

IMCA

Practice Management Survey

January 2009

Conducted By
Steve Saenz, Founder
Advisor Solutions Network
ASN360.com



Survey was conducted here

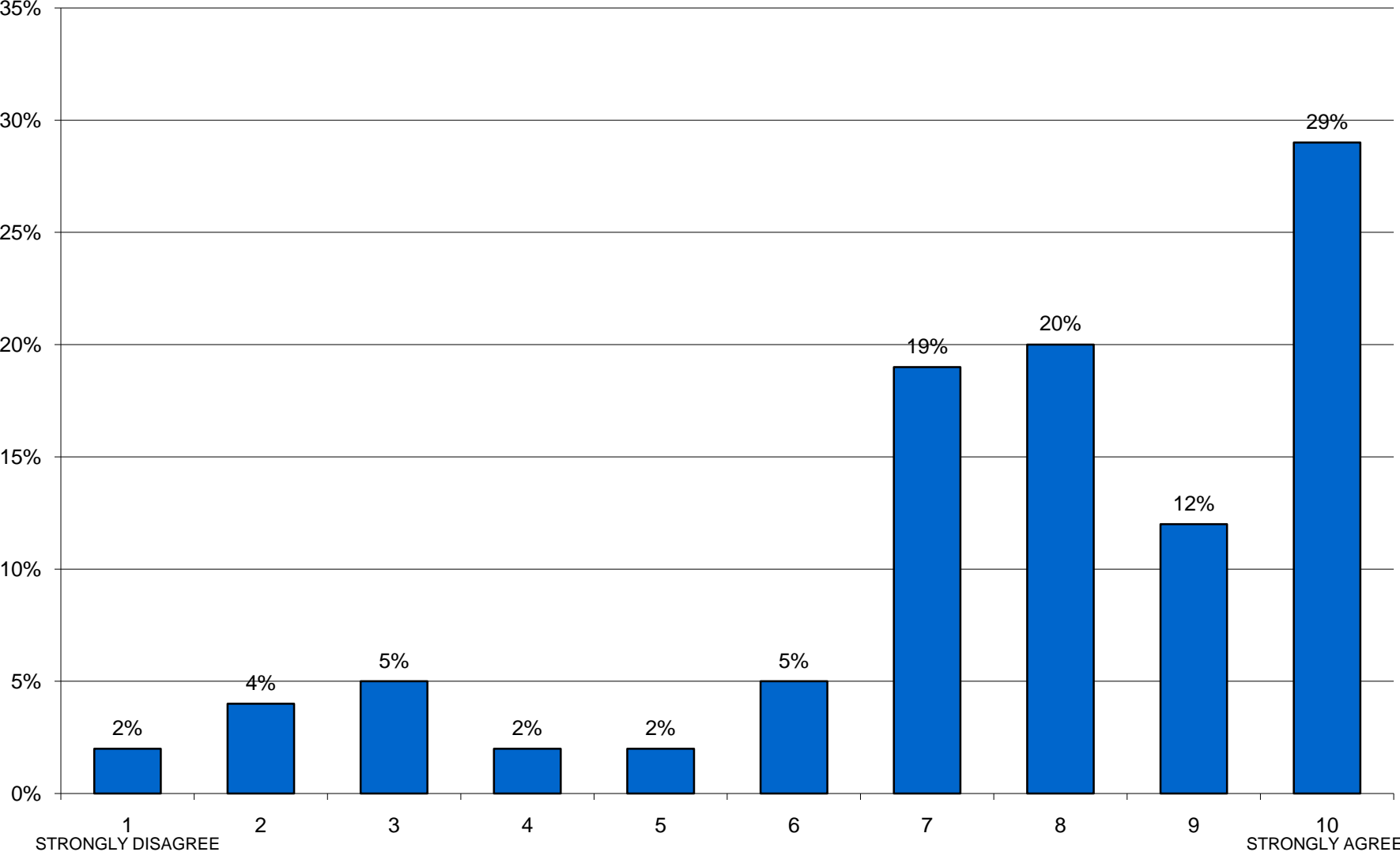
Article was written here

Advisor Sentiment

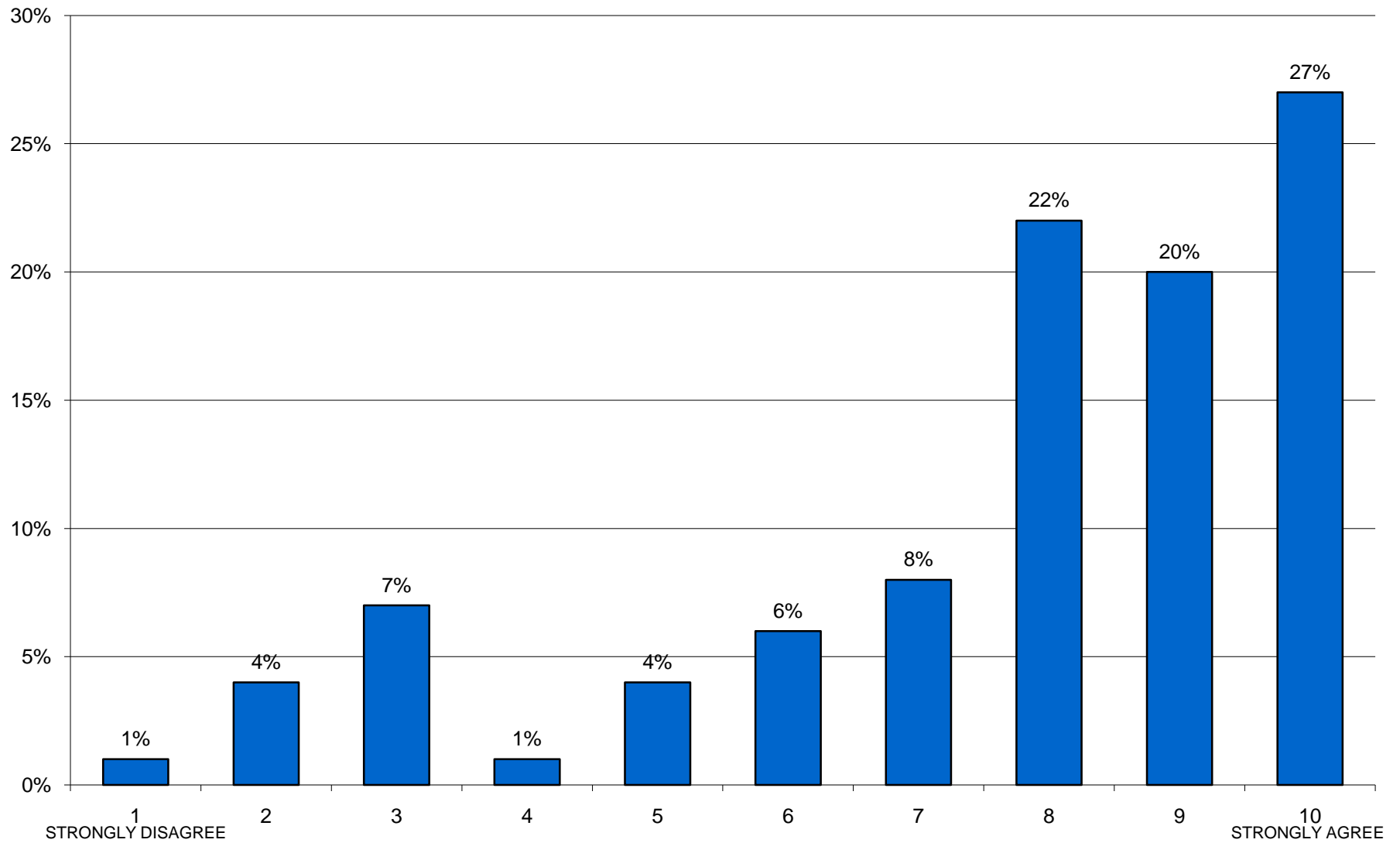
Question 1

To what extent do you agree
with the following statements?

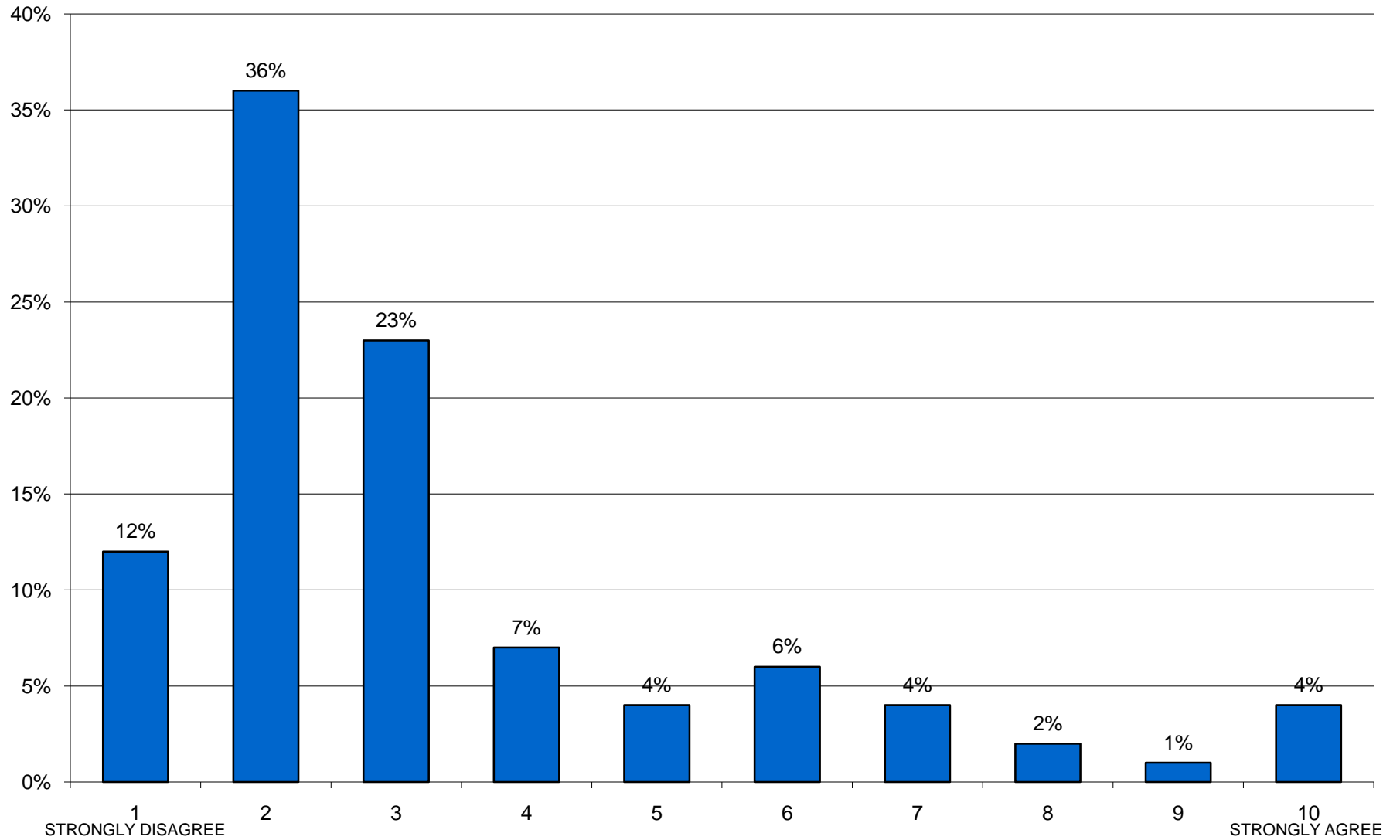
I am surprised at the magnitude of dislocation we have seen in the financial markets



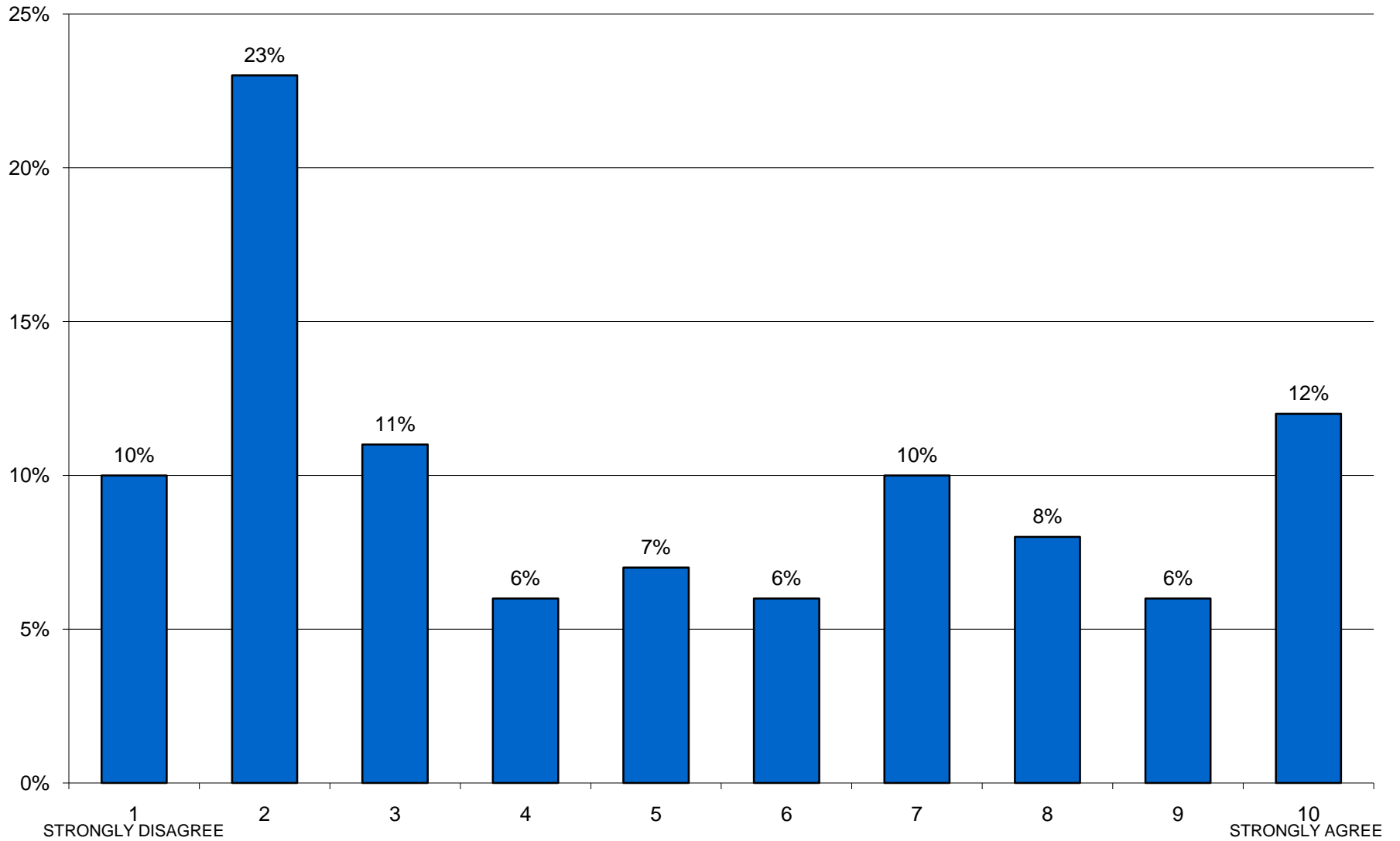
I am surprised at the magnitude of dislocation we have seen in the financial services industry



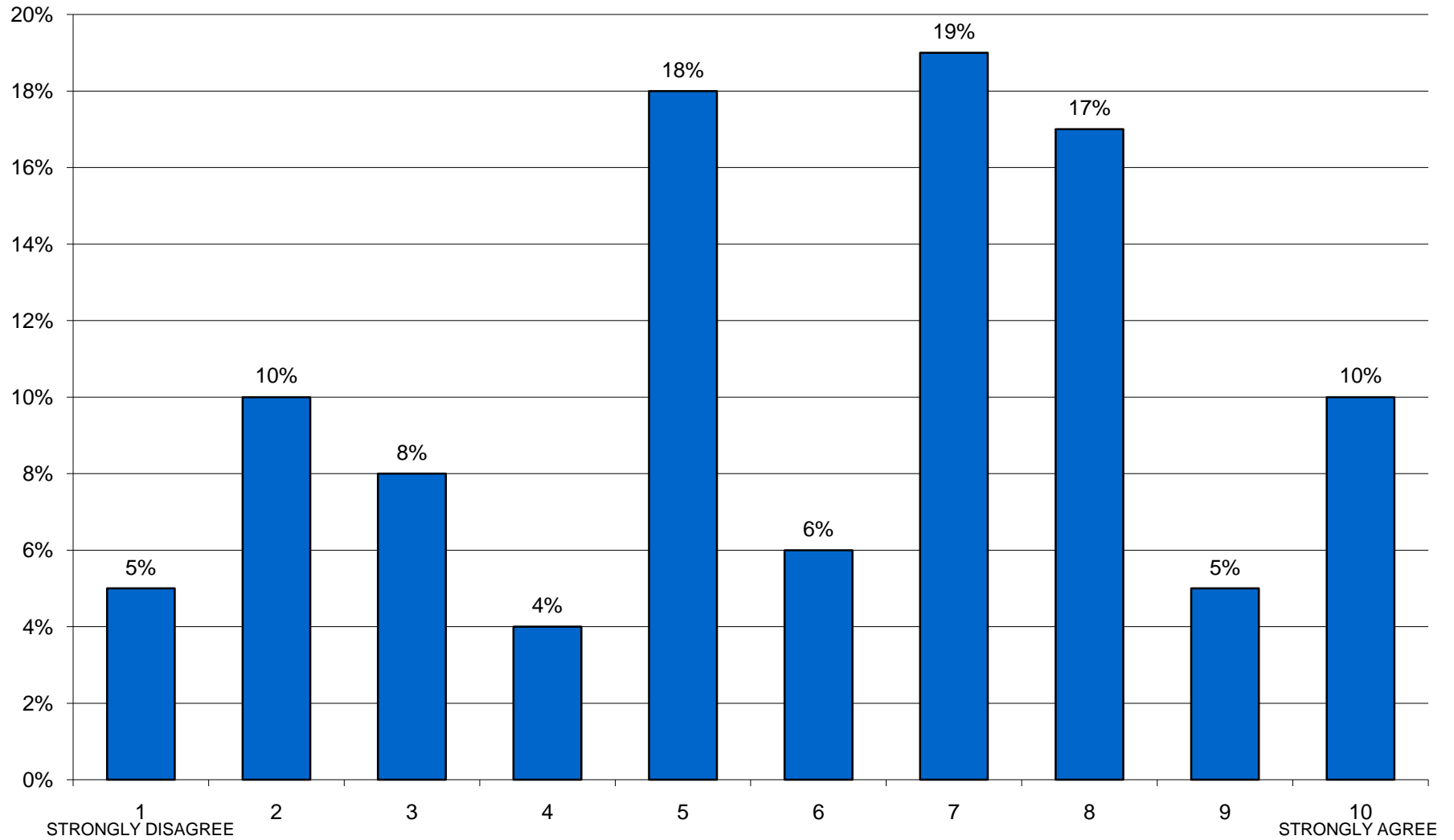
Recent events have caused my clients to lose confidence in me



