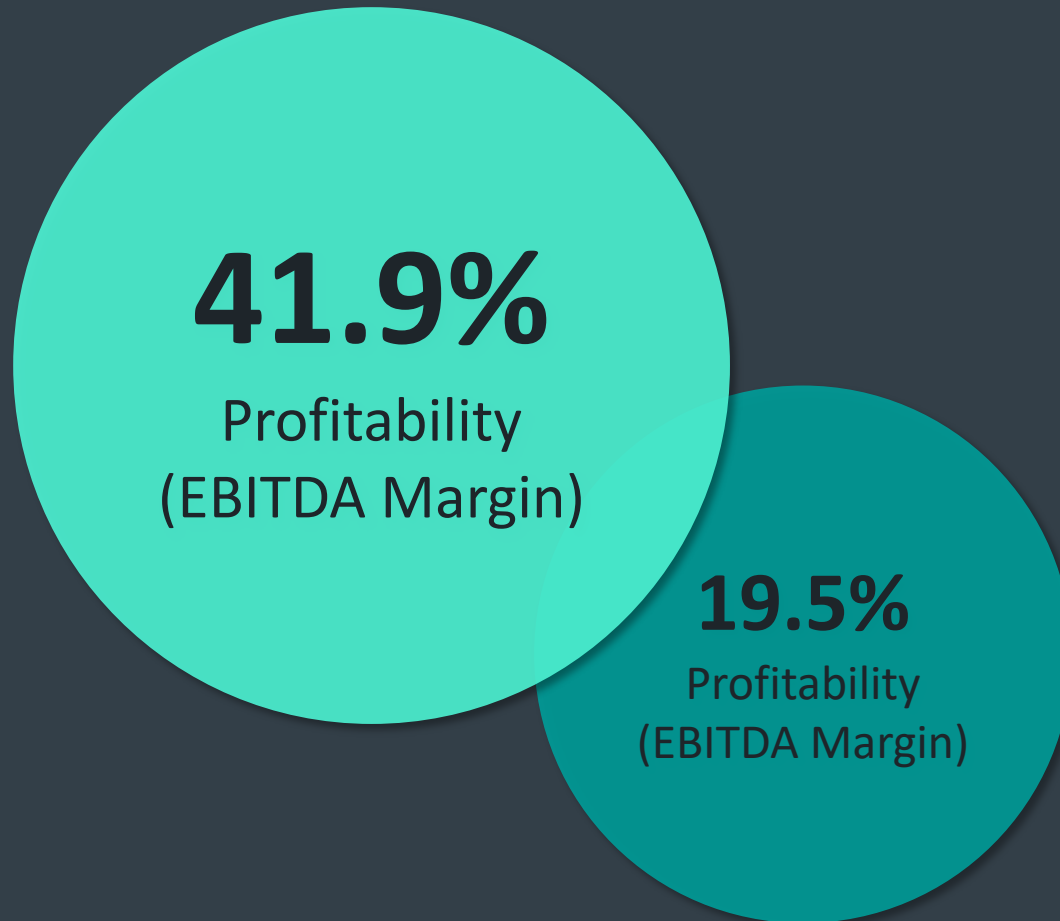


High Performing Firms vs Other Firms



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# AU/NZ Firms Average Profitability



