

OLDMUTUAL



UNVEILING OUR JOURNEY OF TRANSFORMATION



WEALTH

TABLE OF CONTENTS

UNVEILING OUR JOURNEY OF TRANSFORMATION

3

DISCOVERING OUR TEAM

4

NAVIGATING THE FUTURE OF FINANCIAL PLANNING: A RETROSPECTIVE ANALYSIS OF PAST TRENDS

6

The Changing Landscape

Anticipating Client Expectations

PAST TREND #1: Hyper-Personalisation

PAST TREND #2: Harmonising Employee Wellbeing and
Exceptional Client Experience

PAST TREND #3: Replatforming

PAST TRENDS #4 AND #5: Intergenerational Planning &
Longevity, and Legacy Services & The Family Charter

CURRENT LANDSCAPE: NAVIGATING TRENDS IN 2023

10

TREND #1: Unlocking Financial Mindsets – Behavioural Coaching

TREND #2: Digital Communities

TREND #3: Risk Mitigation Strategy

TREND #4: Tax and Estate Planning Technology

TREND #5: Outsourced Investment Management

TREND #6: Ongoing Cybersecurity Vigilance

TREND #7: Embracing Fee Structure Optimisation

SHOWCASING OUR THOUGHT LEADERSHIP

14

Business Transition

Business Valuation

Remuneration Survey

Employee Wellbeing Survey

Cultivating Culture

UNLOCKING BUSINESS POTENTIAL IN 2024: A VISION FOR SUCCESS

20

FUTURE INSIGHTS – 2024 and beyond

TO WRAP UP

24



UNVEILING OUR JOURNEY OF TRANSFORMATION

Introducing our Business Transformation Services (BTS) White Paper for 2023, we invite you to follow our journey through the transformative years of our industry.

In 2019, we laid the groundwork by identifying crucial trends that would shape the future of financial services. Looking back on the progress made by our Strategic Partners over the past year, our community has been hard at work. They have not only focused on their roles as Leaders, Financial Planners/Advisers and Business Owners within their businesses, but they have also dedicated themselves to improving the inner workings of their business models. This entailed enhancing business-facing functions and client-facing functions, all while optimising financial growth and profitability.

In this paper, we proudly showcase the significant impact we have made as our community's accountability partners and thought leaders, in navigating the dynamic world of 2023. This year, we focused on how businesses have become more adaptable, agile, innovative and resilient, embracing new ways of working, utilising technology for scalability as well as managing changing client expectations.

With an unwavering commitment to delivering excellence, we explore the essential capabilities and skills required to not only survive but also thrive in this disruptive environment. Our approach is grounded in a global perspective, constantly monitoring international trends, while ensuring that our insights are meticulously personalised to fit the uniqueness of our South African market.

Join us as we delve into the best practices and trends that will continue to shape the industry in the next three years, illuminating the path forward for our valued partners and our ever-evolving community.

We hope you enjoy reading our BTS White Paper as much as we celebrate the success of our community and the progress achieved by our team of Business Transformation Coaches.

"In your journey of business evolution, we stand with you as your dedicated partner, guiding your transformation, and fuelling your success."

With ongoing respect and gratitude

Old Mutual Wealth Business Transformation Consultants

DISCOVERING OUR TEAM



In a constantly changing and unrestrained operating environment, which provides little room for business owners to “take a breath”, reflect or adjust, the ability to fortify their business, and consistently deliver unwavering value, has become an essential skill for financial planners and advisers.

Our Business Transformation Programme is purposefully crafted to systematically promote a harmonious balance between the multifaceted roles performed by our Strategic Partners. These roles involve wearing a Business Owner Hat, Manager Hat, Adviser/Planner Hat and a Shareholder Hat.

As Business Transformation Consultants at Old Mutual Wealth, we are industry specialists with a wealth of experience, having partnered with business owners throughout the journey of running, expanding and exiting their business. Drawing upon years of engagement with a diverse array of lifestyle financial planning professionals and their businesses nationwide, we bring a treasure trove of insights, knowledge, methodologies and tool sets, to empower your business for uninterrupted success.

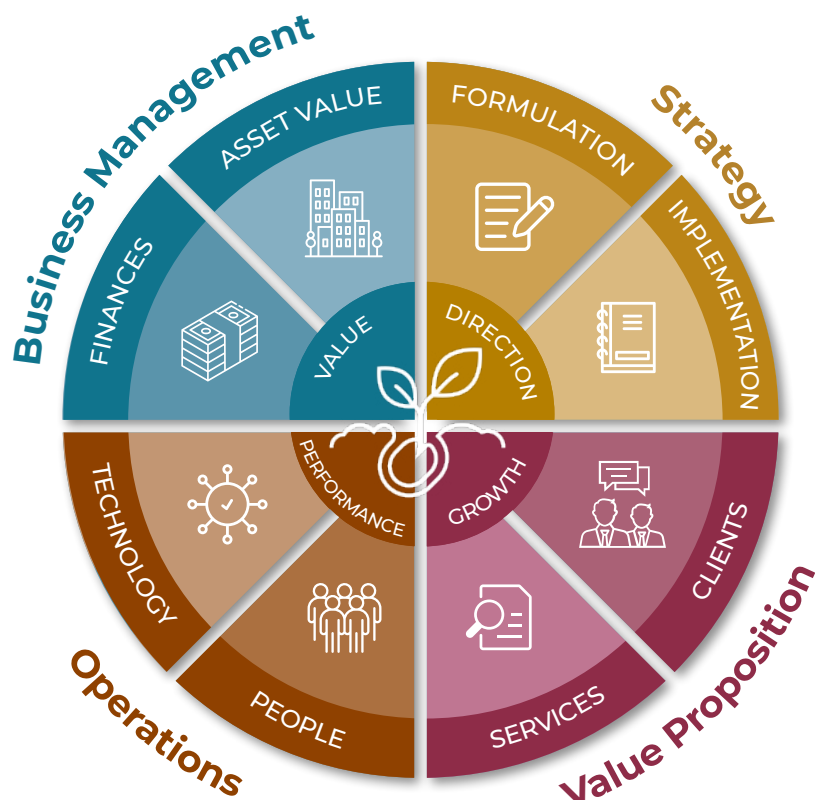
As business transformation experts, we collaborate closely with you to identify and eradicate bottlenecks and operational frustrations in both your front- and back-office functions. This collaborative effort streamlines your operational processes and elevates

your overall efficiency, affording you more time to concentrate on client interactions and fostering business growth and profits.