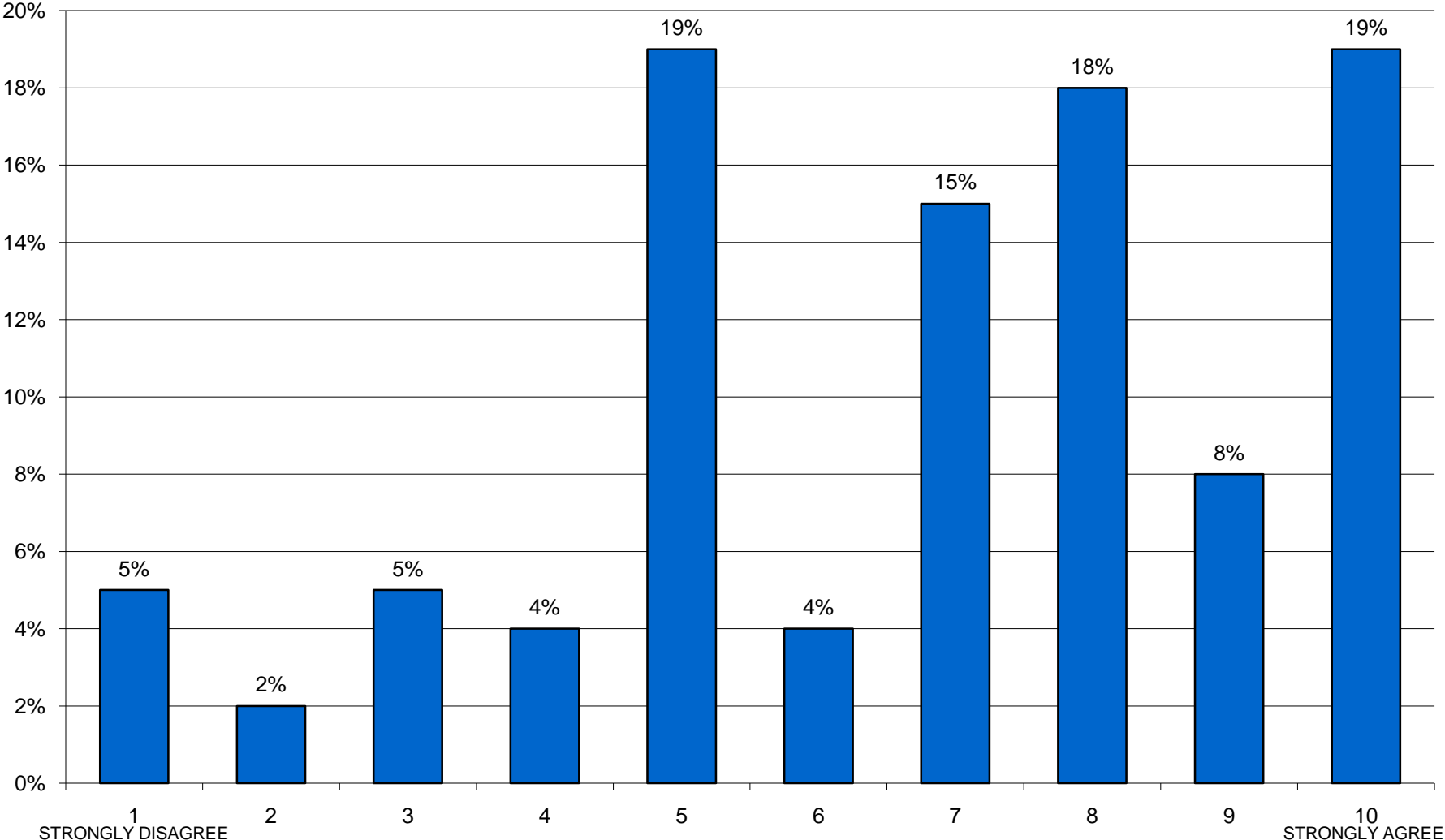
Recent events have caused my clients to lose confidence in my firm



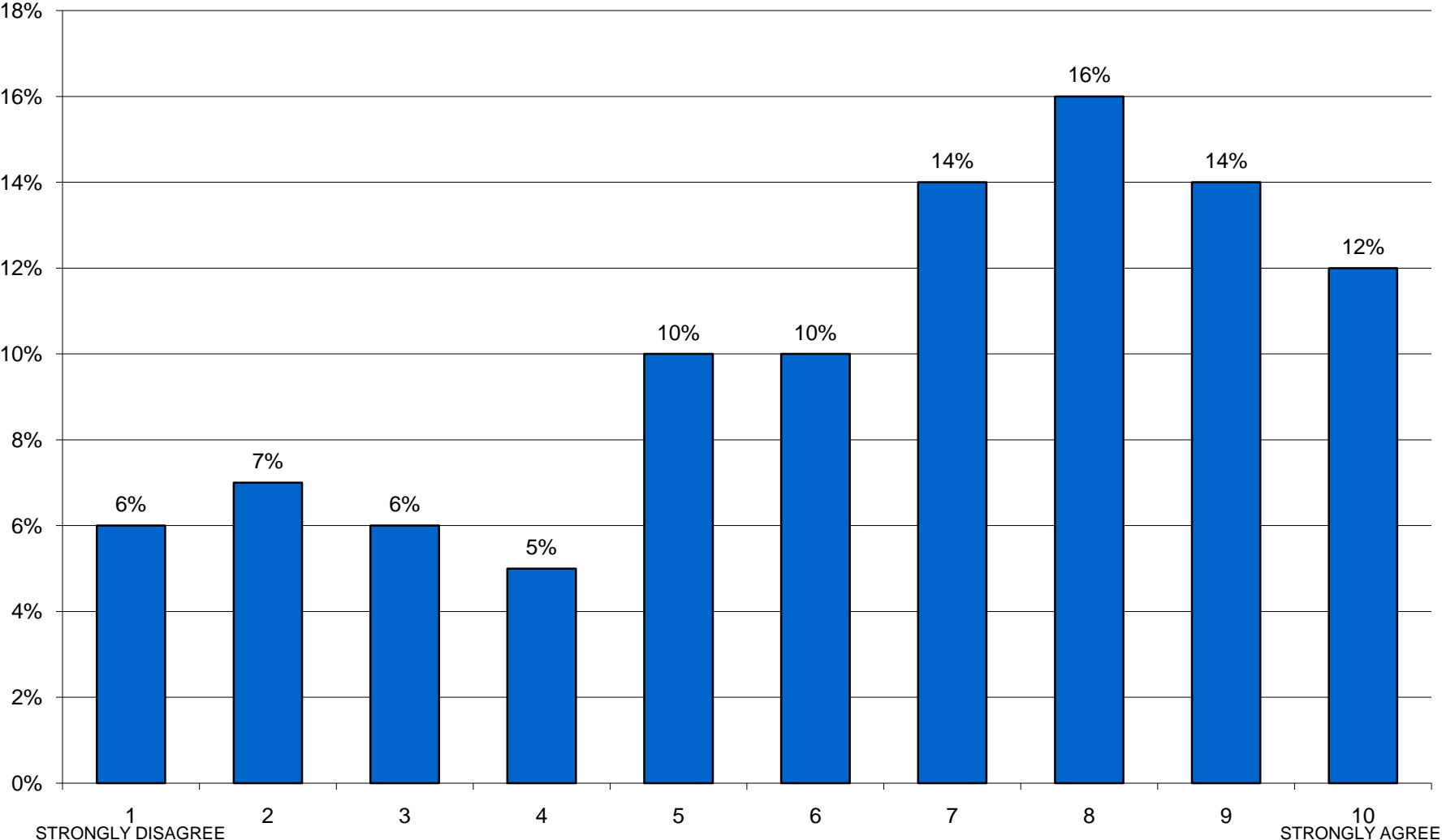
**Recent events have led me to question if the principles
of modern portfolio theory and capital market assumptions still hold true**



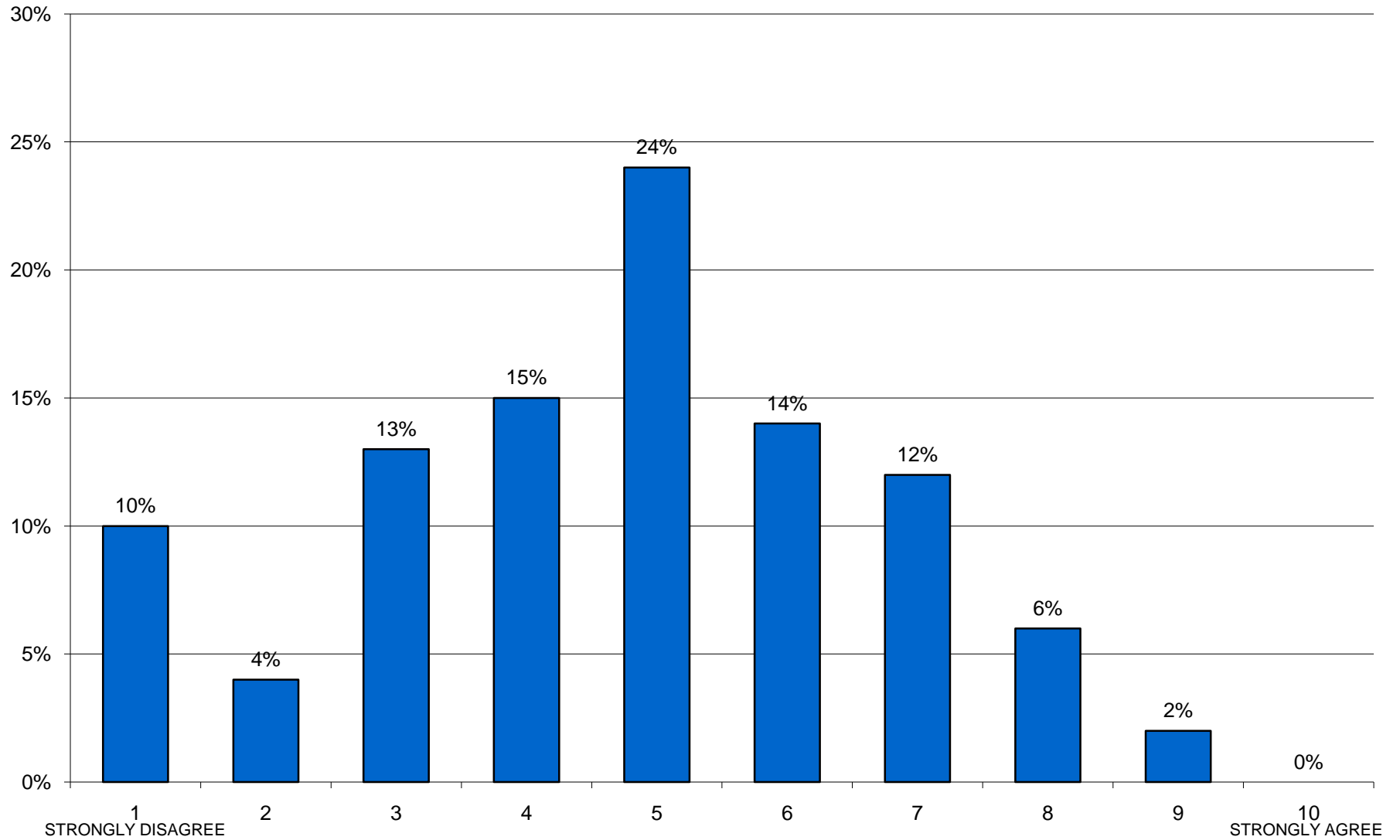
Going forward, the financial markets will be better off as a result of going through this period of dislocation



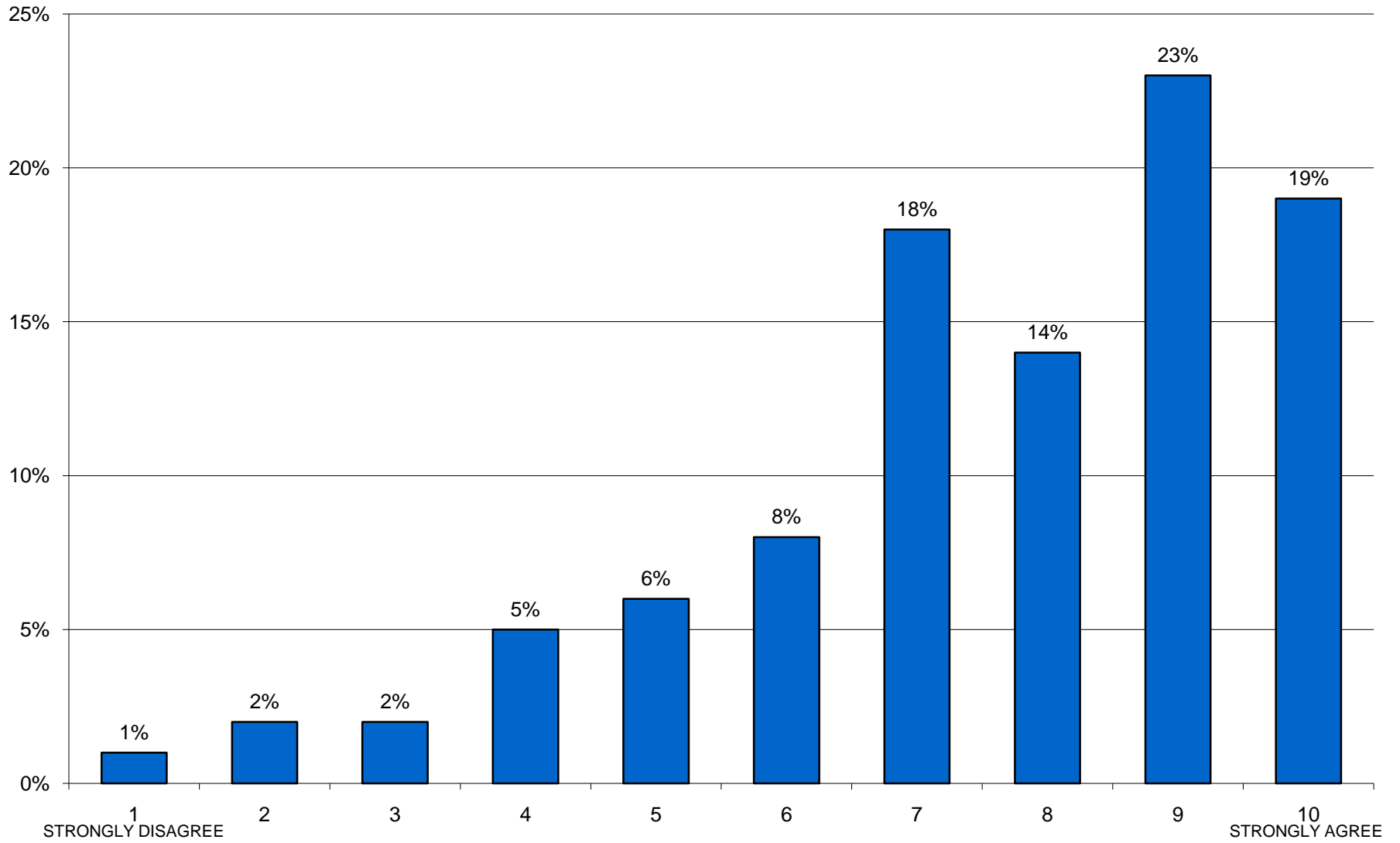
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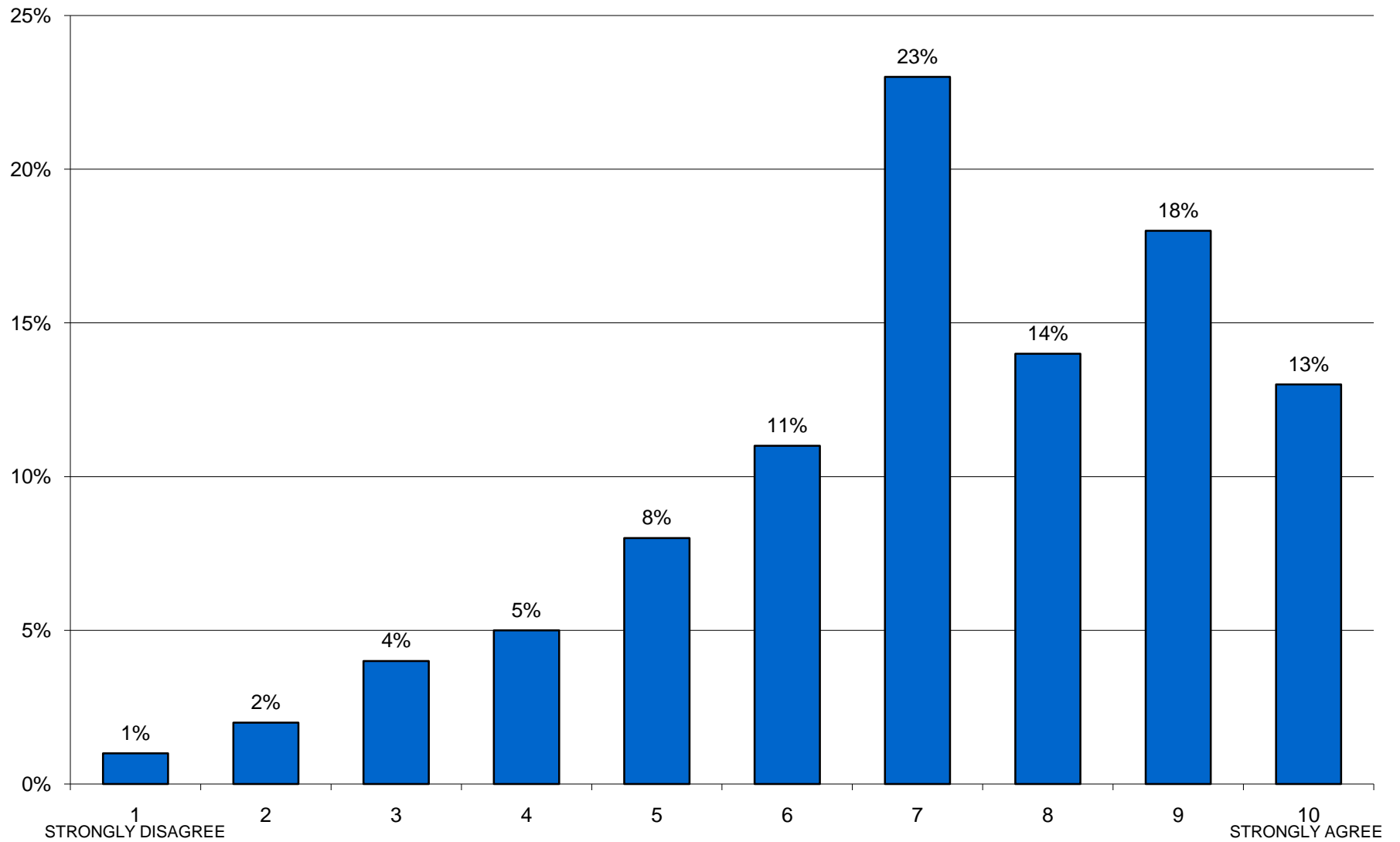
When it comes to the financial markets, I am very optimistic about 2009



Recent events have presented me with a significant opportunity to grow my business