- High Performing Firms
- Other Firms

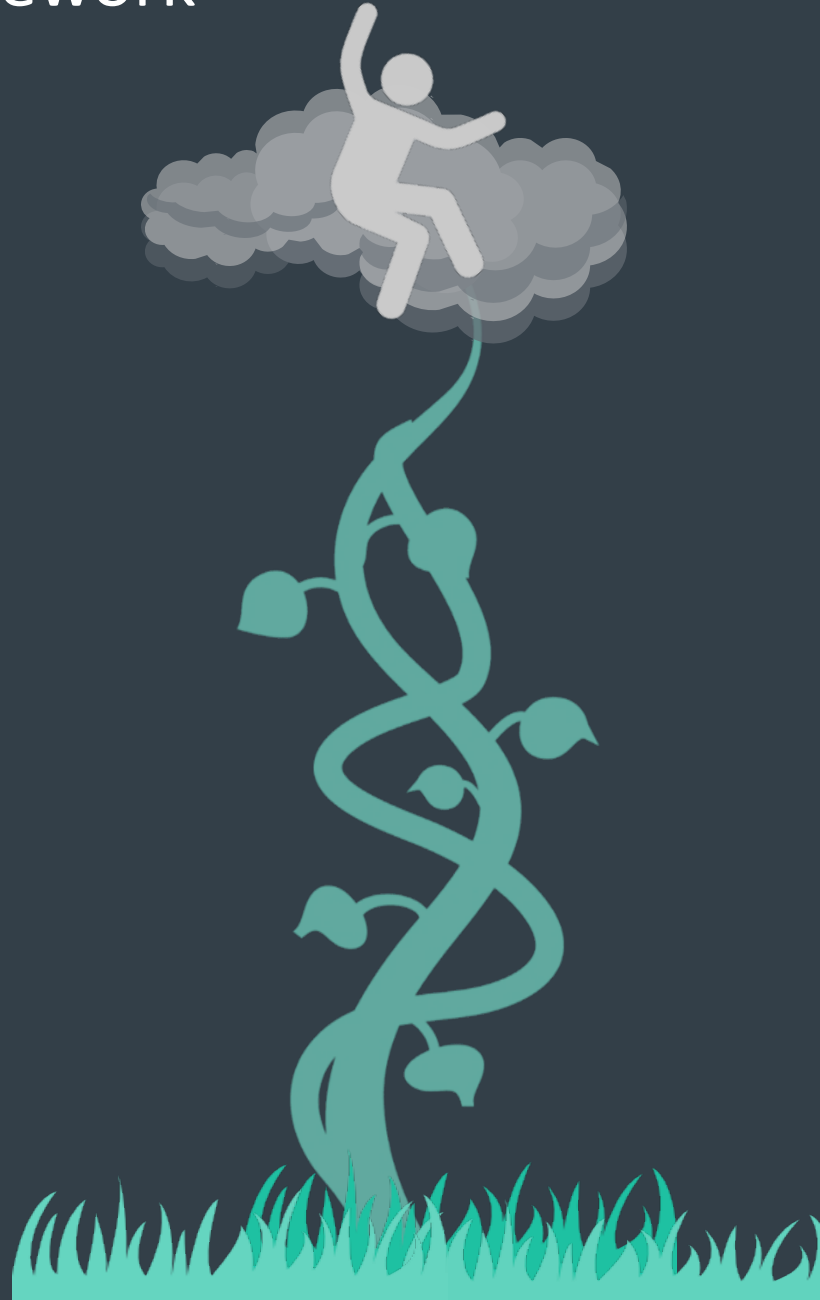
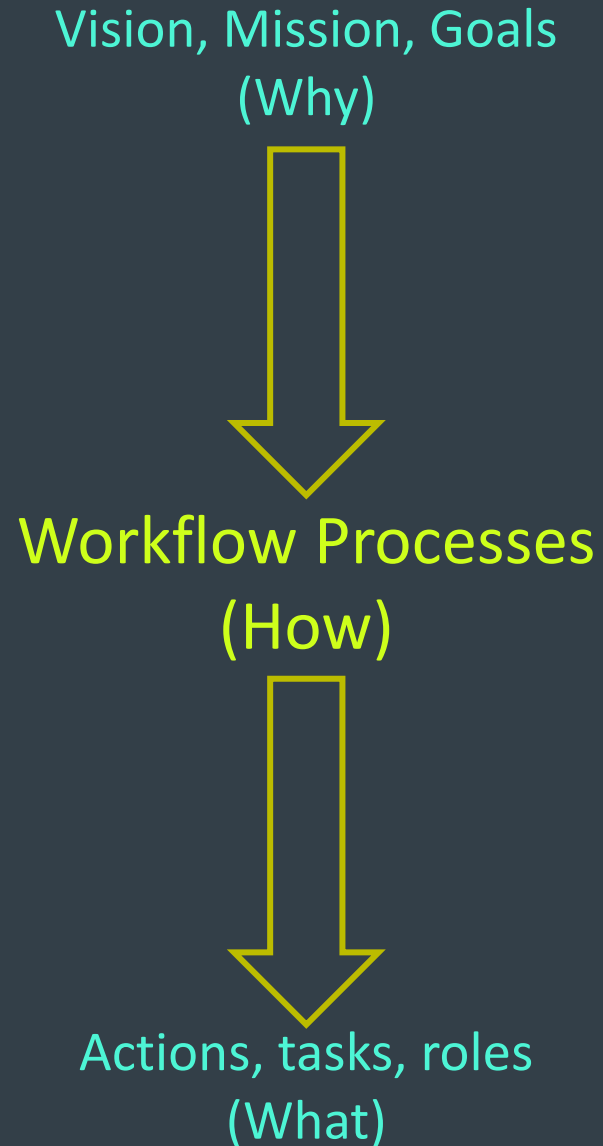
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Average profitability of all AU/NZ region firms was 25.1% EBITDA Margin