We pride ourselves on leveraging global industry best practices, drawing inspiration from the business landscapes of the UK, USA and Australia, all while acknowledging the unique dynamics of the South African business ecosystem. Our aim is to strike a balance between staying attuned to international trends and respecting the distinct business cycles and economic climate inherent to our beautiful country. Our objective is to enable and equip you to remain not just relevant, but also competitive and sustainable in a volatile and heavily regulated operating environment.

Beyond our hands-on guidance and coaching methodology, we become your accountability partner, challenging the status quo, providing insights and recommendations, and working with you to build an enduring intergenerational business that stands proudly and prominently in your chosen market.

Our dynamic online business tools and thought leadership resources empower you to assess and benchmark your performance and strategically plan for the ongoing evolution of your business. This ensures your adaptability to changing employee expectations, client needs and industry dynamics, strengthening your capacity for continued success.



NAVIGATING THE FUTURE OF FINANCIAL PLANNING: A RETROSPECTIVE ANALYSIS OF PAST TRENDS



In the midst of disruptive forces that have transformed the financial landscape, our industry has not merely adapted; it has evolved in unprecedented ways. The financial industry, like many others, underwent a profound metamorphosis, altering not only how value is created but also what is valued. As we look back to 2019, it becomes evident that our foresight into the future trends of financial planning practices following the impact of the pandemic was instrumental in guiding our Strategic Partner businesses through a period of change.

THE CHANGING LANDSCAPE

In the early days of the 2020 global lockdown, we embarked on an extensive research effort, driven by the imperative to comprehend how the world of financial planning would adapt in the wake of the global pandemic and beyond. Our anticipation then was that today's consumers would be characterised by heightened connectivity and complexity. This was a direct result of the accelerated shift towards a predominantly digital world – a transformation that not only changed the way the financial industry created value but also recalibrated the very essence of what clients valued.

As our clients made lifestyle, career and financial decisions, they did so influenced by their social networks and peers. This intricate web of connections rendered it more challenging to capture their attention and retain their trust. Simultaneously, the challenge lay in delivering the value they sought while addressing concerns related to the cost of that value.

The ramifications were clear: a new world necessitated a change not just in marketing strategy, but in all facets of business operations. It demanded a fresh mindset, a refined skill set, and a modern tool set for navigating the evolving business landscape. We were amid a substantial transformation of our economy, society and culture, affecting almost every facet of the world view held by us as well as our clients.

ANTICIPATING CLIENT EXPECTATIONS

Crucially, we could no longer afford to be reactive, waiting to discern our clients' needs or desires before formulating our strategies. Instead, we recognised the imperative to anticipate these expectations well in advance. This would empower us to design the necessary services and experiences, implementing them ahead of the competition and in alignment with the evolving landscape.

In 2019, we identified five pivotal trends that we believed would reshape the financial planning business environment. These trends would influence how financial planners interacted with their clients, teams and service provider ecosystems, and how they would prepare themselves and their businesses for the upcoming disruptions.

As we journey through this retrospective analysis, we will revisit these trends, exploring the depth of their impact and the strategies that emerged to meet these evolving challenges. The past trends we envisioned in 2019 have now become an integral part of the financial planning landscape, providing valuable lessons for the future.

Join us in examining how these trends have influenced the course of our Strategic Partner businesses, and how they continue to shape the way these businesses deliberately serve their clients and adapt to a dynamic world.

As we reflect on the past trends, it becomes evident that hyper-personalisation, employee wellbeing, system replatforming, intergenerational planning and legacy services were essential in transforming the landscape of financial planning in recent years. These trends, although rooted in the past, continue to influence our industry in new ways.

Let us delve deeper and explore the profound impact these previously identified trends had on our Strategic Partner businesses.

PAST TREND #1: HYPER-PERSONALISATION

The trend of hyper-personalisation, aimed at delivering highly personalised client experiences by harnessing real-time client data, has been a prominent theme in recent years. We played a critical role in helping our community adapt and implement the principles of hyper-personalisation.

We guided financial advisers in taking the following practical steps to embrace this trend and meet the evolving demands of their clients and new target markets:



Comprehensive Data Collection: We assisted planners in effectively collecting and analysing data pertaining to client behaviours patterns and preferences within their CRM systems. This allowed for a deeper understanding of individual client needs.



Customised Touchpoints: We worked with planners to identify opportunities for enhancing client touchpoints through insights gathered from the collected data, ultimately elevating the overall design of their client experience(s).



Automation: We facilitated the streamlining and automation of the customisation process, enabling planners to leverage sophisticated systems to deliver hyper-personalised experiences efficiently and consistently.

This trend empowered financial planners to establish more robust relationships with their clients, enhancing client satisfaction and broadening the scope of their services beyond conventional financial planning. It was a key driver of success in the evolving landscape of wealth management.