I am confident that I know how to capitalize on that opportunity

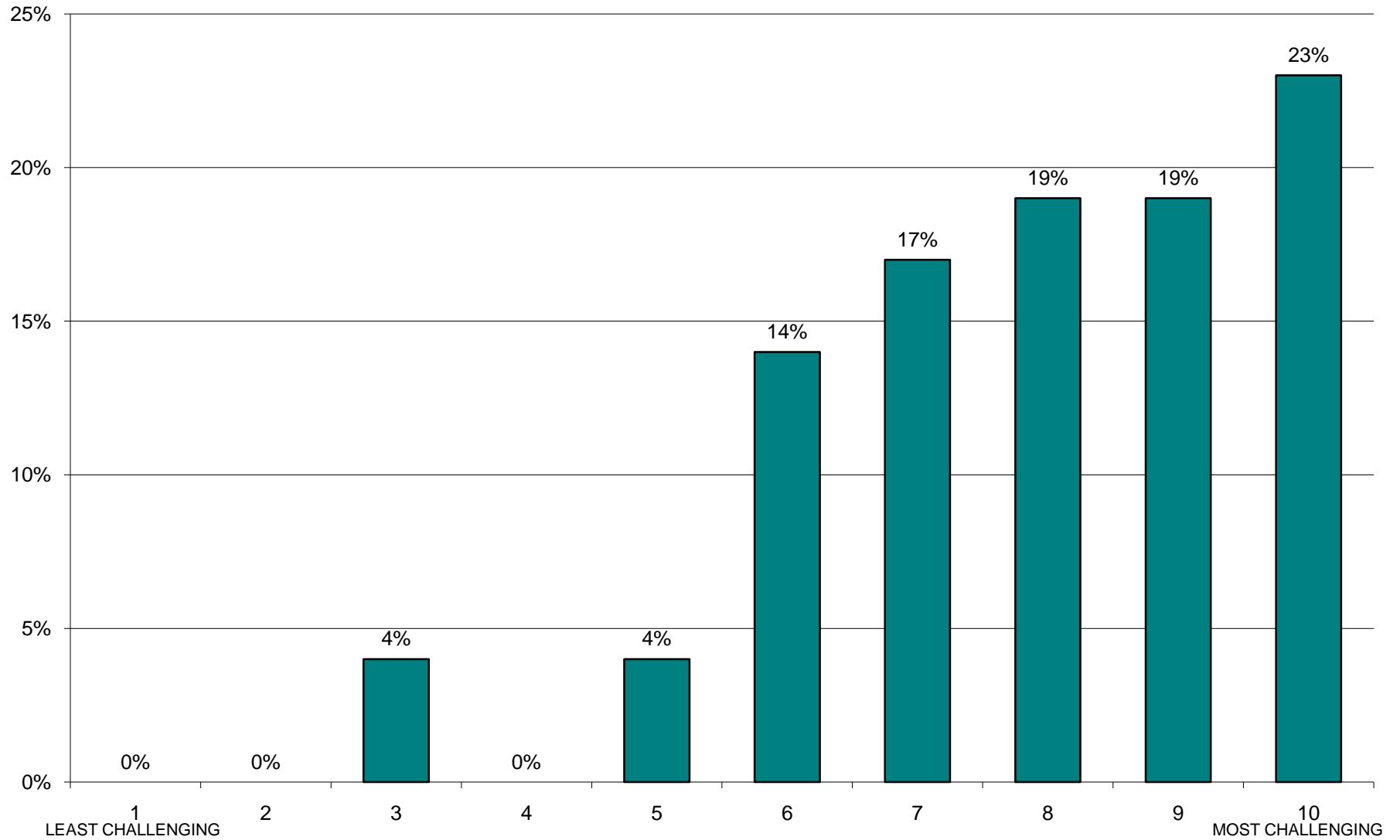


Recent Challenges

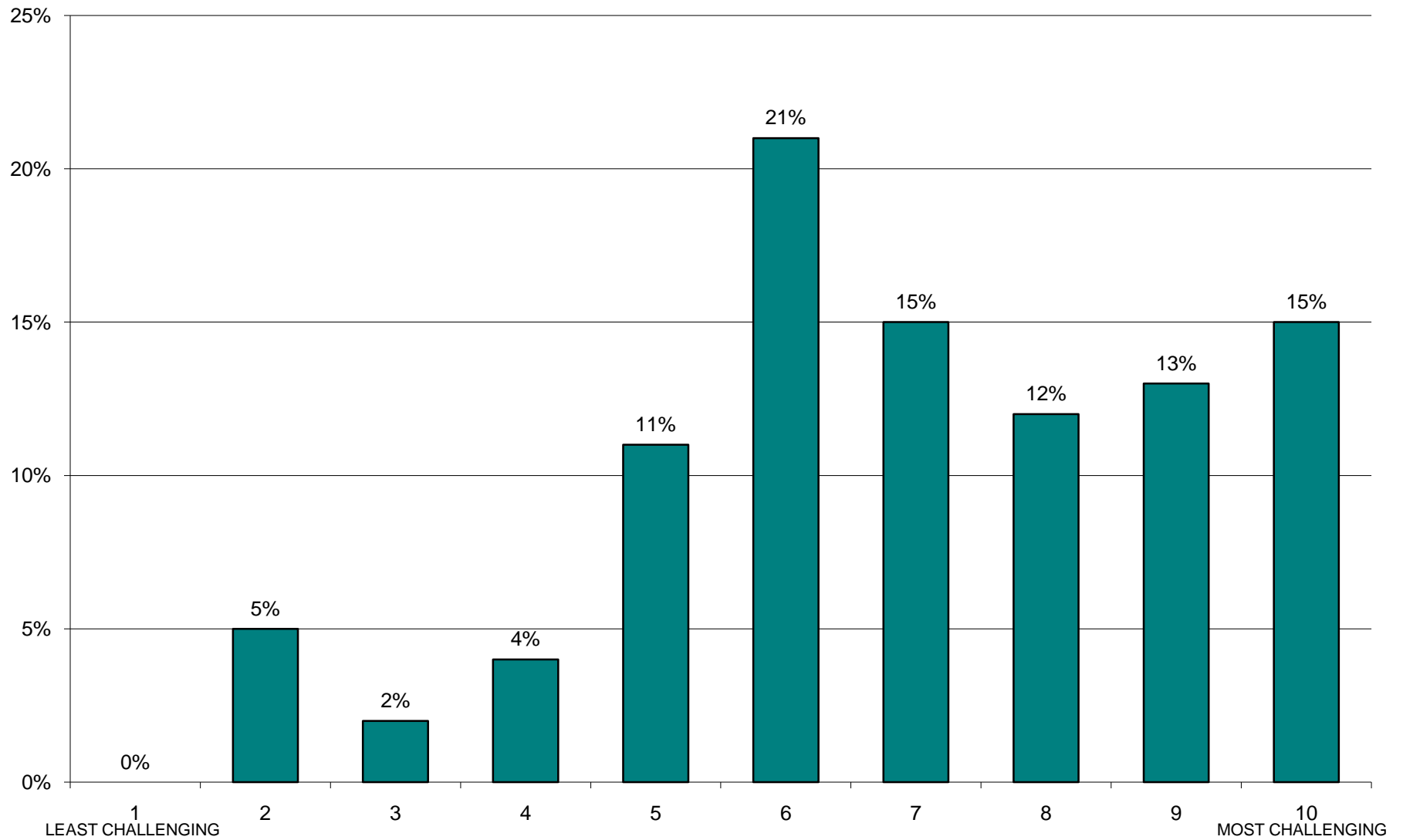
Question 2

How challenging have the following been for you during the past six months?

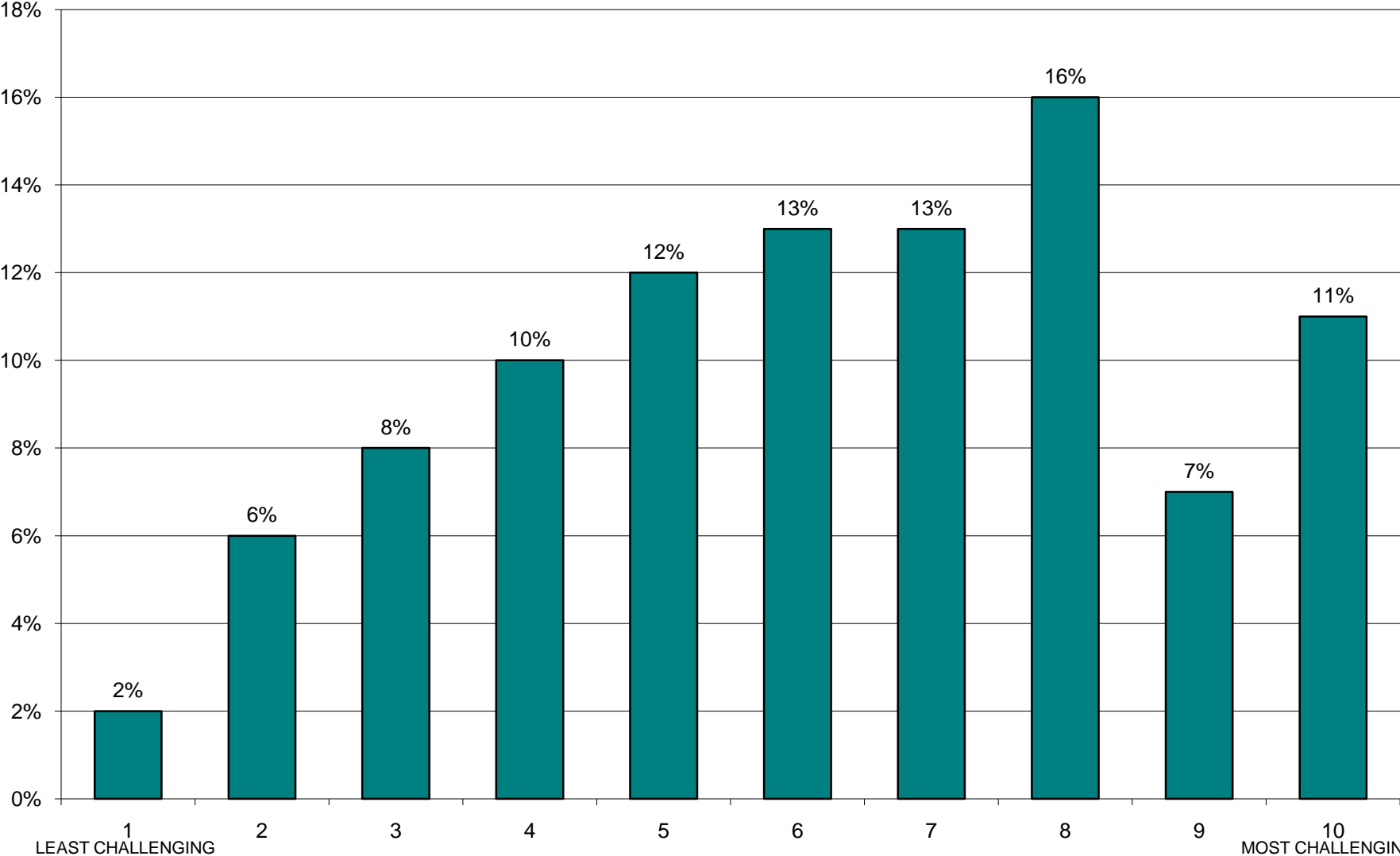
Helping my clients deal with declining portfolio values



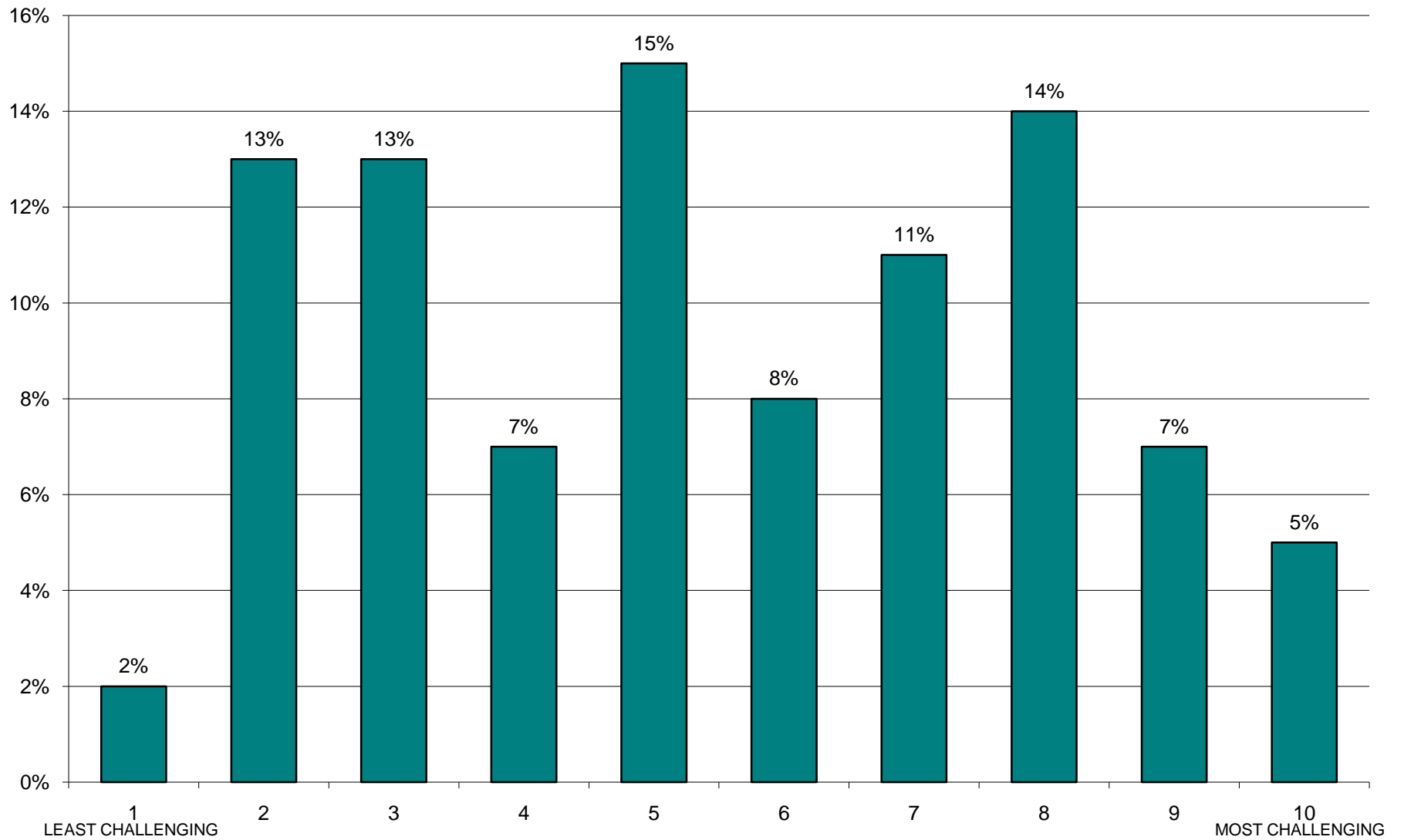
Preventing my clients from abandoning their investment plans



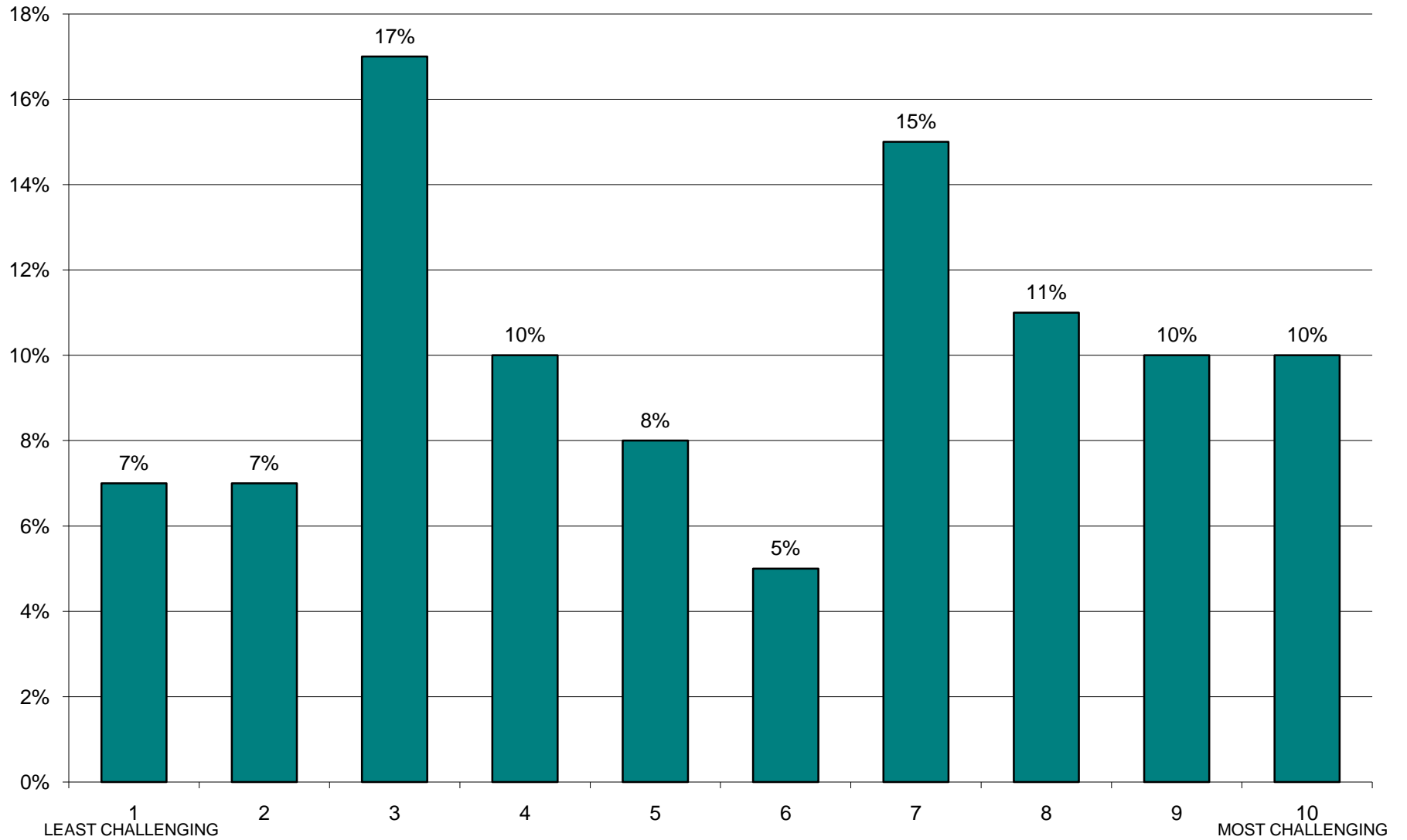
Deciding what changes to make in my clients' portfolios



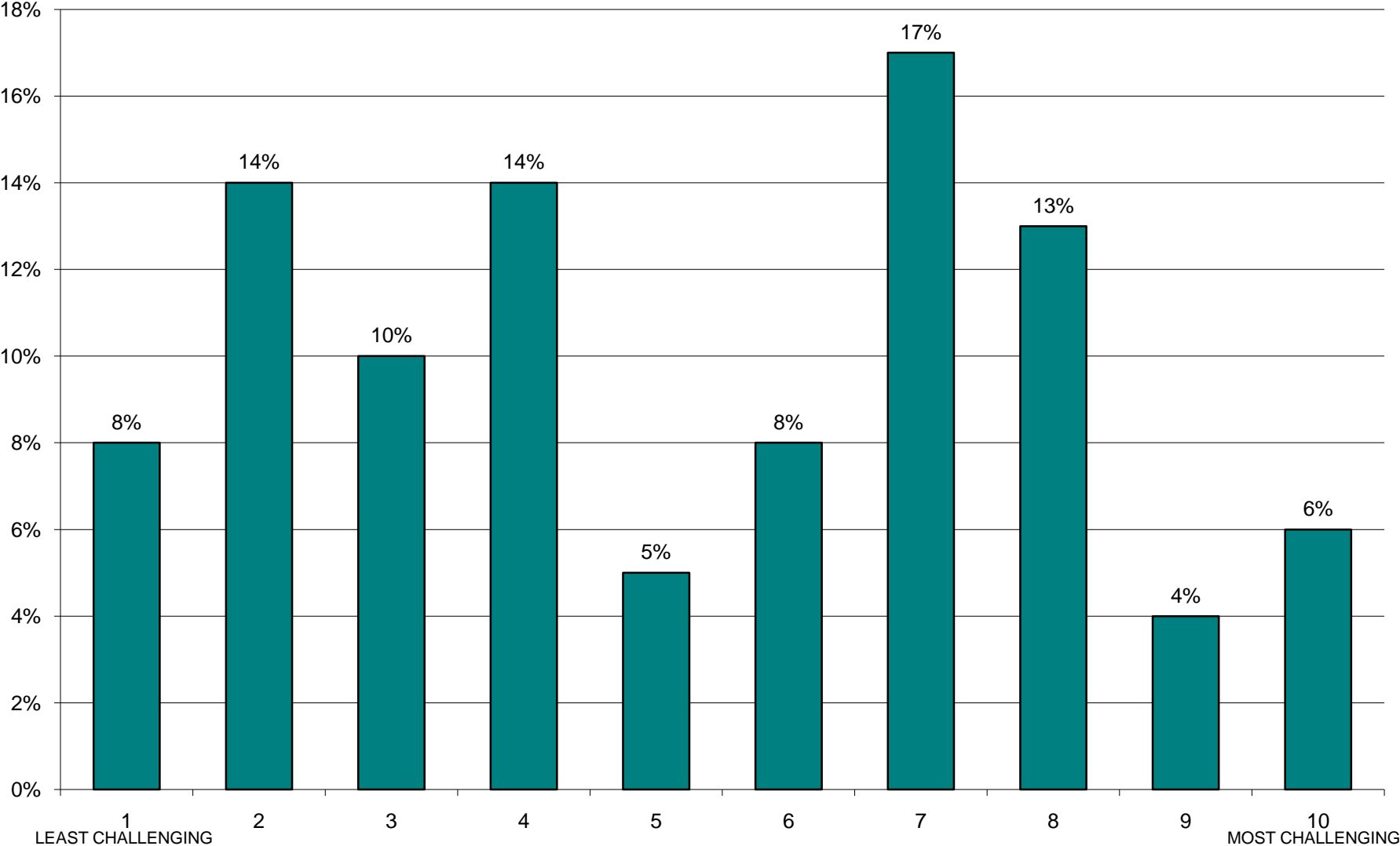
Getting my clients to act on my investment recommendations