How are High Performing Firms  
operating at higher levels of capacity  
and profitability?

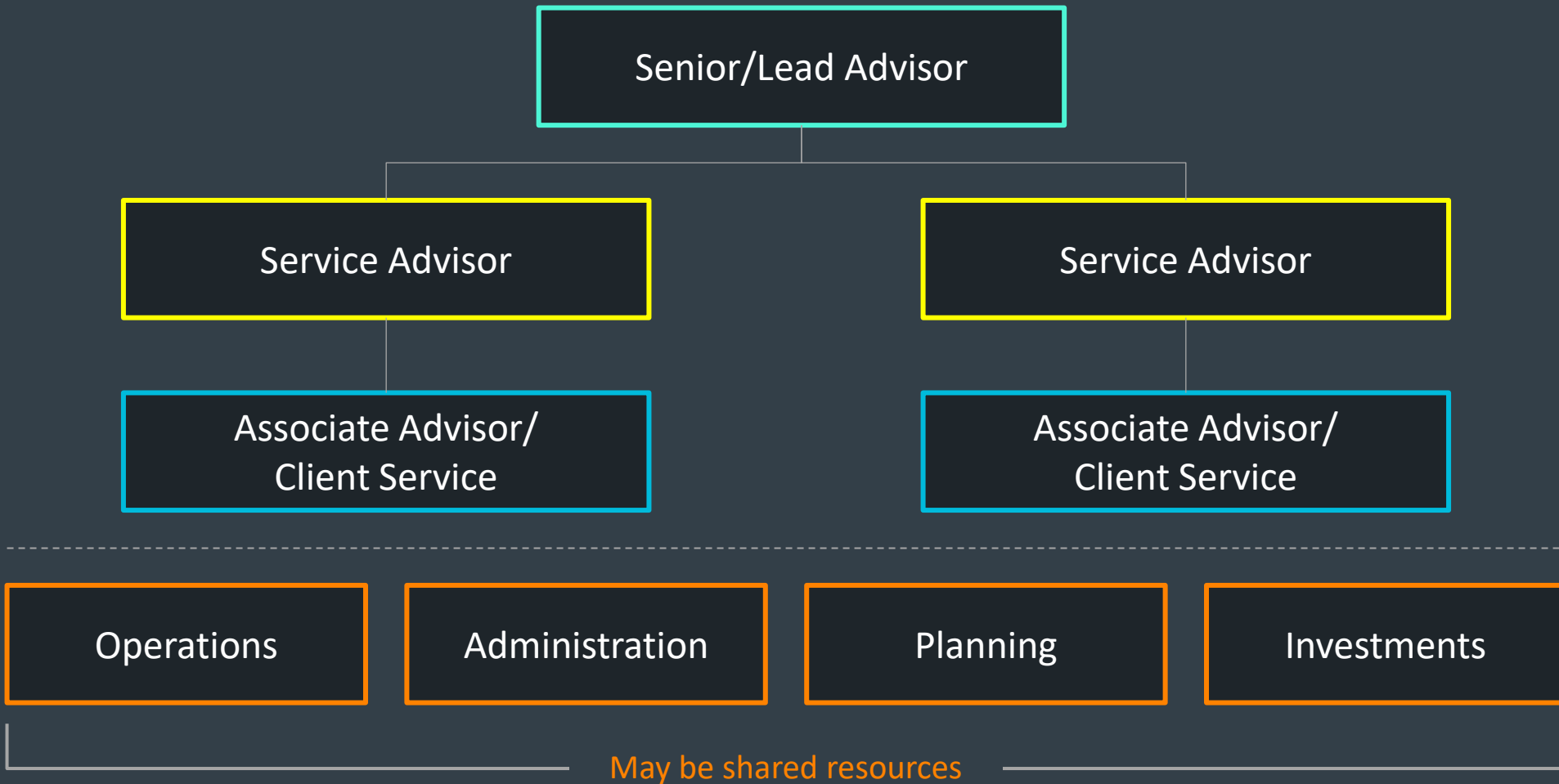
# Workflow Processes

# Strategic Planning Framework

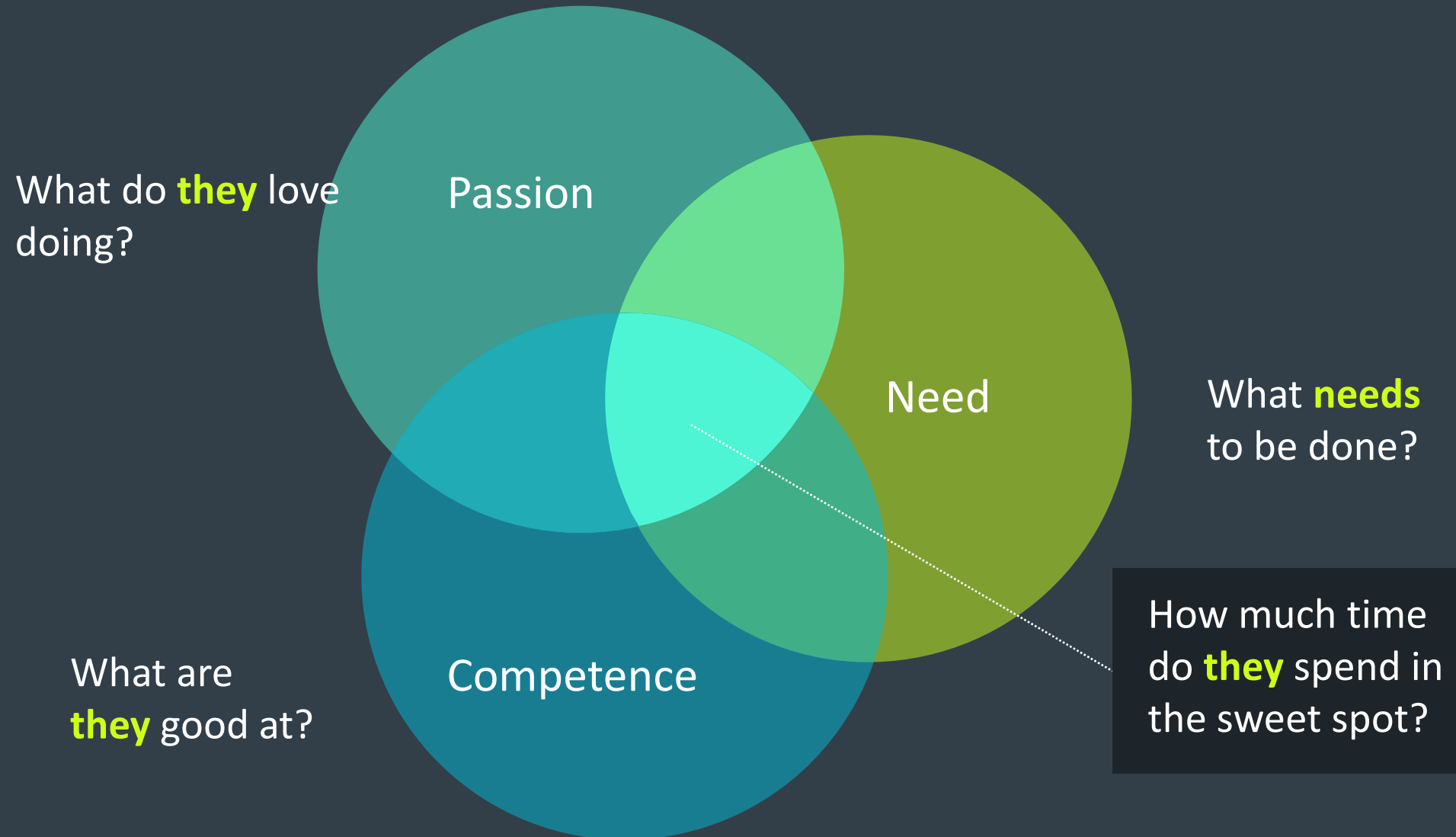


# Human Capital

# House Team Structure



# The Engaged **Employee**

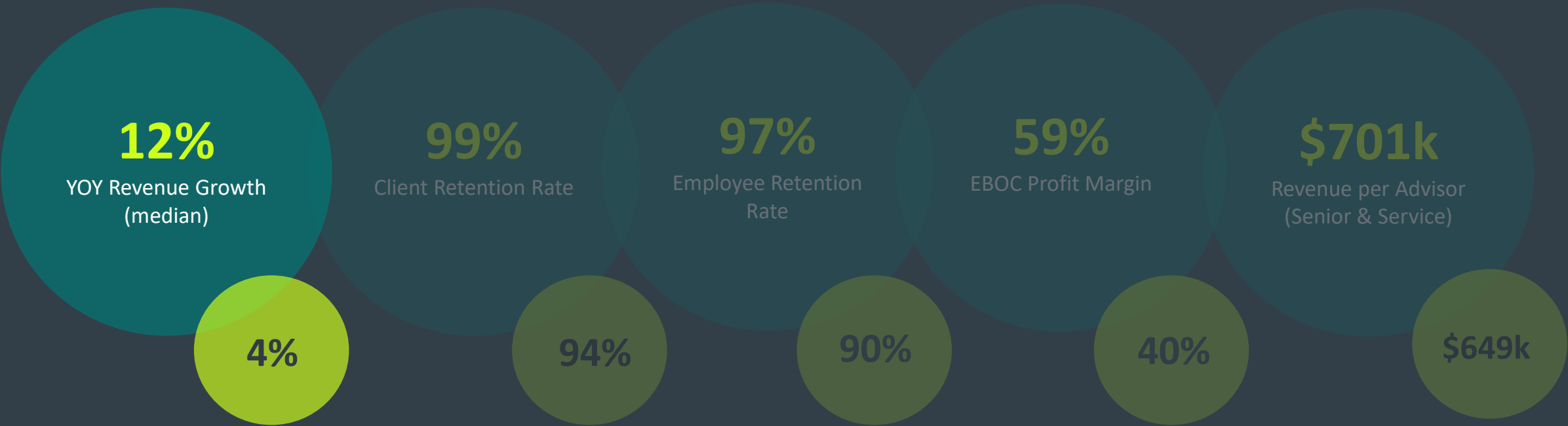




# Growth

# Summary | AU/NZ

High Performing Firms vs Other Firms



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### QUESTION 3

What were the top three channels of *new client growth* for AU/NZ firms in 2024?

- A. Events
- B. Advisors' business development
- C. Referrals from existing clients
- D. Referrals from centres of influence
- E. Mergers and acquisition
- F. Digital marketing

### QUESTION 3

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D. Referrals from centres of influence

E. Mergers and acquisition

F. Digital marketing

# Source of New Clients | AU/NZ

	Other Firms	High Performing Firms
1	Referrals from existing clients	Referrals from existing clients
2	Referrals from Centers of Influence (COI)	Mergers & Acquisition
3	Digital Marketing	Referrals from Centers of Influence (COI)

Across AU/NZ, firms consistently gain new clients through existing client referrals.

HPFs gain more clients via M&A and fewer clients via Digital Marketing than Other Firms.

**36%** of AU/NZ firms have a defined *process* for driving client referrals.

## Insights to Excellence

### Capacity & Profitability

High performing firms are operating at higher levels of capacity and profitability through the ongoing development and refinement of **workflow processes** and the smart allocation of **human capital**.

### Growth

**Existing client referrals** are consistently the dominant channel of growth.

High performance is achieved by having a well defined, repeatable process to capture client referrals.

### Strategic Planning

Following a process of **Why, How, What** has been effective in delivering strategic planning benefits across many areas of the business such as client value proposition, service offer and investment methodology.

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## **Dimensional Global Investor and Global Advisor Study**

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