PAST TREND #2: HARMONISING EMPLOYEE WELLBEING AND EXCEPTIONAL CLIENT EXPERIENCE

Recognising the pivotal role of employee performance in delivering an exceptional client experience, the industry made significant progress in prioritising the wellbeing of its workforce. We played a vital role in guiding our community through this critical trend. We provided comprehensive support to our Strategic Partner businesses in fostering an environment where employee wellbeing and delivering an exceptional client experience were seamlessly harmonised.

The following are key areas where we provided invaluable assistance:



Gathering Client Feedback: We emphasised the importance of collecting feedback from clients to gain a deeper understanding of their expectations at various touchpoints along the client journey. By aligning employee performance with client expectations, businesses were better equipped to enhance the overall client experience.



Competency Assessment: We collaborated closely with planners to assess the competencies required from their employees to effectively meet these client expectations. This assessment ensured that employees had the necessary skills to deliver superior client service.



Personalised Development Plans: We assisted in creating individualised development plans for employees, addressing competency gaps effectively. By focusing on personalised development, businesses could empower their employees to excel in their roles.



Incentive Alignment: We encouraged businesses to review their employee incentive models, ensuring that they rewarded the competencies and outcomes that drive the desired client experiences. This alignment helped motivate and engage employees, leading to improved client satisfaction.

PAST TREND #3: REPLATFORMING

The significance of technology in delivering a world-class client experience was underscored by the trend of replatforming. As experienced business transformation consultants, we provided invaluable support in navigating the challenges associated with replatforming, offering guidance on the following key steps:



Revisiting the Client Journey: We stressed the importance of conducting a comprehensive assessment of their client journey to identify the systems our Strategic Partner businesses needed for enabling and automating a hyper-personalised experience. This assessment helped streamline their technology infrastructure and enhance client interactions.



Optimising Systems: Collaborating closely with our planners, we conducted a thorough assessment of their current systems and integration. Our focus was on prioritising efficient solutions while stressing the importance of providing adequate employee training. This comprehensive approach ensured a seamless adaptation and transition to new systems.



Avoiding Unnecessary Complexity: We advised businesses to exercise caution when considering new systems, promoting the adoption of effective existing solutions over potentially distracting innovations. This focus on simplicity ensured that technology enhancements served the core business requirements and client experience(s).

PAST TRENDS #4 AND #5: INTERGENERATIONAL PLANNING & LONGEVITY, AND LEGACY SERVICES & THE FAMILY CHARTER

The realisation that significant wealth is set to transfer across generations prompted the industry to consider intergenerational planning and legacy services. We once again played an important role in steering our community through these intricate trends, offering assistance in the following areas:



Risk Assessment: We collaborated with our planners to assess the business-level risk associated with wealth held by ageing clients, with the understanding that a significant portion of it would transition out of their business. This assessment helped businesses develop strategies for managing this wealth transition effectively.



Client-Level Engagement: We encouraged our planners to identify clients who held these assets and evaluate the depth of engagement with them and their extended families. This engagement assessment allowed our Strategic Partner businesses to design their services to meet the specific needs of clients and their families.



Initiating Vital Conversations: We guided our planners in commencing crucial discussions with clients and their families concerning intergenerational wealth risk. The development of a “family charter” to preserve and grow wealth for future generations was a vital component of these discussions. This initiative ensured that clients were prepared for the wealth transition process.

As we move forward, let us keep in mind the valuable lessons learned from these past trends. They serve as a foundation upon which we can continue to build and evolve, ensuring that our Strategic Partner businesses remain resilient, relevant and responsive to the dynamic needs of their clients and the ever-changing financial landscape.

CURRENT LANDSCAPE: NAVIGATING TRENDS IN 2023



As we cast our gaze back upon the past year in the realm of financial planning, it is evident that the landscape has continued to evolve at a remarkable pace. The year has brought about a myriad of transformative trends, each leaving a lasting mark on the industry. These trends have not only influenced the way our Strategic Partner businesses operate, but have also significantly impacted the experience they deliver to their clients.

TREND #1: UNLOCKING FINANCIAL MINDSETS – BEHAVIOURAL COACHING

One of the prevailing trends that emerged during the past year was the profound shift towards behavioural coaching. Financial planning businesses have embraced a holistic approach that extends well beyond traditional investment portfolio management. In this evolution, our financial planners have wholeheartedly committed themselves to nurturing the holistic wellbeing of their clients. They have actively engaged in behavioural coaching, collaboratively inspiring and sustaining their clients' financial motivation.

The impact of this trend is profound. It has empowered clients with a newfound sense of financial control, guiding them to craft a financial future that resonates deeply on both a personal and an emotional level. This approach transcends the mere financial aspects, placing emphasis on comprehensive wellbeing strategies that ensure clients not only grow their wealth but also lead lives filled with purpose and fulfilment.

[CLICK HERE](#)

to contact us and find out more about Old Mutual Wealth's Integral Behaviour Coaching Programme.

TREND #2: DIGITAL COMMUNITIES

Another compelling trend that has unfolded in the past year is the deliberate and consistent use of various social media platforms in financial planning. These platforms, including Twitter (also known as X), LinkedIn, Facebook and TikTok, have served as vibrant hubs for planners to establish and nurture communities.

The impact of this trend is profound, underscoring the growing importance of a dynamic online presence in the financial planning landscape. Our planners have harnessed these platforms to share insights, conduct live events, and engage in informative discussions. This commitment to authenticity and interactivity has not only ensured that their audiences remain engaged, but also exemplifies the evolving approach to client engagement.

TREND #3: RISK MITIGATION STRATEGY

In response to evolving economic conditions, our Strategic Partners have placed a significant focus on defensive planning, recognising its paramount significance in times of uncertainty. This trend has seen our partners guide clients in building resilient emergency funds, serving as a robust financial safety net. In addition, thorough reviews of insurance policies have been conducted to ensure comprehensive coverage, while estate planning discussions have emphasised the importance of securing legacies.