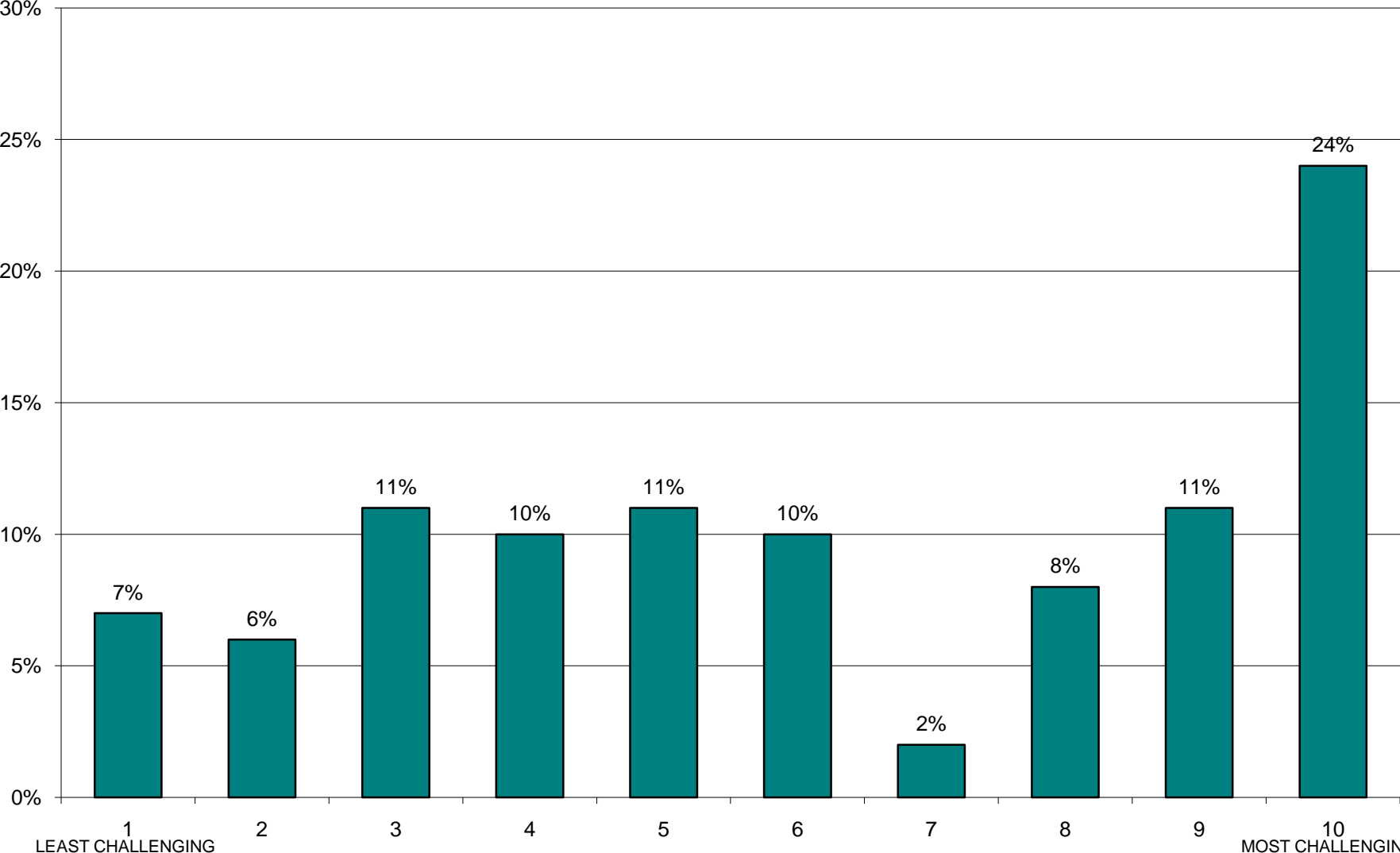
Making sense of the underlying factors that led to recent events



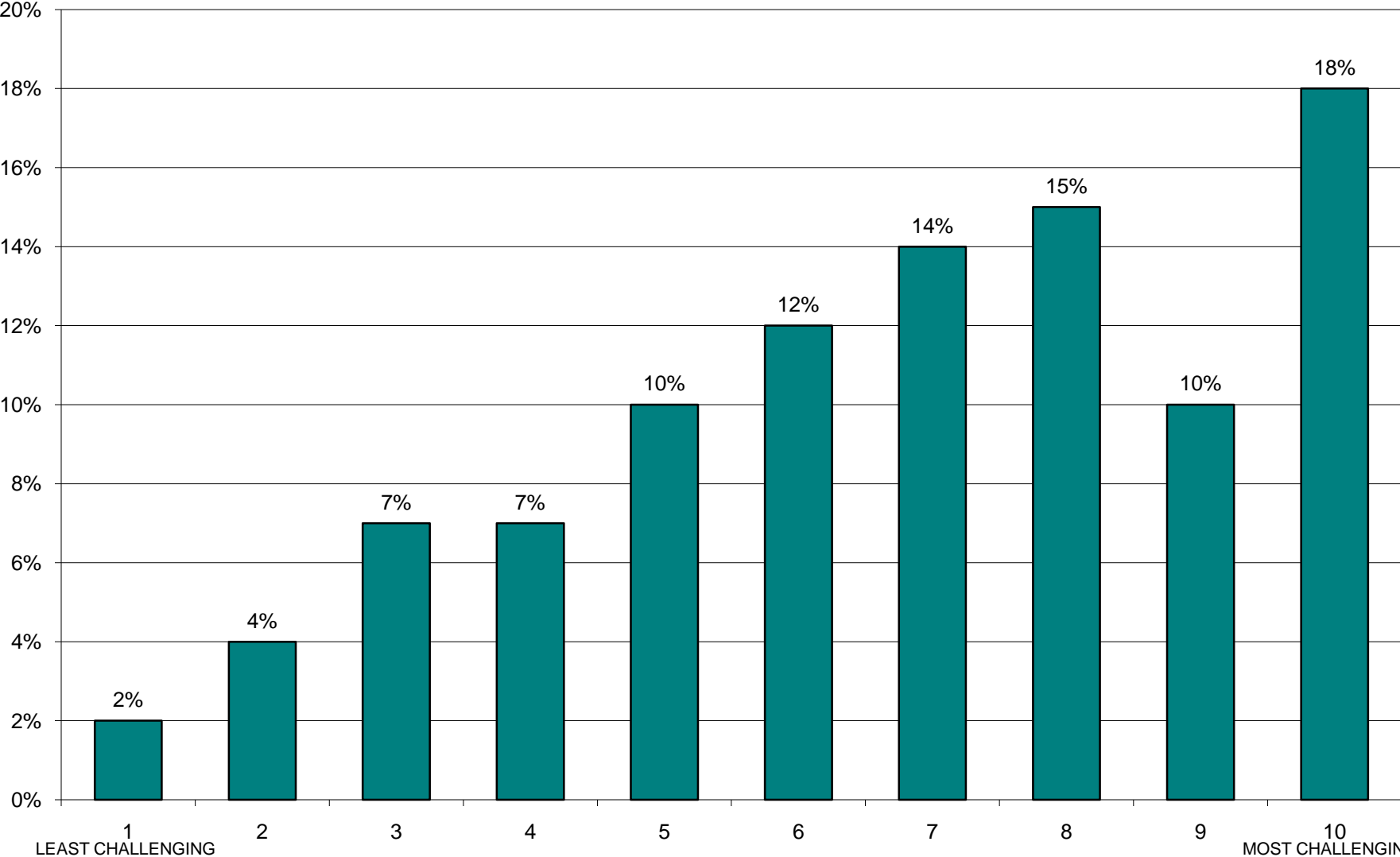
Explaining to clients the underlying factors that led to recent events



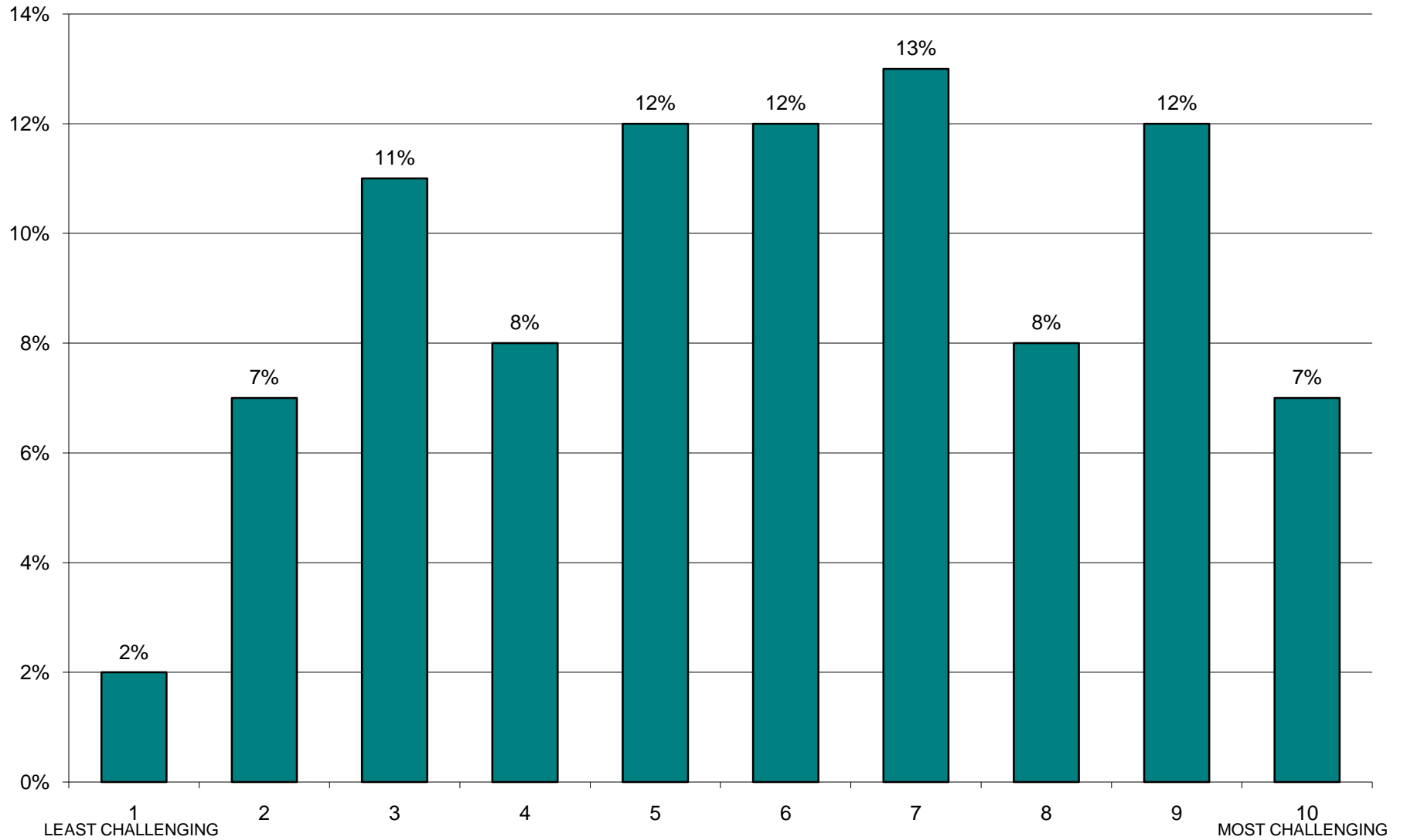
Dealing with "headline risk" (bad news about your firm or the industry)



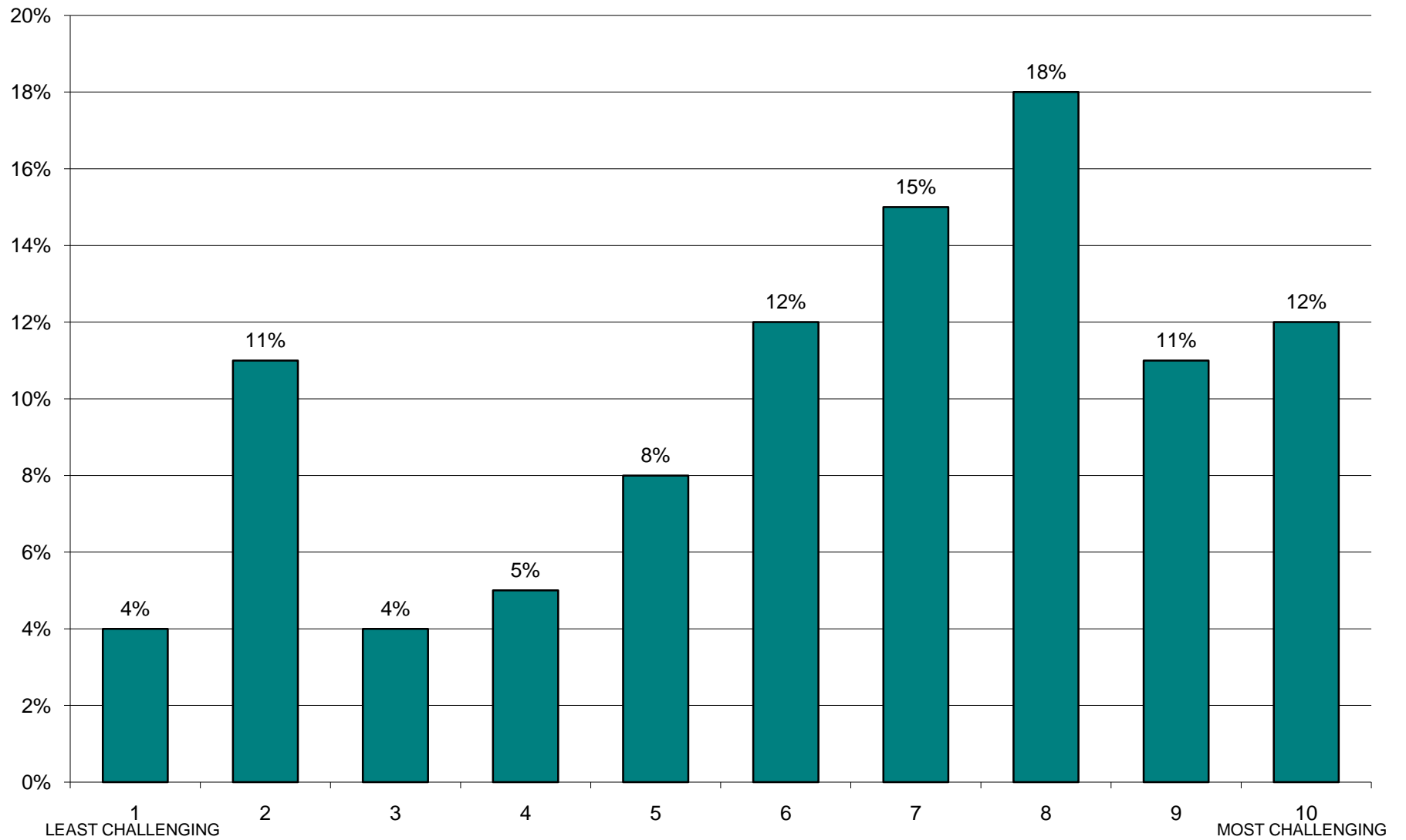
Managing my own stress



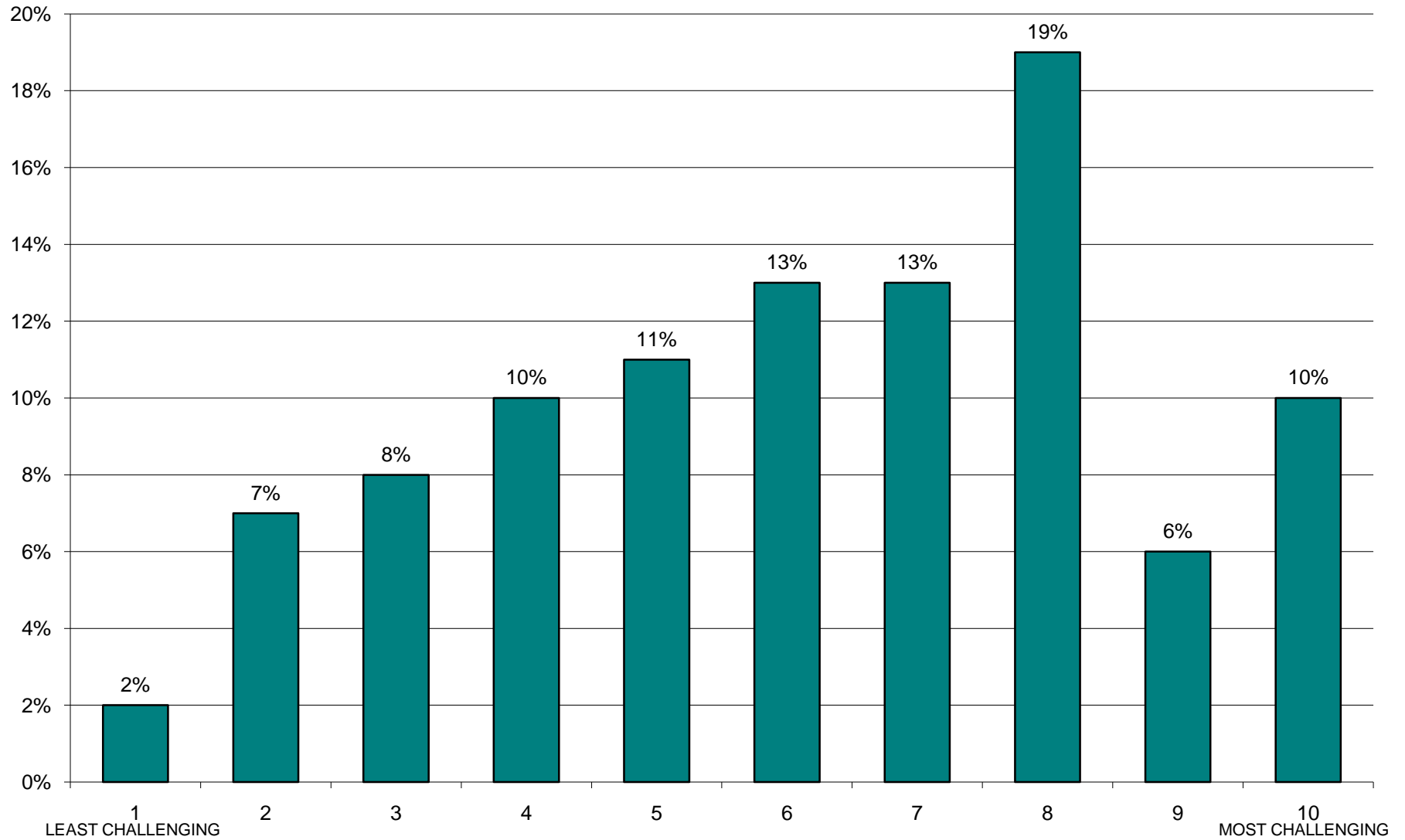
Helping my team members deal with stress



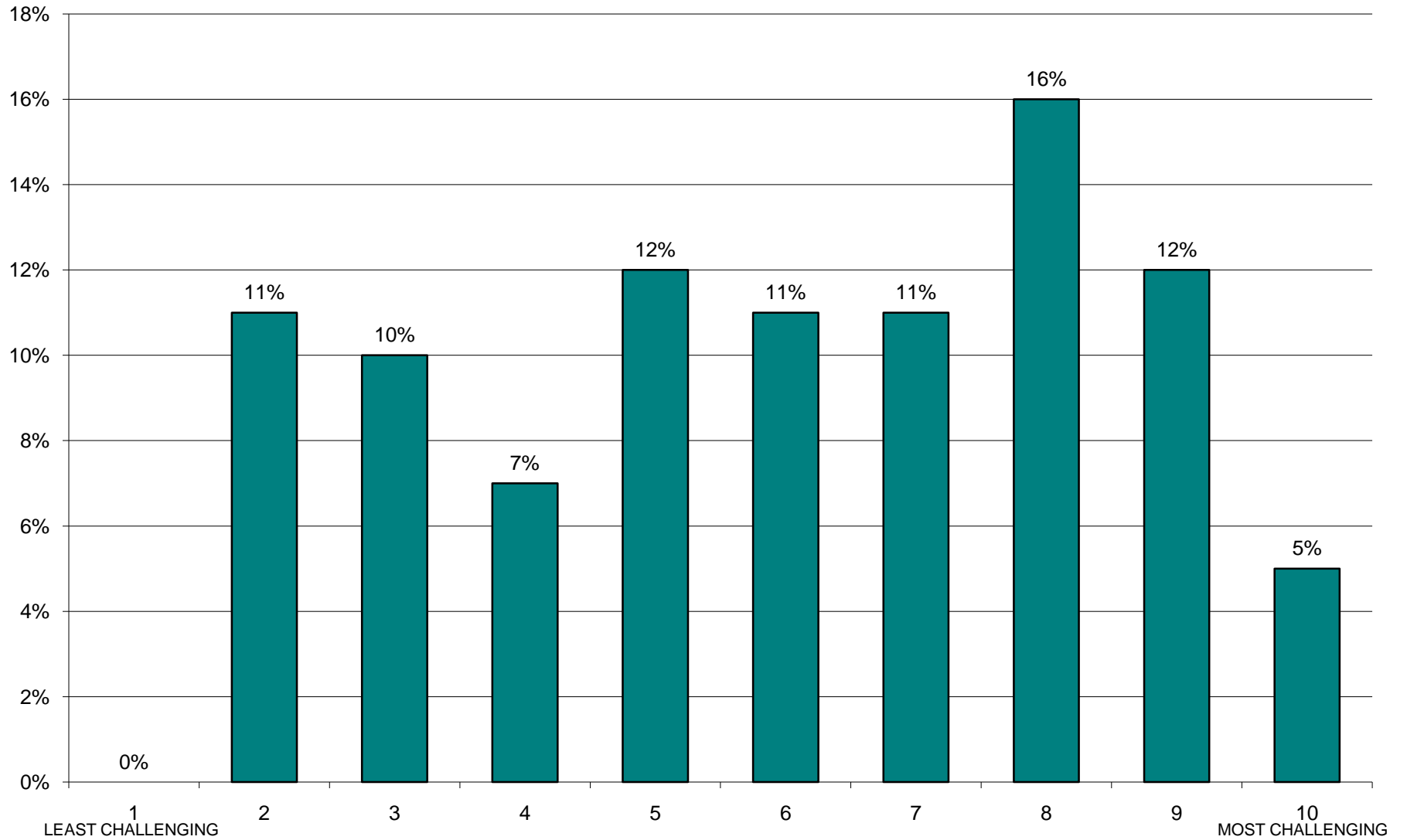
Dealing with the financial impact on my personal wealth



Maintaining a positive attitude



Helping my team maintain a positive attitude

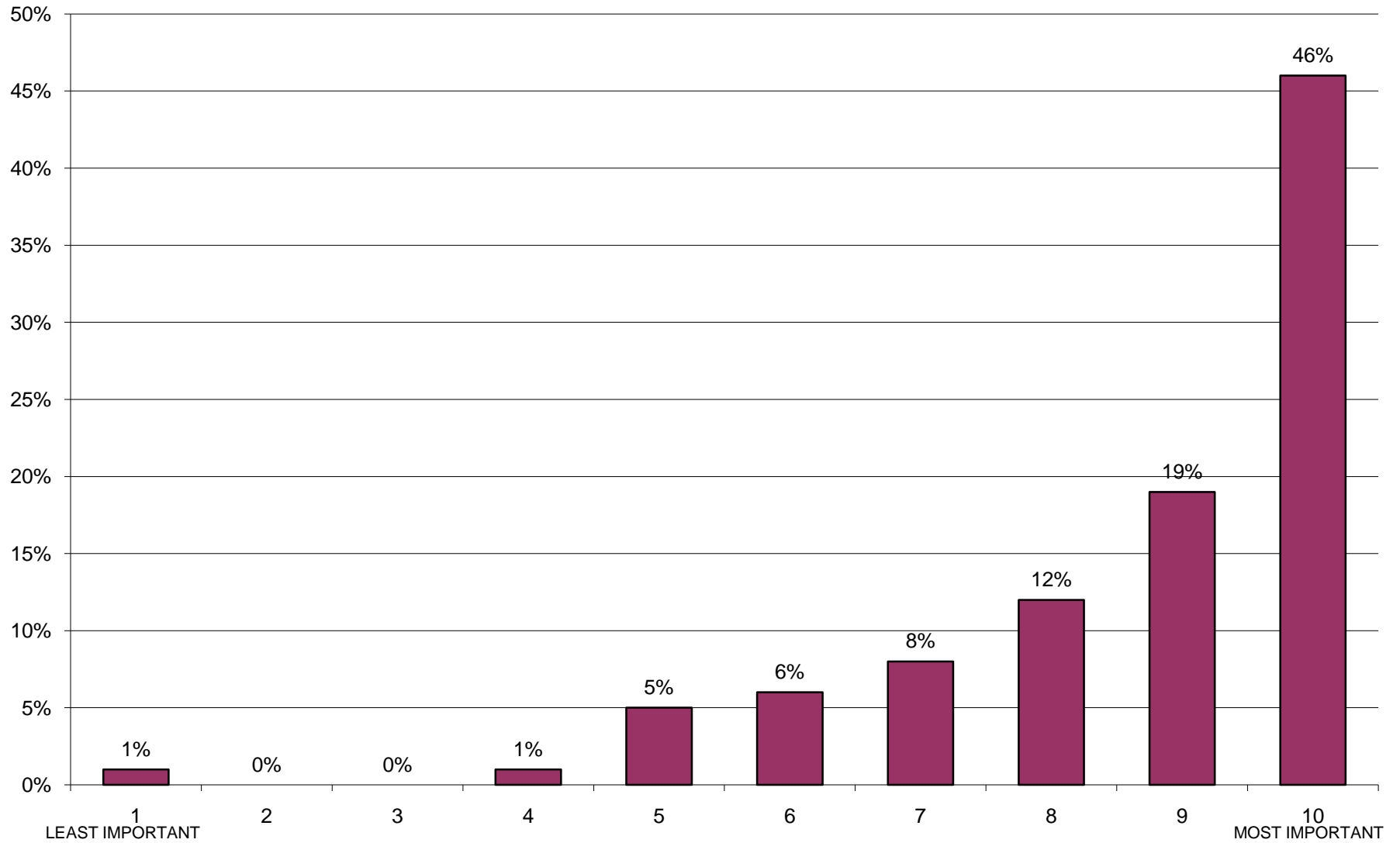


Future Priorities

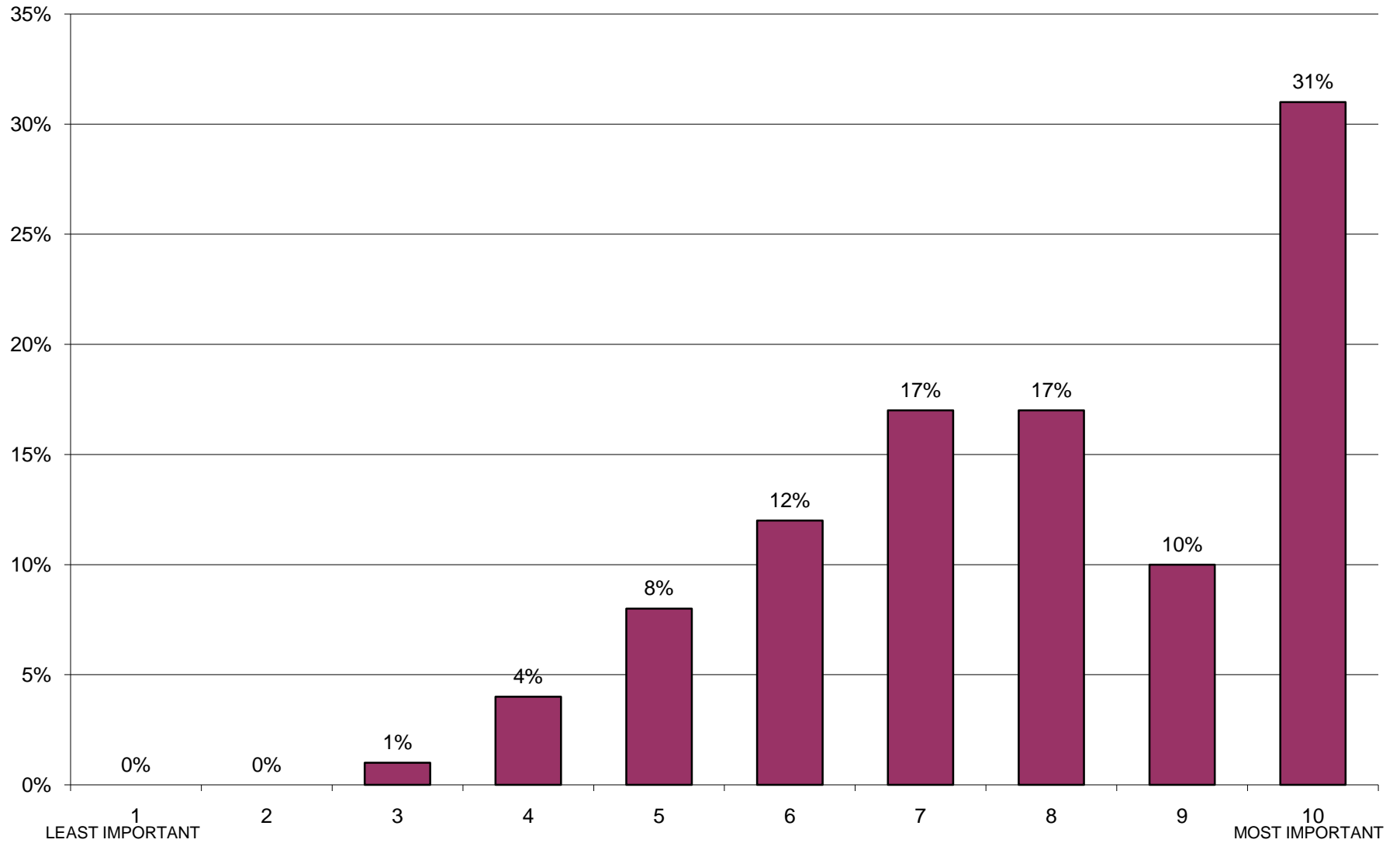
Question 3

Looking ahead to calendar year 2009,
how important are the following to your business?

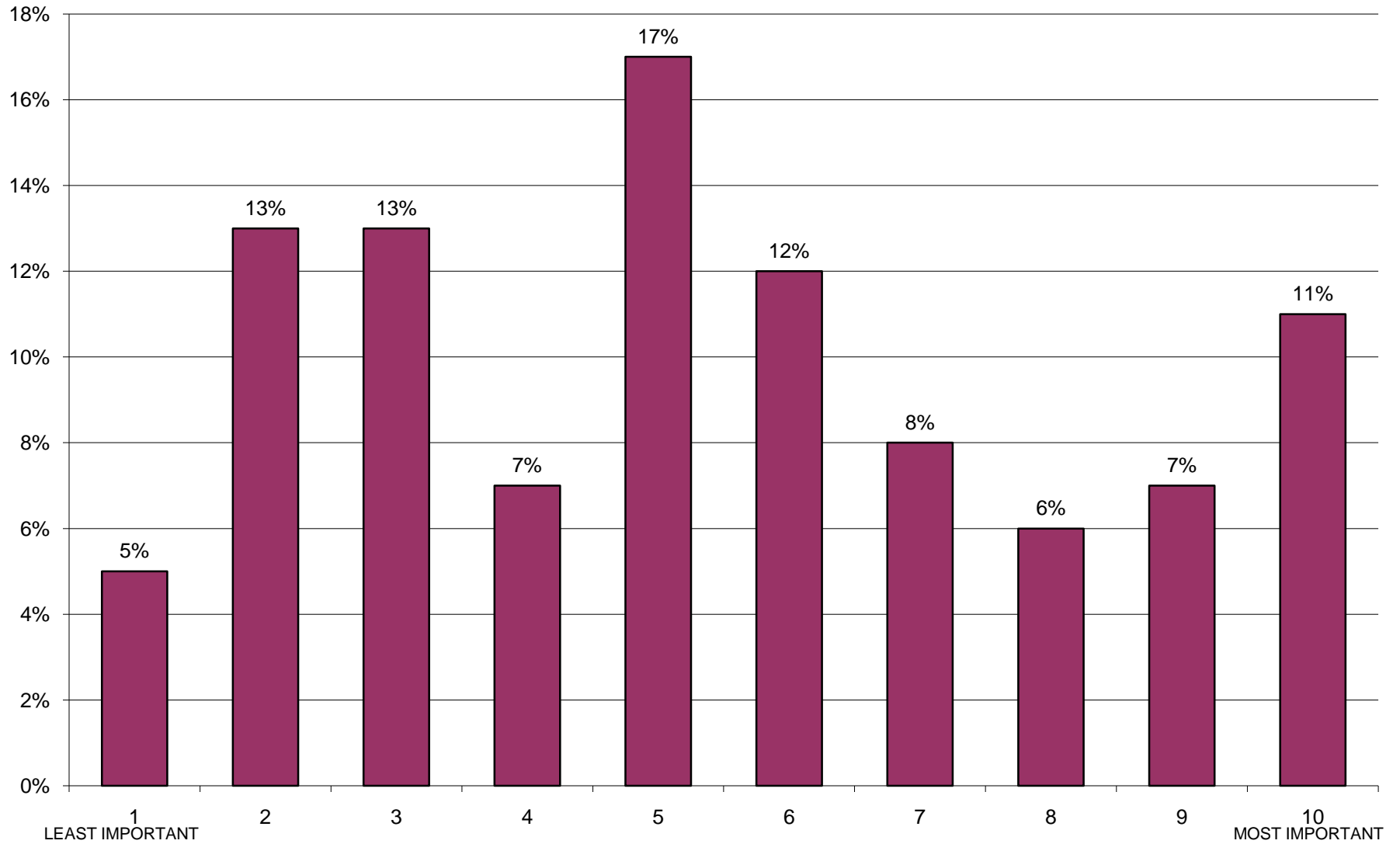
Significantly increasing net new assets



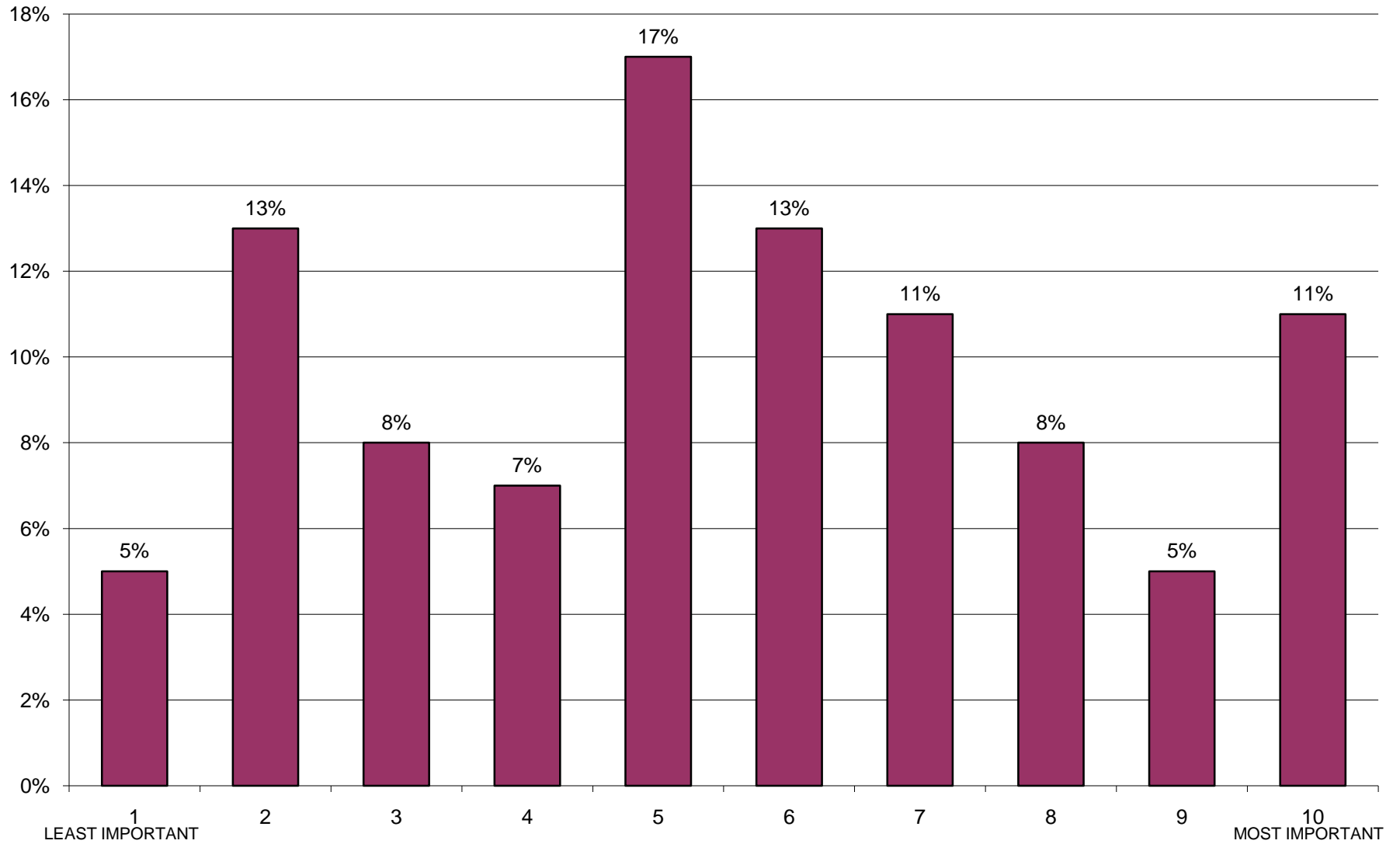
Rebuilding client confidence in the markets



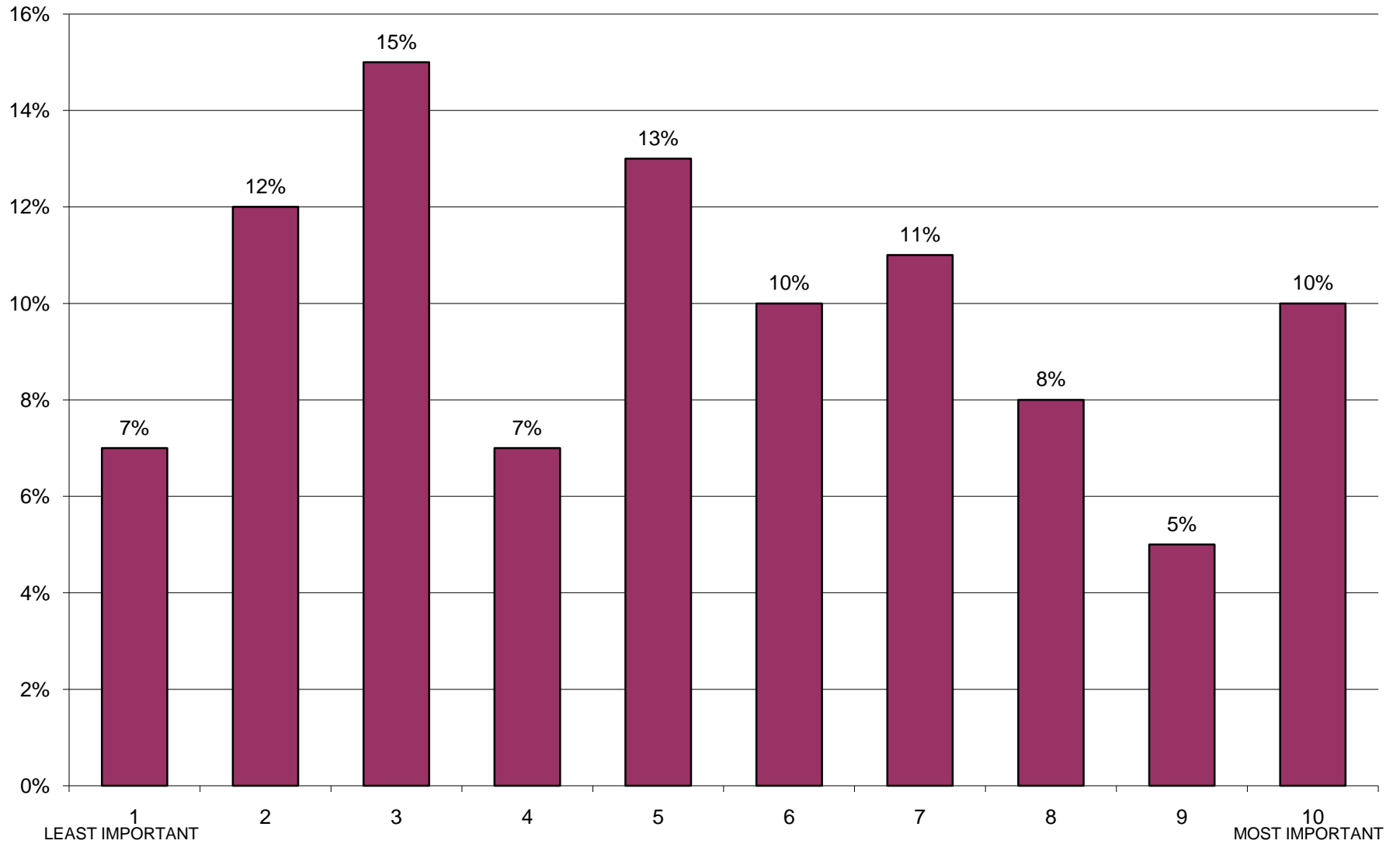
Rebuilding my own confidence in the markets