The impact of this trend is profound, equipping clients with personalised risk mitigation strategies aligned with their financial and lifestyle goals and risk tolerance. Clients are better prepared to face unexpected life events with confidence, and their financial wellbeing is fortified.

TREND #4: TAX AND ESTATE PLANNING TECHNOLOGY

Throughout the past year, the strategic utilisation of technology has been a continuous trend within our Strategic Partner community. Advanced software solutions have streamlined tax and estate planning for clients with fundamental requirements in these domains.

The impact of this trend is a more comprehensive and user-friendly financial planning experience. Automation has simplified the complex and time-consuming process of creating wills and trusts, making these critical aspects of financial planning more accessible to clients.

TREND #5: OUTSOURCED INVESTMENT MANAGEMENT

A growing number of our financial planners have recognised the benefits of delegating investment functions to third-party specialists, a trend that has gained prominence over the past year. This strategic shift has enhanced governance, reduced volatility, mitigated risk and lowered costs.

The impact of this trend has allowed our financial planners to redirect their attention towards core business activities, such as nurturing client relationships and guiding clients towards their lifestyle and financial goals, thereby enhancing their overall client experience.

TREND #6: ONGOING CYBERSECURITY VIGILANCE

The past year has witnessed a growing need for ongoing cybersecurity vigilance, especially as the financial industry increasingly adopts digital technologies. The risk to IT infrastructure has grown significantly, with daily ransomware attacks serving as a stark reminder.

The impact of this trend is evident in the robust preventive technologies, policies and procedures implemented by our Strategic Partners. These measures safeguard client data and assets, ensuring the continuity of services, the protection of intellectual property, the confidentiality of client information, and guarding against reputational damage and potential litigation.

TREND #7: EMBRACING FEE STRUCTURE OPTIMISATION

A key driver of business financial growth lies in recognising and nurturing the gap between cost and price. To capitalise on this opportunity, it demands unwavering commitment to charging appropriate fees for services rendered. It's essential to recognise that these discussions with clients are not primarily about fees but rather revolve around the growth and sustainability of your business model and the intrinsic value experienced by clients through you, as their financial adviser.

Conversely, the critical axis of the fee conversation revolves around the gap between price and the perceived value. This dimension hinges on clients' willingness to invest in the fees charged for financial services. Here, the spotlight is squarely on nurturing the growth and wellbeing of clients.

The impact of this perspective is profound, allowing financial businesses to thrive and expand while providing clients with the quality of service they deserve. It ensures that businesses remain financially robust and capable of delivering the utmost value.

Frequently, clients who raise questions about fees may lack clarity regarding the services to which they are entitled, the value offered by these services, and the realistic outcomes they can anticipate. To bridge this gap, clear and transparent communication is imperative, fostering alignment between the price charged, the value delivered, and the tangible results clients can expect to achieve.

The impact of this client-centric approach cannot be overstated. It acknowledges that clients are partners in their financial journey, and the fees they pay are an investment in their growth and wealth creation. It underscored the importance of setting up tiered services and fee models within our Strategic Partner businesses that align with clients' needs and financial capacities.

By helping our Strategic Partners recognise the distinct roles and incentives of businesses and clients in the financial relationship, they can operate with financial integrity while fostering the growth and success of their clients. The alignment of fee structures with client needs and the clear communication of the value proposition further solidify the symbiotic partnership between financial planners and the clients they serve.

This approach not only bolstered the financial health of our Strategic Partner businesses, but also empowered clients to make informed decisions about their financial wellbeing, ultimately resulting in a win-win scenario for all parties involved.

In conclusion, the past year has been marked by a series of profound shifts and transformative trends in the world of financial planning. These trends have not only shaped our Strategic Partner businesses, but have also significantly influenced the experiences and services delivered to their clients. As we continue to monitor these trends into the next year, we will gain an even more comprehensive understanding of their enduring impact on the financial planning landscape.

SHOWCASING OUR THOUGHT LEADERSHIP



Reflecting on the year that has transpired, our journey has been nothing short of remarkable. Over the course of the past year, we celebrated numerous milestones while embracing the invaluable learning experiences that have allowed us to remain adaptable and to fine-tune our initiatives. This adaptive approach has ensured that the thought leadership content we delivered to our esteemed Strategic Partners remains consistently forward-thinking and tailored to their specific needs as business owners and lifestyle financial planners.

As business transformation consultants, our commitment was unwavering in our mission to provide thought leadership content that not only addresses the immediate pain points in an easy-to-digest format to our Strategic Partners, but also propels them into the future.

Upon reflecting on the year that was, our attention was channelled towards Business Transition, Business Valuations, Remuneration Surveys, Employee Wellbeing and Cultivating Culture. These key focal points have paved the way for invaluable insights, enhancing the overall resilience and growth of our community.

BUSINESS TRANSITION

In the context of our journey through 2023, succession planning continued to be a prominent and pertinent issue, gaining increased traction not only within our community but also across the financial services industry. Our engagements have seen a significant increase on this topic, with financial planners now actively engaging in earnest conversations with prospective buyers and sellers, with a diverse array of objectives in mind.

Our discussions have encompassed setting the groundwork for sale price negotiations, establishing "fair value" for share distribution, creating collateral to secure

loans or raise capital, and even extending to estate planning, marital contracts and divorce proceedings.

These experiences solidified our understanding of the incredible diversity that characterises businesses in the financial services industry. The experiences confirm our continued narrative that no two practices operate in the same manner, and client bases are managed with their own unique nuances. Succession and continuity plans differ significantly from one planner or business to another. Some transitions involve the sale or transfer of client bases, while others pertain to entire businesses.