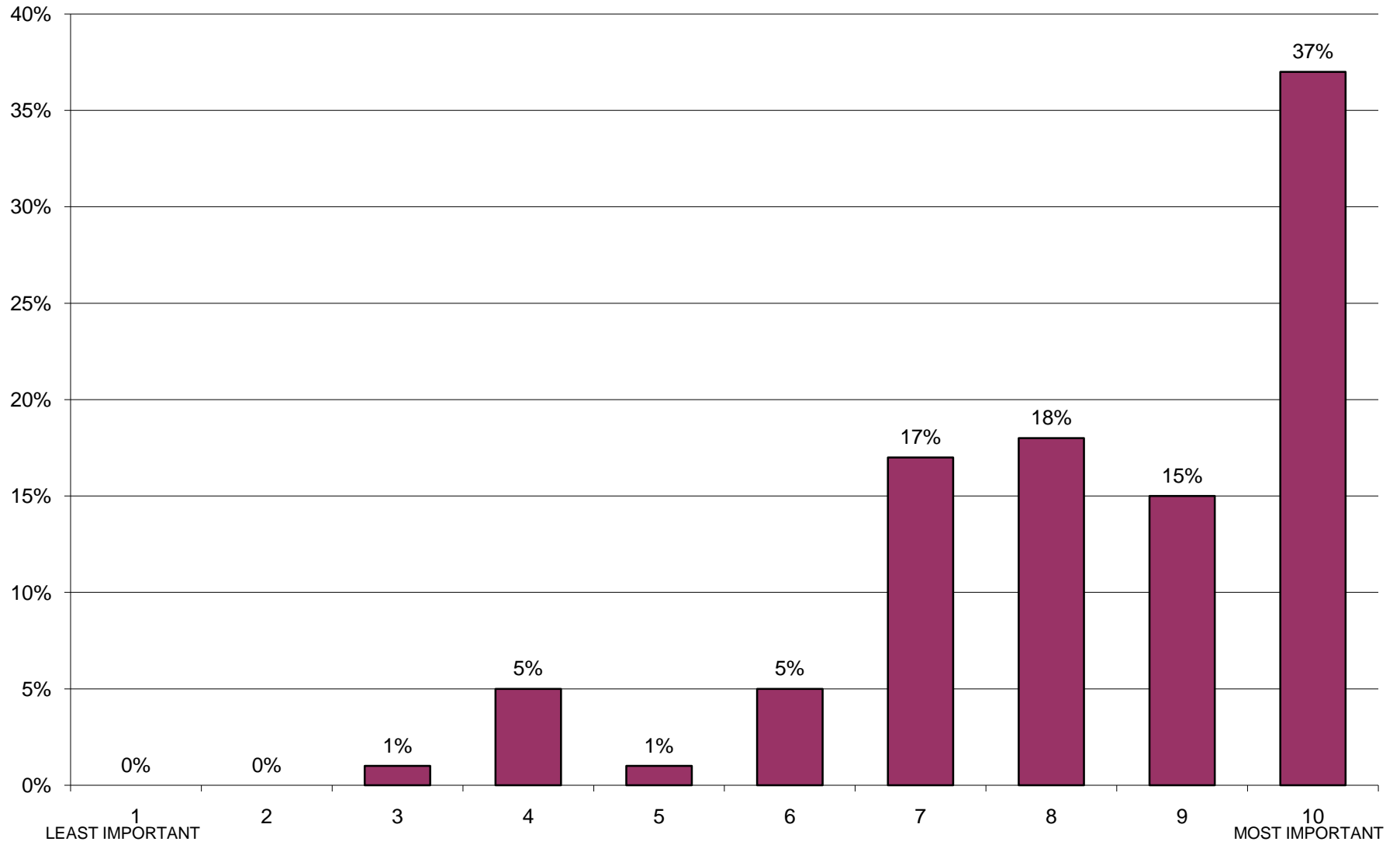
Making adjustments to my investment philosophy



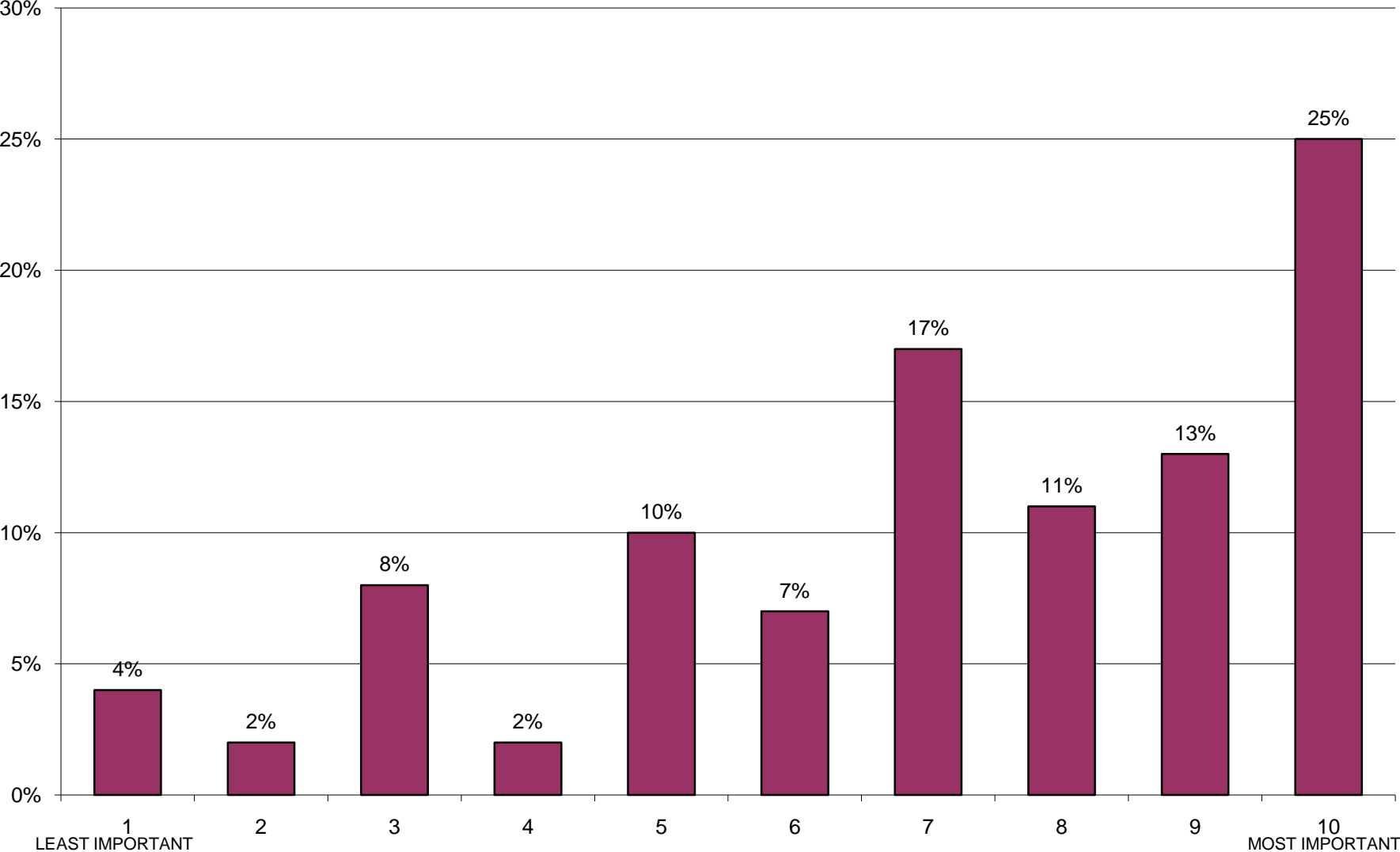
Making adjustments to my investment process



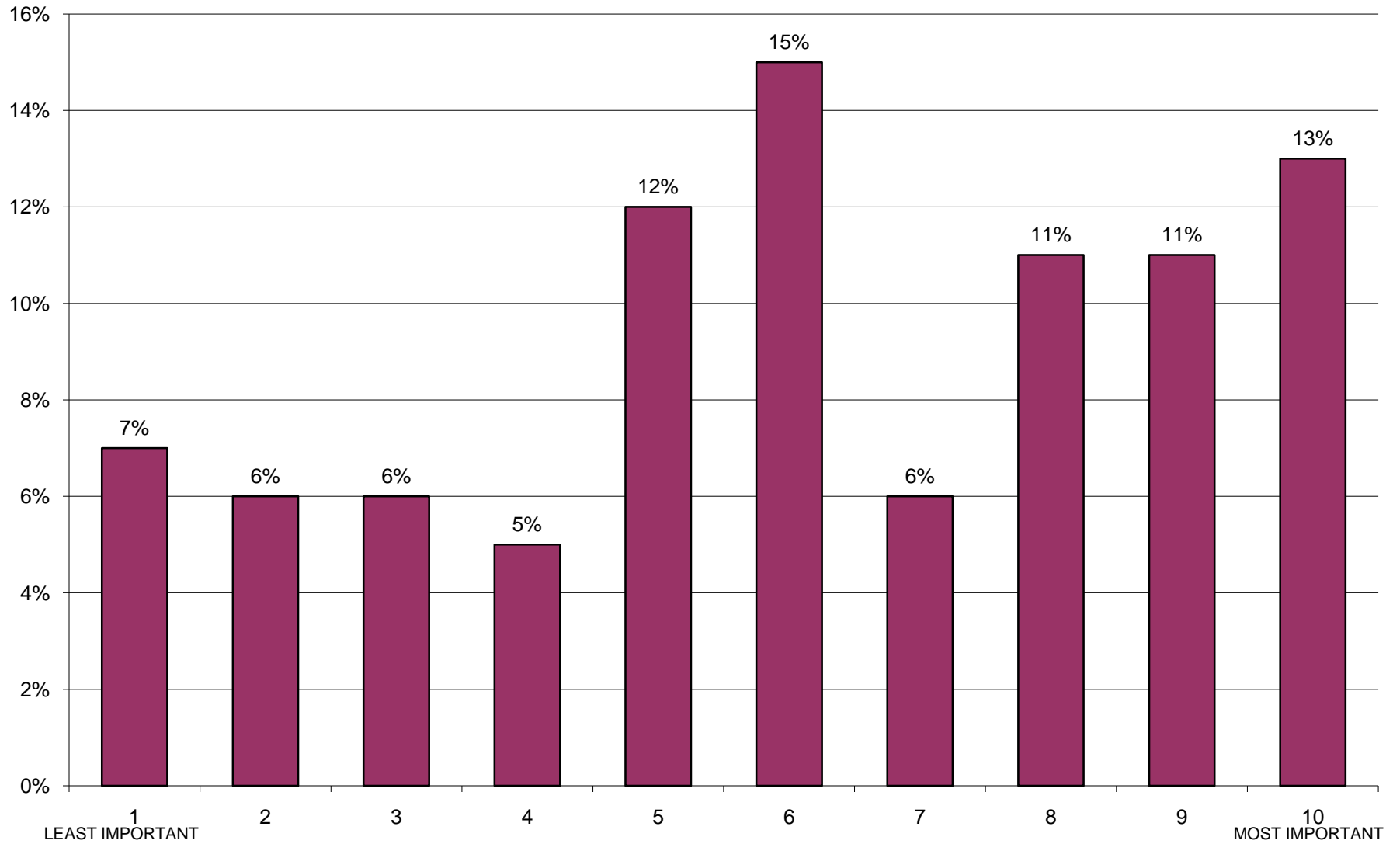
Rebuilding my clients' wealth



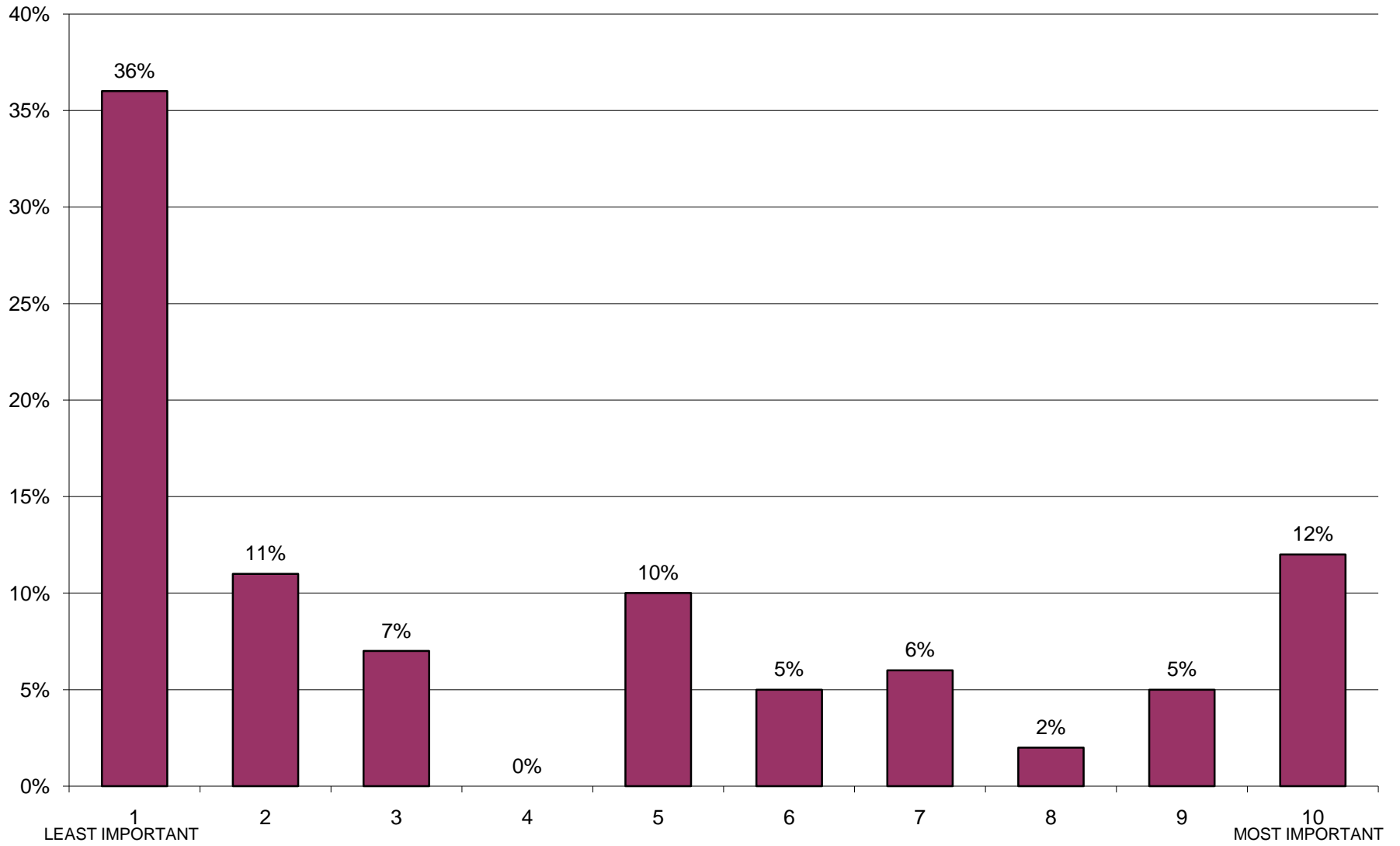
Rebuilding my personal wealth



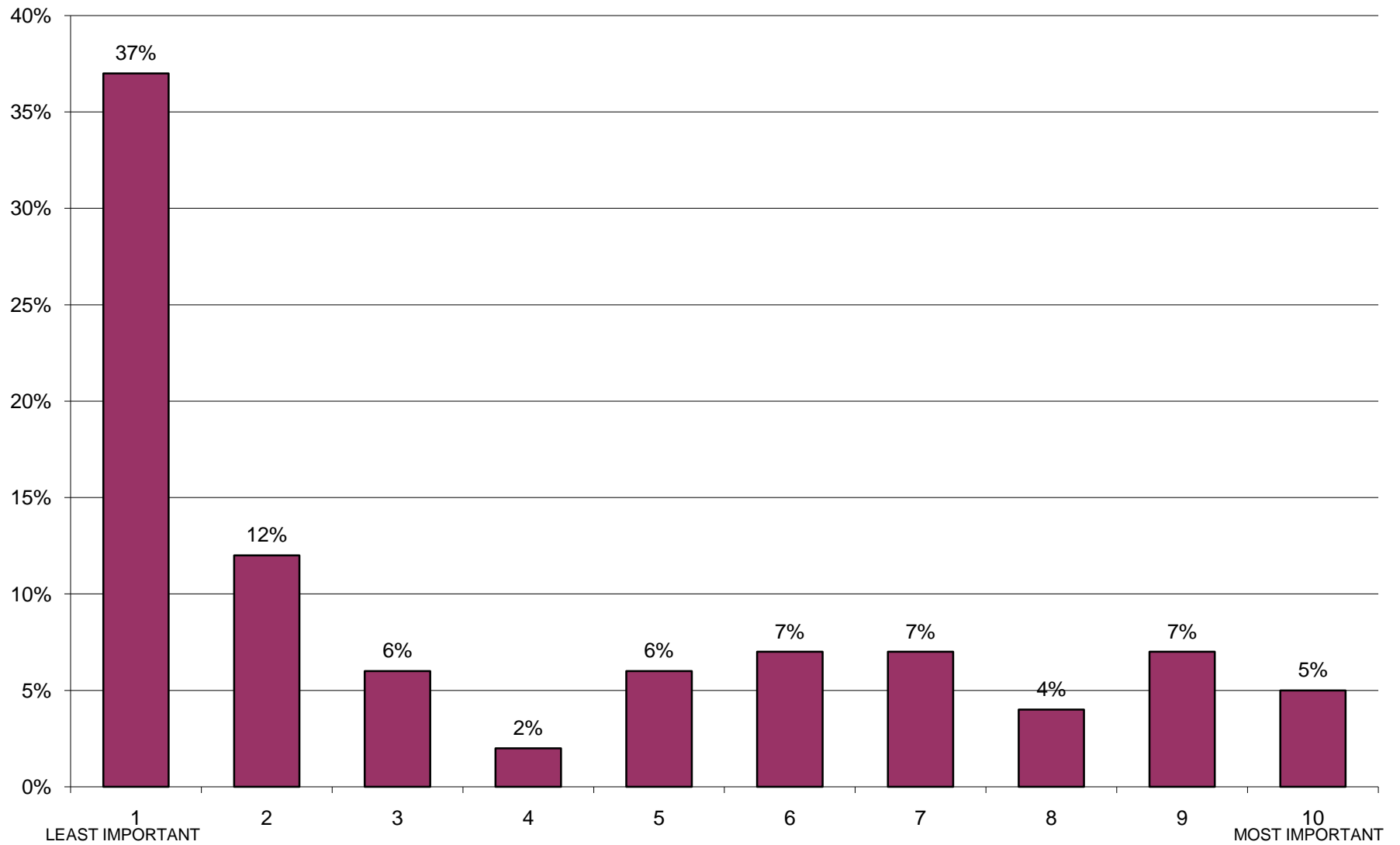
Fully adopting the wealth management business model



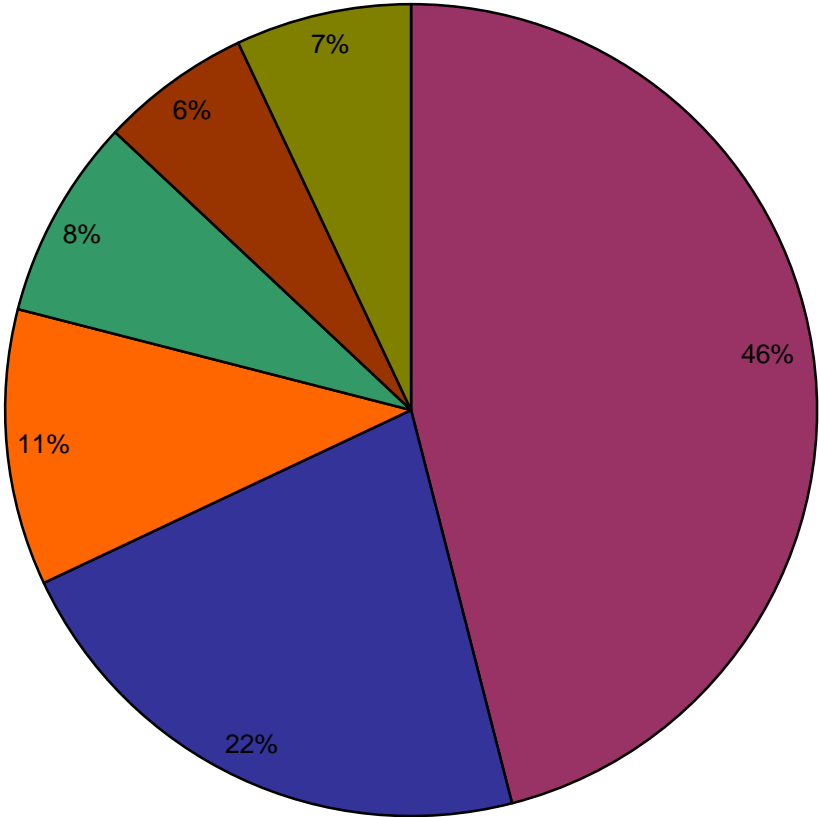
Bringing on a new partner(s)



Hiring additional staff

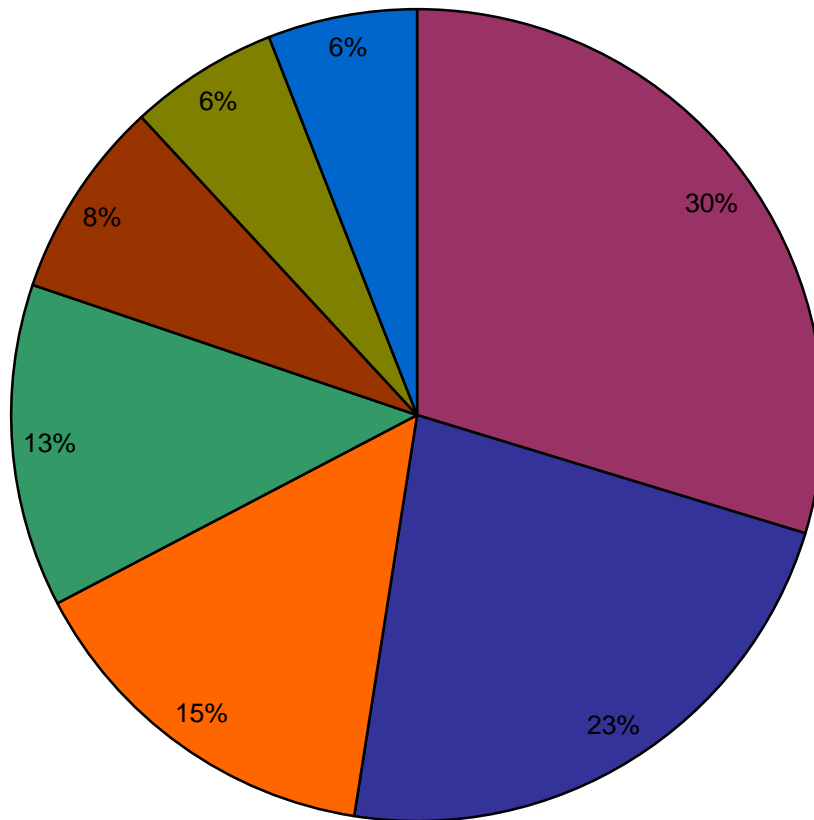


For 2009, what is your top business goal?



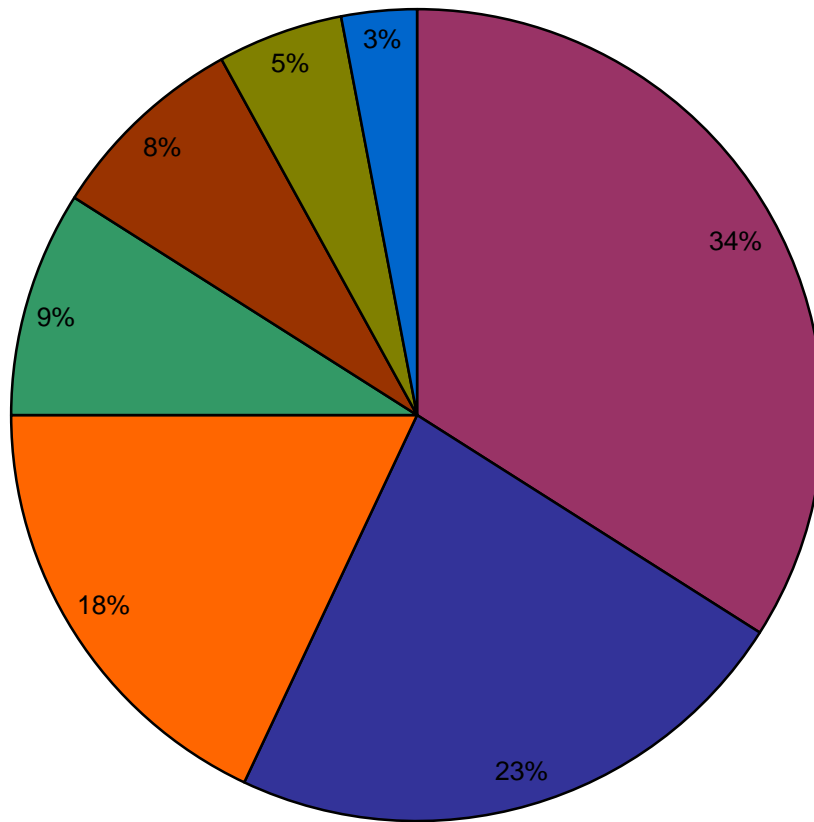
- Increase assets/revenues/new clients
- Maintain/Retain/Stregthen Client Relationship
- Change business model/strategies/process
- Strengthen Team/Marketing/Partners
- Counset clients/Restore confidence
- Education

For 2009, what is the greatest challenges you face in your business?



- Client confidence / Stability of firm
- Economic / Political expectations in the market
- New business/Gathering new assets/loss of assets
- Lack resources/firm limits/team changes/time mgmt
- Own fear/uncertainty in mkts/firm
- Staying with business model/process
- Client communication/marketing

What question would you like to have answered in future surveys?



- Business Model/Practices/Theories/Firms
- Economy/Effects of Meltdown
- Regulatory Envir/Industry Future/Corp Governance
- IMCA
- Maintainging/Growing Business
- Client's Looking for
- Personal confidence/stress

Future Plans

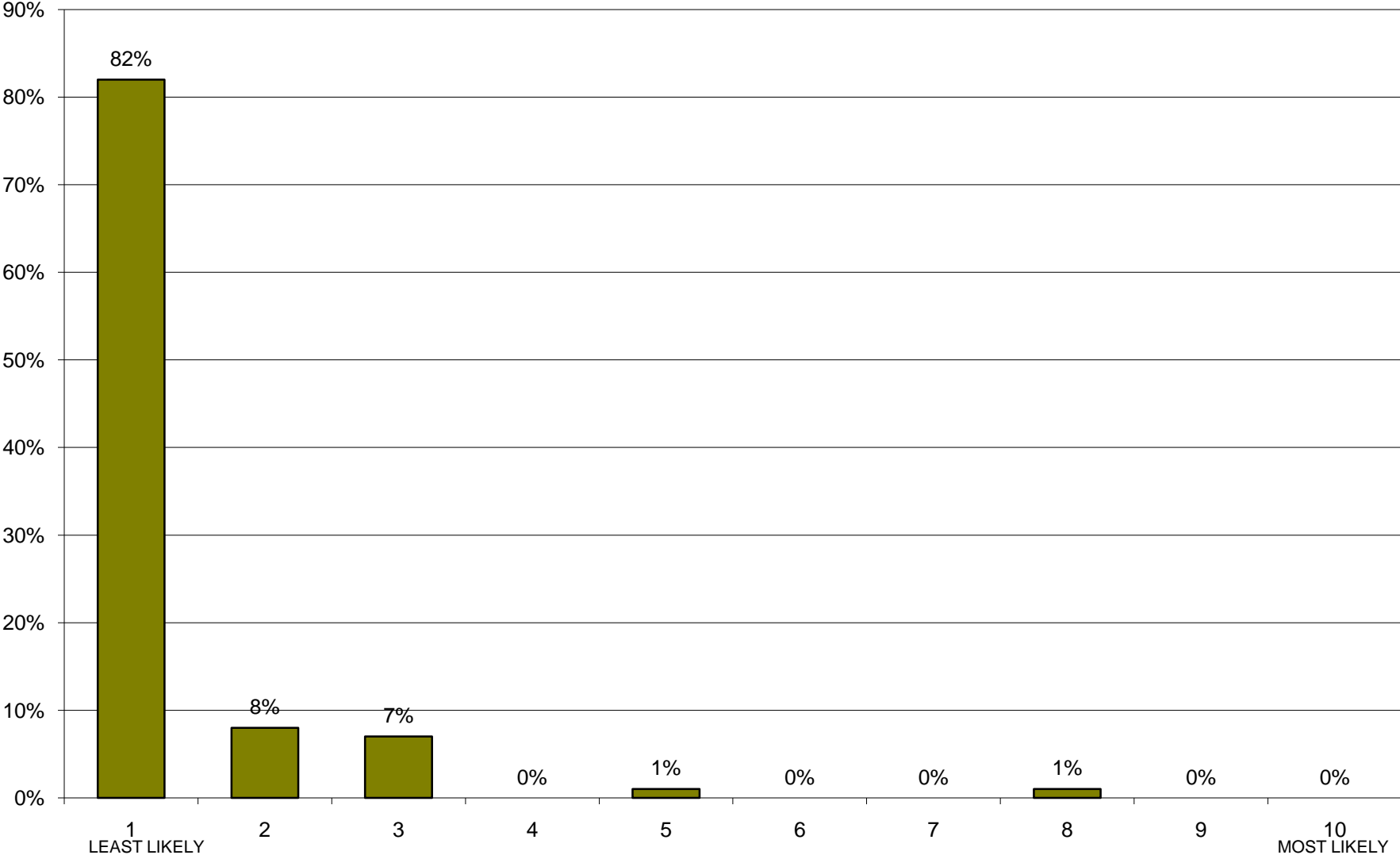
Question 7

How likely are you to take the following actions
in calendar year 2009?