Furthermore, we have seen many transitions that involve the transfer of clients from one planner to another under the same FSP licence, and recently, more planners have been moving clients from one licence to another entirely. We have noticed once again that the timelines for these transitions can also vary widely, ranging from swift handovers in sudden exit scenarios to gradual transitions spanning several years.

In our experience to navigate these transitions, we have encountered a range of challenges. These include the complexities surrounding the determination of a timeline for transitioning client relationships, identifying which client profiles to transition and which to retain, scenarios where the exiting planner/business owner cannot definitively commit to an exit date, limitations in back-office skills and capacity, planners grappling with the selection of an appropriate "right fit" for a successor, and the lack of a documented advice blueprint essential for ensuring a seamless client experience.

Given this inherent diversity, it is imperative to understand that our approach as business transformation consultants to succession and continuity planning is based on the premise that there is no one-size-fits-all approach and each transition represents a unique journey, moulded by the specific circumstances and preferences of the planners and/or businesses involved.

Q Do any of the principals/planners intend leaving the business in the foreseeable future?

A Not in the foreseeable future. **82%**

Q Has an appropriate successor been identified for all possible succession plan scenarios (death, disability, illness and retirement)?

A The identified successor(s) still needs/need to agree to the terms and conditions of the succession plan. **37%**

Q Does the business have a formal succession plan in place?

A We are in the process of formalising a succession plan. **28.50%**

Q For which events does the succession plan cater? (You may select more than one answer.)

A Retirement of a principal/ key financial planner. **38%**

Q Does the succession plan address the transitioning of clients during a succession?

A We have documented our client transition plan in our succession plan. **29%**

Q Which implications have been planned for in the client transition plan? (You may select more than one option.)

A Advice and Investment Philosophy **48%**

Q Does the succession plan address the transitioning of clients during a succession?

A Practical implications have been considered and addressed in our documented succession plan. **18%**

Q Which of the following staff implications has/ have been considered? (You may select more than one option.)

A Not in the foreseeable future. **48%**

Q Have you considered how the transfer of ownership will be funded?

A We have finalised and documented the funding for the transfer of ownership. **35%**

Q Has the transfer of ownership been documented in your will and discussed with relevant family members?

A Transfer of ownership is documented in my will and has been discussed with relevant family members. **26%**

Derived from data collected through our flagship Business Assessment Tool, the subsequent figures provide an insight into the present state of succession planning in financial planning businesses.

BUSINESS VALUATION

As business transformation experts, we are pleased to see this shift in our industry's recognition of the complexity of the question "What is my business worth?" and the intricate nature of business valuation in this dynamic landscape. We took a proactive step to assist our Strategic Partners by developing our Business Valuation Tool. This tool was intentionally crafted to provide an accurate and impartial valuation of the future anticipated cash flows associated with a financial planning or wealth management client book.

What makes our valuation tool unique, is our belief that the true value of any business extends beyond a single numerical figure; it hinges on a comprehensive understanding of the overall health of the business. As such, our valuation methodology not only encompasses the conventional financial statements and detailed revenue reports, but also delves into the "drivers of value" intrinsic to a business.

It unravels the "how" behind those numbers, weaving in the years of experience in managing your business, nurturing client relationships, and overseeing employees. It encompasses the quality and impact of financial planning and advice, shedding light on the strategies our Strategic Partners have meticulously formulated and implemented to remain relevant, achieve growth, and become the trusted source for their clients' financial needs. Throughout the process, we also discovered their unique journey, the business cycles they have navigated, and the map followed to overcome challenges.

We recognise that these value drivers hold immense significance for potential buyers, successors and investors, yet they are not always readily apparent in a set of financials or numerical data alone. Our valuation

provided a deeper comprehension of our Strategic Partner businesses, whether they intend to sell or are in search of a potential business to acquire. It put emphasis on any potential operational uncertainties because we all know that less uncertainty translates into reduced risk and peace of mind.

In our years of conducting client base and business valuations, we have encountered significant challenges in obtaining and verifying crucial quantitative and qualitative data. Conducting a valuation is much like creating a financial plan for clients; both rely on complete information for accuracy.

In our experience, businesses – irrespective of their size or maturity – frequently struggle to provide accurate financial records, especially detailed fee and commission statements for the last two to three years. The absence of this quantitative data forces us to rely on a patchwork of financial assumptions that leave an unacceptable amount of room for inaccuracy.

Similarly, businesses often lack records and evidence of operational and client management processes, hindering our ability to fully account for the risks and opportunities within the client base or business being valued. This qualitative data has a material impact on the client base or business performance forecasts, and the absence thereof undermines the accuracy of the valuation even further.

As business transformation consultants, we assisted our Strategic Partners to bridge this gap, ensuring that meticulous record-keeping was adopted and maintained. We built awareness for them to recognise that their data is an asset for growth, and record-keeping is invaluable for verification and business valuation accuracy.

[CLICK HERE](#)

to contact us to learn more about Old Mutual Wealth Business Valuation.

REMUNERATION SURVEY

In the continuously shifting realm of talent management, marked by the rapid development of remote skills and the globalisation of the workforce, the focus on attracting and retaining talent has significantly intensified in recent years. In 2023, we observed a noticeable uptick in inquiries regarding salary and incentive benchmarks within our financial planning businesses.

We conducted our last remuneration survey in 2018 and in direct response to our Strategic Partners' requests, we launched another remuneration survey in 2023 to provide our community with a fresh set of data to compare remuneration insights both before and after global lockdown periods. This has enabled them to explore and implement specific initiatives and strategies to win "the war for talent", allowing them to adapt, develop and retain existing employees and attract new critical skills and capability into their business.

We invited small to large FSPs operating in six provinces across the country to participate in our survey.

In comparing the results of this remuneration survey to those of 2018, a compelling narrative unfolded. It offered profound insights into the advancing landscape of compensation within our industry.

Our analysis delves into annual salaries for various employee roles, the frequency and magnitude of salary increases, the nuances of annual bonuses, specific employee benefits offered, and the prevailing qualifications within each role.

These insights not only shed light on the financial aspects but also provided a comprehensive view of the changing dynamics in talent management and remuneration strategies over the past five years.

In conclusion, we experienced that when employees share an aligned purpose with a documented career progression roadmap and engage in open and honest conversations, they have a yearning to evolve into new roles, collaborate better, and make authentic contributions improving business culture, and ultimately enhance overall business outcomes. This, in turn, leads to heightened employee inclusivity, enhanced talent attraction, and business profitability.

[CLICK HERE](#)

to view the Full Remuneration Survey Report.

HERE IS THE EXECUTIVE SUMMARY OF OUR REMUNERATION SURVEY – 2023

- Talent attraction and retention have been getting an increasing amount of attention in recent years (2018 vs. 2023).
- This is evidenced by the formalisation of roles that reflect meaningful career tracks, as well as attractive compensation structures.
- The role of Paraplanner, and the distinction between Financial Planner/Adviser seniority in roles, are appearing to be more formalised, with succession opportunities being attached to career growth paths.
- The building and rewarding of critical skills have taken on a crucial role in business-building and overall continuity.
- An increasing number of practices are including employee benefits in their compensation structures and packages to attract industry talent and extend tenure.
- Remuneration trends – especially in professional services businesses – will be governed by supply and demand, which is why it is crucial to ensure that businesses remain competitive and keep track of market movements, technology, new skills and attracting new (younger) talent.
- Competitive salary was a high priority in 2022 (impact of inflation). Yet, work-life balance and flexible working conditions are emerging as significant priorities.
- Employee wellness is an important theme, along with the flexibility of WFH (work from home) and WFA (work from anywhere) options. We celebrate the increasing importance placed on wellbeing and encourage employers to view this aspect of business management as part of a greater focus on culture-building within their business and brand. Rewarding staff members can and does wonders for morale and turnover – employee rewards and remuneration schemes get results.
- We are noticing significant changes in employers' involvement in employees' emotional health – preventing burnout, boosting satisfaction, and providing a positive work-life experience. Employer value propositions now have a more "employee-centred approach".

EMPLOYEE WELLBEING SURVEY

The impact of business culture on employees' mental and physical wellbeing cannot be overstated. A positive and supportive workplace that prioritises mental health results in increased job satisfaction and improved personal and business outcomes. Conversely, a toxic work environment characterised by high stress, long hours and a lack of work-life balance can have detrimental consequences for business owners and their teams' mental and physical health.

Business owners play a pivotal role in addressing this crucial matter and challenging the stigma surrounding mental health. To this end, we extended an invitation to our Strategic Partners and the wider community to participate in our first ever Employee Wellbeing Survey. Our team's objective was to harness the insights from this initiative to not only enhance workplace culture but also shed light on the profound impact of mental health on employees within our industry.

The response was truly remarkable and diverse, as feedback poured in from every corner of South Africa. This feedback represented a well-balanced cross-section of business functions, demographics and different tenures, and provides valuable insights into the current wellbeing initiatives implemented in these businesses.

This survey was designed to probe into six critical dimensions of wellbeing, namely Alignment of Purpose, Stress Levels & Burnout, Mental Health Concerns, Work-Life Balance, Psychological Safety, and an overall sentiment check-in on Current Wellbeing Behaviours applied within our community and the broader industry.

Our progress in employee wellbeing has exceeded our initial expectations. We appreciate and applaud the proactive steps taken by some business owners, leaders and advisers in confronting the stigma surrounding mental health and wellbeing.

However, it is essential to acknowledge that substantial work remains to be done on this critical issue. Mental, physical and emotional wellbeing is an ongoing journey, requiring consistent commitment and honest daily dialogue. We are diligently monitoring this space and have committed to conducting another Employee Wellbeing Survey next year to measure our industry's advancement.

Our team will continually provide insights and practical guidance, empowering our Strategic Partners and industry peers to pave the way for practical and meaningful improvements to make strides in their employee wellness journeys.

[CLICK HERE](#)

to view the Full Employee Wellbeing Survey Report.

CULTIVATING CULTURE

Elevating and embracing your business culture is a journey and not a destination. We offered our Strategic Partners six essential guiding principles.

These key reminders revolved around Storytelling, Recognition, Team Engagement and Surveys, Well-being and Stress Management, Onboarding Employee Experience, and a forward-looking Coaching Leadership Style.

Our approach on cultivating culture was designed to offer relevant and practical guidance to our community,

encouraging them to not just understand but also actively implement actions and embed new behaviours to elevate their business DNA. In nurturing these aspects, our Strategic Partners could now forge a path towards a workplace culture that thrives, evolves, and drives both individual and collective success.

We are excited to see the progress our partners are making and eagerly anticipate the year ahead to witness the ongoing development of their activities.

"Strategy is the thinking, brand is the talking and culture is the doing." – Jenn Lim

[CLICK HERE](#)

to read the Full Culture Report.

UNLOCKING BUSINESS POTENTIAL IN 2024: A VISION FOR SUCCESS



Unlocking business potential lies in your ability to adapt, innovate and seize new opportunities. As we step into 2024, the path to achieving this is paved with fresh strategies, emerging trends and transformative insights. Embarking on this journey necessitates a deep comprehension of your business model, financial metrics, team dynamics, client needs and operational functions, and an unwavering dedication to remain at the forefront of industry trends. It demands a persistent pursuit of excellence and a commitment to continuous growth and improvement, personally and professionally.

FUTURE INSIGHTS – 2024 AND BEYOND

Future trends serve as powerful markers, unveiling transformative shifts that either bring fresh opportunities or demand innovative solutions. We firmly acknowledge the significance of trend-watching as a guiding beacon for our Strategic Partner community, steering them and us towards a future marked by enduring growth and unwavering resilience.

Outlined below are the future trends that deserve our attention and are vital for facilitating well-informed decision-making and strategic planning in the years ahead.



1. THE RISE OF AFFLUENT WOMEN INVESTORS

A forthcoming trend in the financial advisory domain is the increasing influence of affluent women who collectively possess a significant share of the world's wealth, accounting for one-third of global assets. Financial advisers who genuinely grasp the significance of this demographic shift are ready to succeed – by offering tailor-made value propositions, developing unique product and service offerings, and crafting compelling marketing messages designed to this specific niche market of female investors. Advisers have the potential not only to gain trust but also unlock new opportunities for growth. Women, like all investors, seek financial returns, but their goals extend beyond mere profit. They value aspects such as connection, purpose, creating legacies for future generations, and driving social and environmental change. To excel in this market, advisers will need to understand and cater to the unique life-stage needs of female clients across different segments, including professionals, singles, married individuals, parents, divorcees, widows and retirees. This approach will necessitate the development of fresh communication strategies that establish emotional connections.



2. LEVERAGING SYNTHETIC EQUITY FOR TALENT RETENTION

An emerging trend in talent management is the use of Synthetic Equity to address employee retention and internal succession challenges. Employers are increasingly attentive to their employees' career progression aspirations, but concerns over employee loyalty, interest alignment and incentivising future leaders without compromising existing equity have been persistent. Synthetic equity plans offer a potential solution by creating agreements between businesses and key employees. These agreements commit a percentage of future annual performance bonuses earned by these individuals to future cash payouts. These payouts are contingent on the market values of business shares at various future vesting points. Their dual purpose is to motivate and incentivise these key employees to contribute to business growth while affording them the financial resources to gradually acquire equity. This opportunity unfolds over time, aligning with the business's recognition of them as future leaders and potential business owners. To fund synthetic share/unit allocations, employers would need to redesign their incentive plans to allocate a portion of performance bonuses as deferred shares with specific vesting timelines. However, they should be mindful of the legal and tax considerations involved.



3. PIONEERING THE TOKEN ECONOMY

A forthcoming trend on the horizon focuses on digital asset offerings, as high-net-worth (HNW) clients actively pursue portfolio diversification. Their interests now span a wide spectrum of external investment solutions, particularly digital assets. From cryptocurrencies to indirect crypto investments through exchange-traded funds (ETFs), non-fungible tokens (NFTs), Metaverse-related products and digital currencies, clients are keen to explore it all. In this dynamic economy, financial advisers must proactively adapt to stay relevant. They must deliver comprehensive investment strategies and client experiences that offer in-depth and transparent insights into the realm of digital products. Furthermore, prioritising the education of both clients and teams about the intricacies of these digital asset offerings is paramount. We are currently witnessing the birth of a "Token Economy", as real and digital assets converge across both real-world and digital business models. This convergence will significantly impact the way financial advice is traditionally provided to HNW clients.



4. THE SURGE OF GREEN INVESTING

Green or sustainable investing is rapidly gaining momentum, with a growing number of product providers offering a range of ESG-compliant products and fund selections. Among future clients, including high-net-worth individuals, Generation Z and young Millennials, the primary concern revolves around global warming and environmental issues. A recent survey featured in The Business Times - Amundi ESG Investing Report indicates that these groups are the most enthusiastic ESG investors, showing a strong commitment to addressing critical social concerns like global poverty, inequality and discrimination. They are at the forefront of a financial transformation, understanding the significant impact that responsible investing can bring about. As a result, business owners must place a greater emphasis on offering advisory services rooted in ESG (environmental, social and governance) principles and sustainable wealth solutions to align with the preferences of these investors.



5. THE RISE OF A "(W)HOLISTIC" WELLBEING APPROACH

In the pursuit of success, adopting a "(w)holistic" approach to wellbeing is becoming increasingly fundamental. This method acknowledges the interconnection between physical, mental and emotional health for both clients and employees. By addressing a spectrum of wellbeing aspects, ranging from financial and physical health to emotional resilience and personal growth, businesses are demonstrating their commitment to the welfare of clients and employees while cultivating a vibrant, an engaged and a resilient community. Through the introduction of comprehensive support programmes and client and employee initiatives, these businesses empower individuals to attain balance, maximise productivity and achieve personal fulfilment.



6. THE "PHYGITAL" REVOLUTION IN FINANCIAL SERVICES

The financial services industry has evolved beyond mere transactions to offer authentic, engaging experiences. The "phygital" approach seeks to bridge the gap between online interactions, such as client meetings or events, and offline encounters, addressing concerns that may emerge when using online platforms or apps or handling queries outside the office environment. This transformation involves seamlessly merging the physical and digital worlds to create an interactive experience that emphasises convenience and hyper-personalisation. Business owners must pivot their focus towards procuring and integrating real-time data and analytics capabilities, continually enhancing their existing client experience and service offerings in real time.



7. NAVIGATING O2O EXPERIENCES

Blending AI (artificial intelligence), Automation and Human Touch: The financial industry's rapid digital transformation has led to the era of "phygital" client experiences, focusing on the online-to-offline (O2O) transition. Here, financial advisers employ technology to provide clients with immediate, personalised interactions that mirror in-person connections. It is all about understanding client psychology, optimising web layouts, and app design and self-help tools for seamless O2O transitions, combining the strengths of AI and human touch. The result? A seamless, real-time and highly personalised client journey that strikes the perfect balance between tech and the personal touch.



8. INVESTMENT-BACKED FINANCING

In today's economic volatility, committed financial advisers are exploring innovative options such as investment-backed financing. This approach aims to help HNW clients, often described as "Asset Rich, Cash Poor", to unlock liquidity for a range of purposes. These may encompass bridging financial gaps, accessing working capital without divesting assets, and circumventing the tax implications associated with asset liquidation. Overall, investment-backed lending can enhance the toolkit of financial planners allowing them to cater to the specific financial needs of HNW clients, reinforcing the value they bring to client relationships.

In conclusion, these trends are not isolated developments but interconnecting forces shaping the future of the financial services industry. Affluent women investors, synthetic equity, the token economy, green investing, (w)holistic wellbeing, the "phygital" revolution, O2O experiences, and investment-backed financing collectively drive the industry towards a more client-centric, technology-driven and sustainable future.

As we embark on this remarkable journey into 2024 and beyond, we encourage you to embrace these trends as opportunities for growth, adaptability and success.

TO WRAP UP

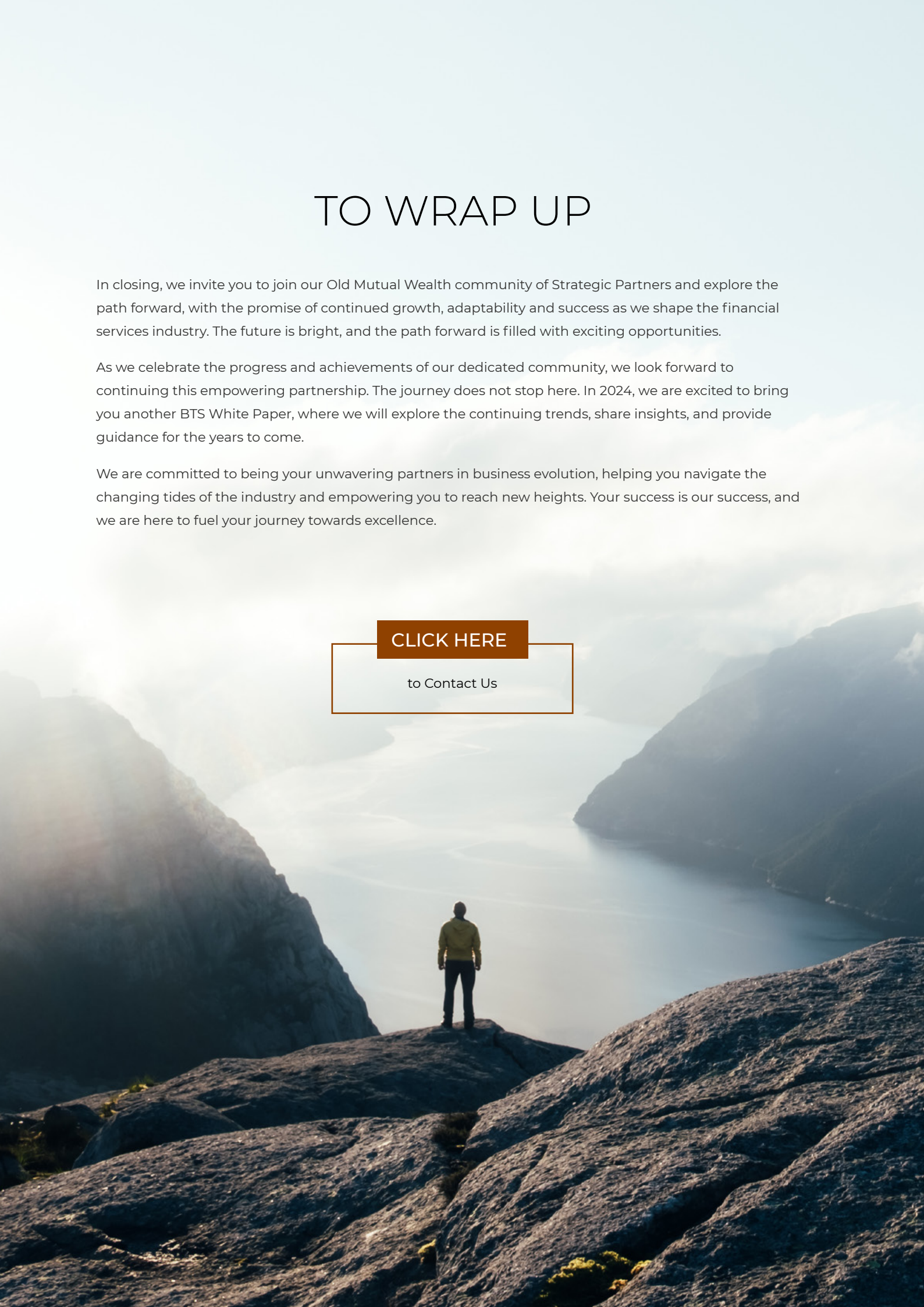
In closing, we invite you to join our Old Mutual Wealth community of Strategic Partners and explore the path forward, with the promise of continued growth, adaptability and success as we shape the financial services industry. The future is bright, and the path forward is filled with exciting opportunities.

As we celebrate the progress and achievements of our dedicated community, we look forward to continuing this empowering partnership. The journey does not stop here. In 2024, we are excited to bring you another BTS White Paper, where we will explore the continuing trends, share insights, and provide guidance for the years to come.

We are committed to being your unwavering partners in business evolution, helping you navigate the changing tides of the industry and empowering you to reach new heights. Your success is our success, and we are here to fuel your journey towards excellence.

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