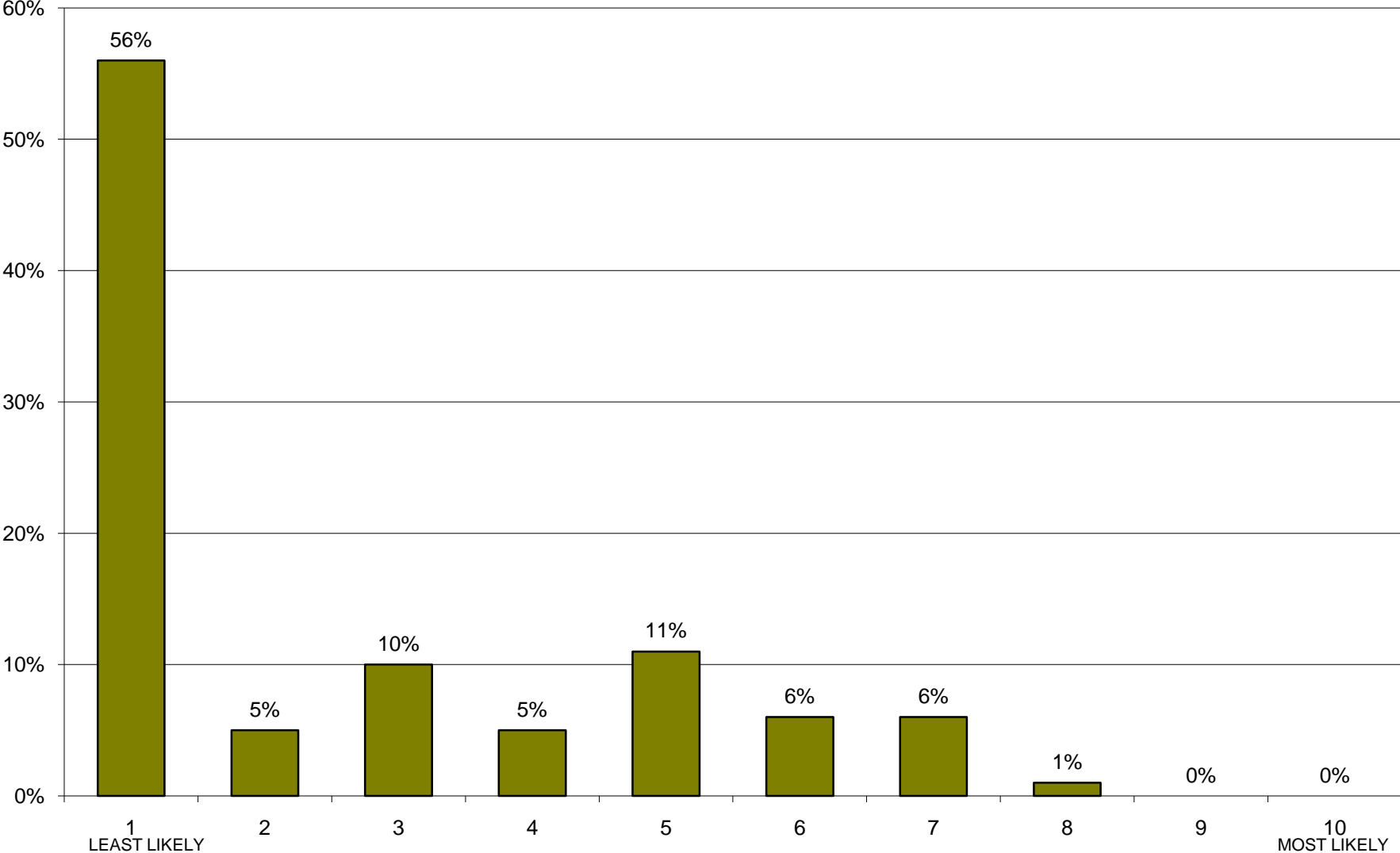
STRONGLY DISAGREE

STRONGLY AGREE

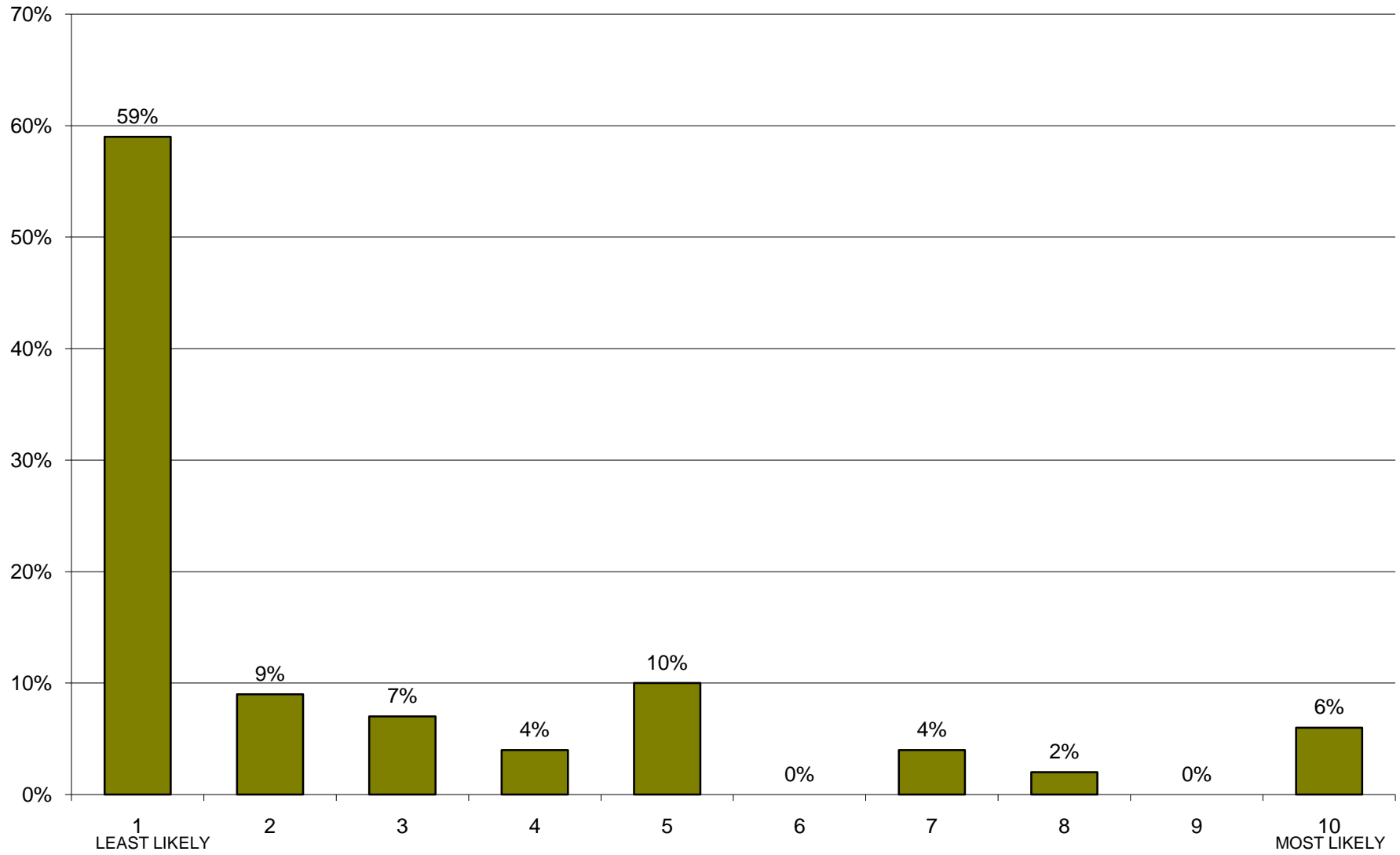
Sell my investment advisory practice



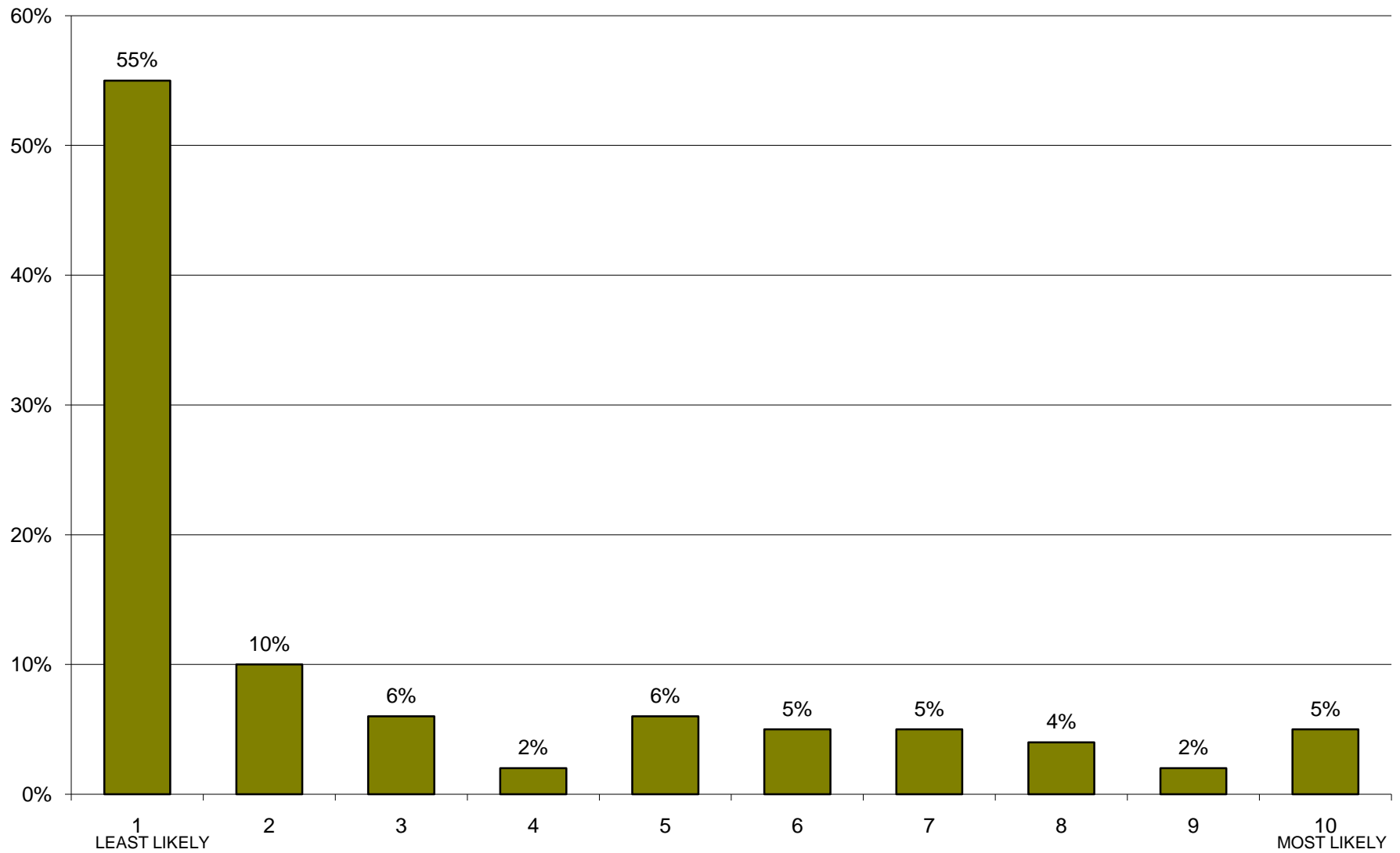
Buy an investment advisory practice



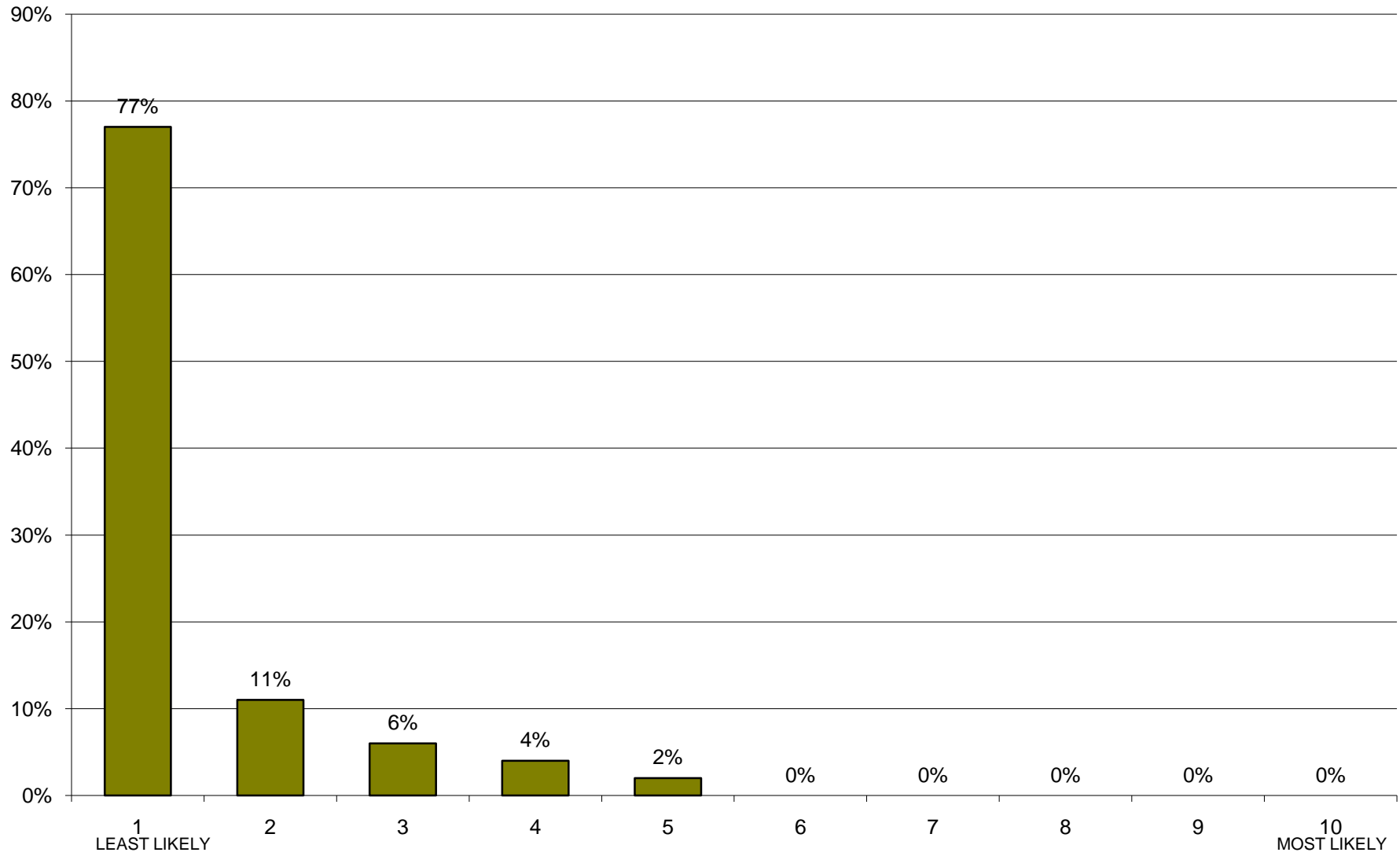
Go out on my own



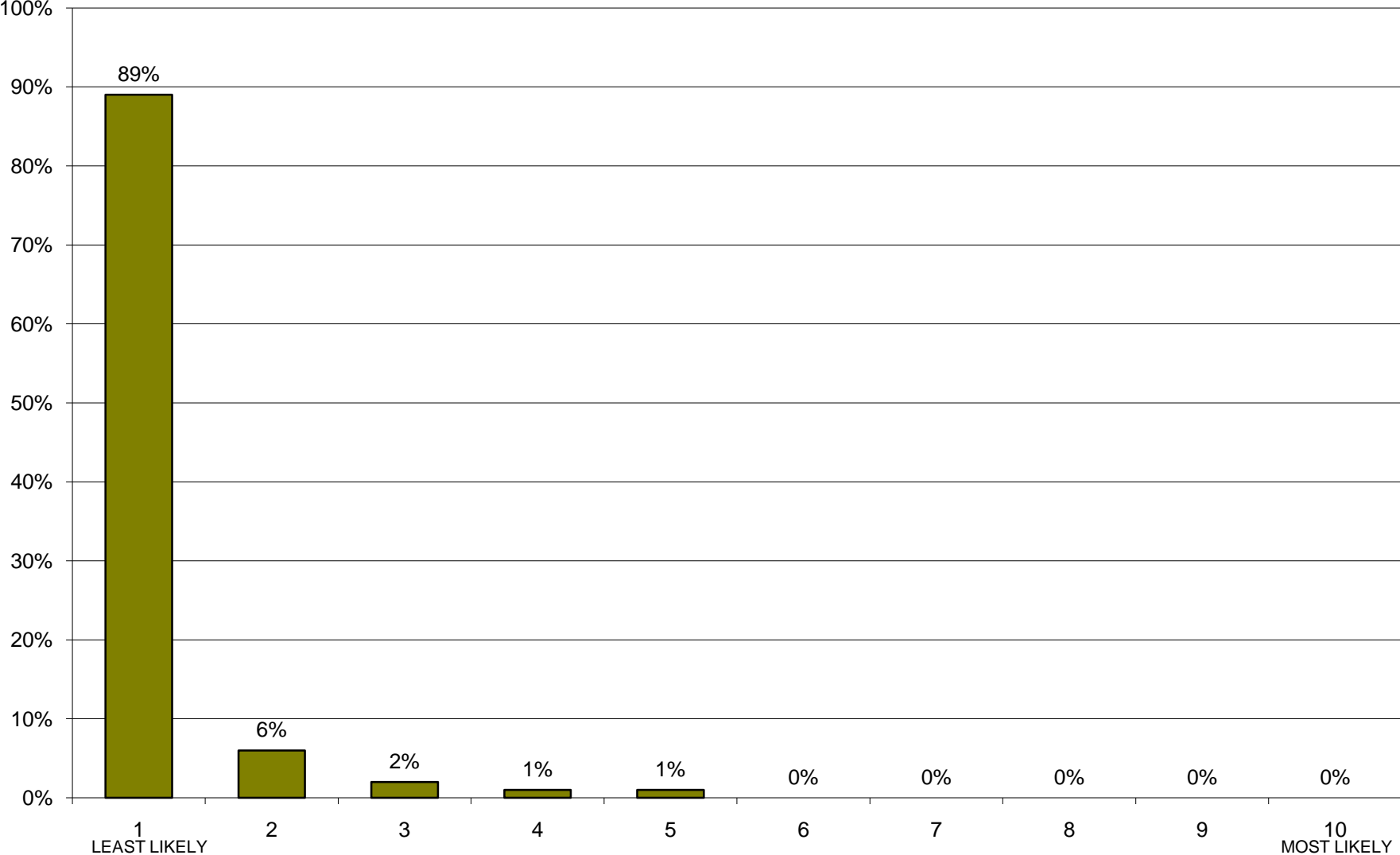
Change firms



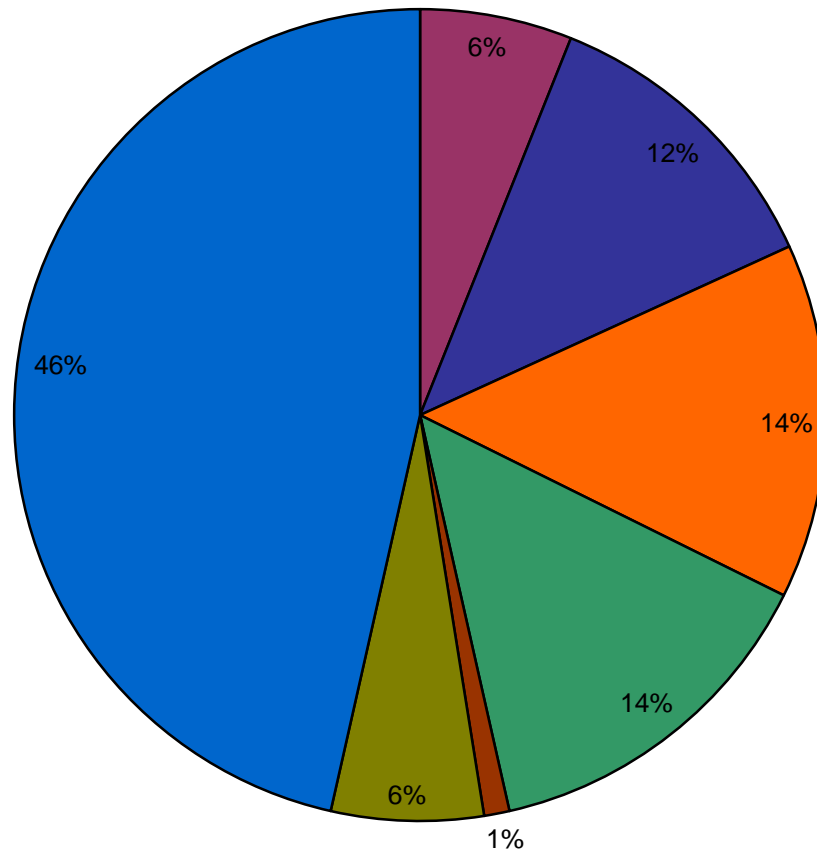
Change careers



Retire

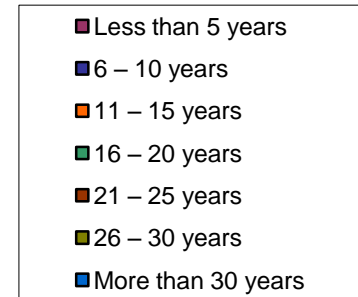
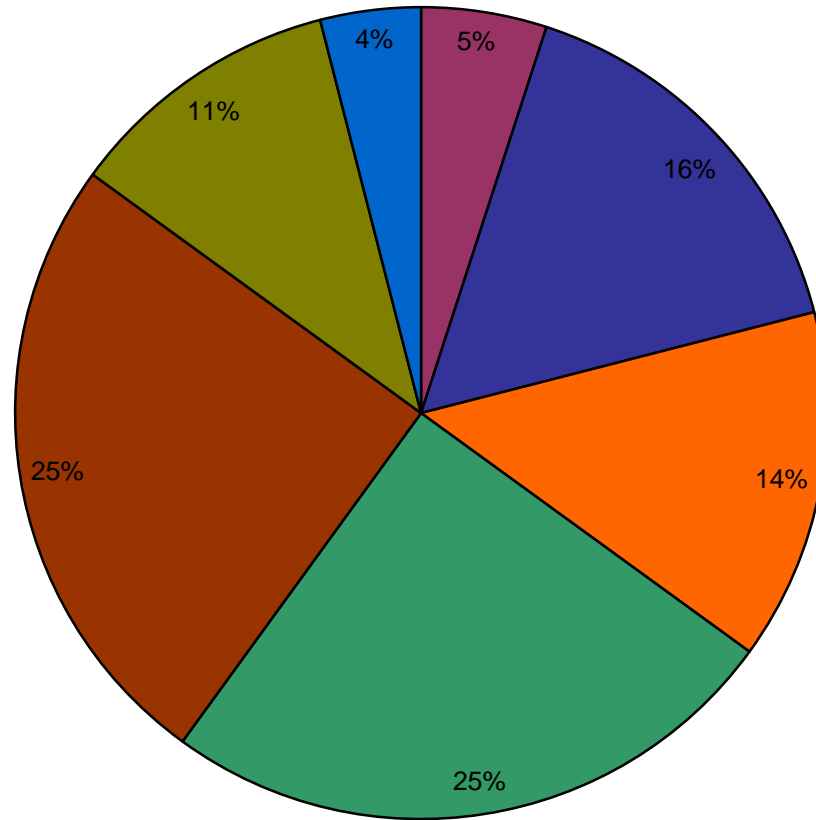


Which of the following BEST describes the channel you work in?

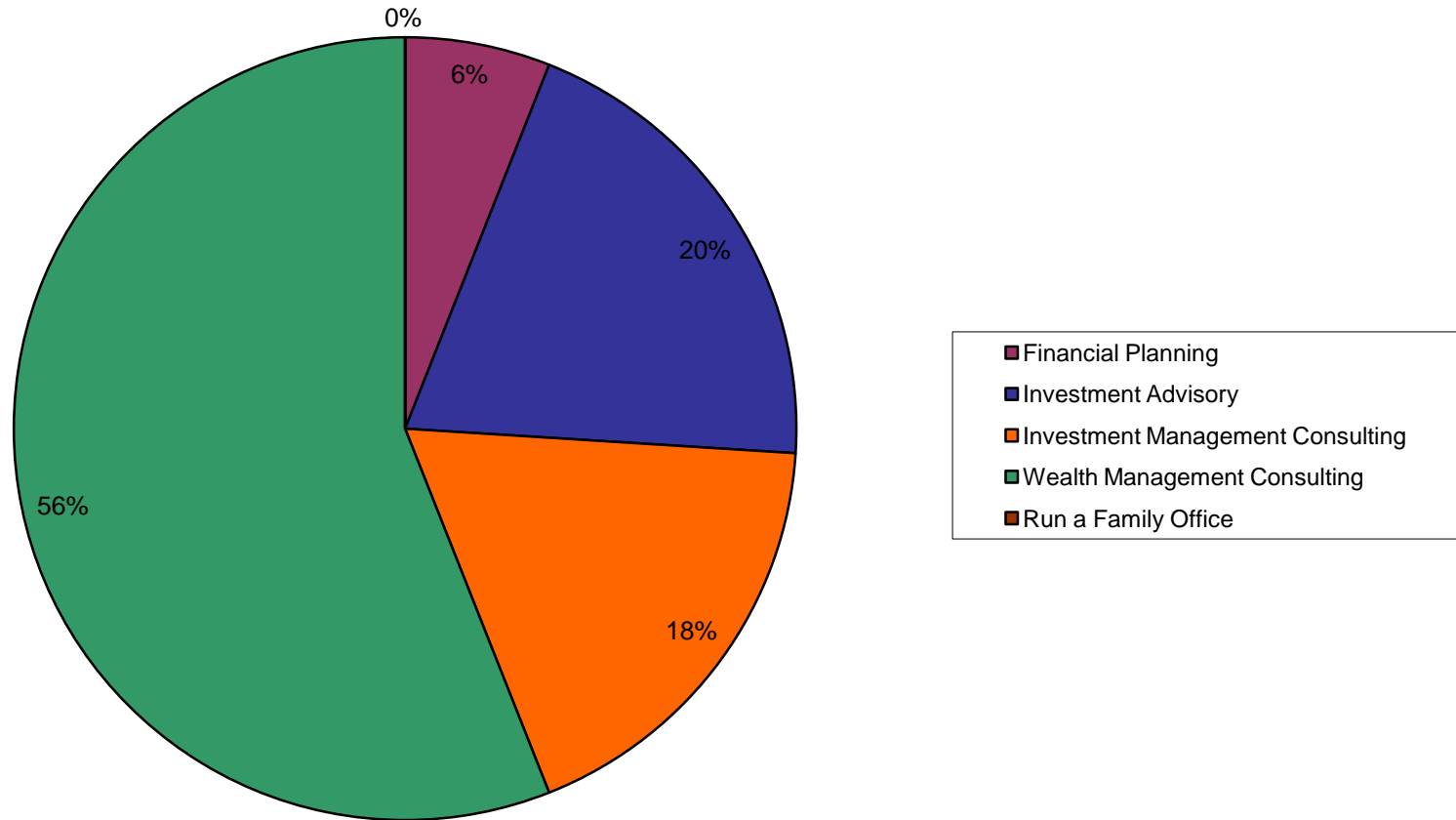


- Bank Brokerage
- Bank Trust Department
- Independent Broker-Dealer
- Independent RIA
- Insurance Broker-Dealer
- Regional Brokerage Firm
- Wirehouse (incl merged or acquired)

How long have you been a financial advisor?



Which of the following BEST describes what you do for clients?



IMCA

Practice Management Survey / Jan 2009

1. To what extent do you agree with the following statements?											
Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Strongly Disagree	2	3	4	5	6	7	8	9	Strongly Agree	N/A
I am surprised at the magnitude of dislocation we have seen in the financial markets	2 2%	3 4%	4 5%	2 2%	2 2%	4 5%	16 19%	17 20%	10 12%	24 29%	0 0%
I am surprised at the magnitude of dislocation we have seen in the financial services industry	1 1%	3 4%	6 7%	1 1%	3 4%	5 6%	7 8%	18 22%	17 20%	22 27%	0 0%
Recent events have caused my clients to lose confidence in me	10 12%	30 36%	19 23%	6 7%	3 4%	5 6%	3 4%	2 2%	1 1%	3 4%	2 2%
Recent events have caused my clients to lose confidence in my firm	8 10%	19 23%	9 11%	5 6%	6 7%	5 6%	8 10%	7 8%	5 6%	10 12%	2 2%
Recent events have led me to question if the principles of modern portfolio theory and capital market assumptions still hold true	4 5%	8 10%	7 8%	3 4%	15 18%	5 6%	16 19%	14 17%	4 5%	8 10%	0 0%
Going forward, the financial markets will be better off as a result of going through this period of dislocation	4 5%	2 2%	4 5%	3 4%	16 19%	3 4%	13 15%	15 18%	7 8%	16 19%	1 1%
Going forward, the financial services industry will be better off as a result of going through this period of dislocation	5 6%	6 7%	5 6%	4 5%	8 10%	8 10%	12 14%	13 16%	12 14%	10 12%	0 0%
When it comes to the financial markets, I am very optimistic about 2009	8 10%	3 4%	11 13%	13 15%	20 24%	12 14%	10 12%	5 6%	2 2%	0 0%	0 0%
Recent events have presented me with a significant opportunity to grow my business	1 1%	2 2%	2 2%	4 5%	5 6%	7 8%	15 18%	12 14%	19 23%	16 19%	1 1%
I am confident that I know how to capitalize on that opportunity	1 1%	2 2%	3 4%	4 5%	7 8%	9 11%	19 23%	12 14%	15 18%	11 13%	1 1%

2. How challenging have the following been for you during the past six months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Least Challenging	2	3	4	5	6	7	8	9	Most Challenging	N/A
Helping my clients deal with declining portfolio values	0 0%	0 0%	3 4%	0 0%	3 4%	12 14%	14 17%	16 19%	16 19%	19 23%	1 1%
Preventing my clients from abandoning their investment plans	0 0%	4 5%	2 2%	3 4%	9 11%	18 21%	13 15%	10 12%	11 13%	13 15%	1 1%
Deciding what changes to make in my clients' portfolios	2 2%	5 6%	7 8%	8 10%	10 12%	11 13%	11 13%	13 16%	6 7%	9 11%	1 1%
Getting my clients to act on my investment recommendations	2 2%	11 13%	11 13%	6 7%	13 15%	7 8%	9 11%	12 14%	6 7%	4 5%	3 4%
Making sense of the underlying factors that led to recent events	6 7%	6 7%	14 17%	8 10%	7 8%	4 5%	13 15%	9 11%	8 10%	8 10%	1 1%
Explaining to clients the underlying factors that led to recent events	7 8%	12 14%	8 10%	12 14%	4 5%	7 8%	14 17%	11 13%	3 4%	5 6%	1 1%
Dealing with "headline risk" (bad news about your firm or the industry)	6 7%	5 6%	9 11%	8 10%	9 11%	8 10%	2 2%	7 8%	9 11%	20 24%	1 1%
Managing my own stress	2 2%	3 4%	6 7%	6 7%	8 10%	10 12%	12 14%	13 15%	8 10%	15 18%	1 1%
Helping my team members deal with stress	2 2%	6 7%	9 11%	7 8%	10 12%	10 12%	11 13%	7 8%	10 12%	6 7%	6 7%
Dealing with the financial impact on my personal wealth	3 4%	9 11%	3 4%	4 5%	7 8%	10 12%	13 15%	15 18%	9 11%	10 12%	1 1%
Maintaining a positive attitude	2 2%	6 7%	7 8%	8 10%	9 11%	11 13%	11 13%	16 19%	5 6%	8 10%	1 1%
Helping my team maintain a positive attitude	0 0%	9 11%	8 10%	6 7%	10 12%	9 11%	9 11%	13 16%	10 12%	4 5%	5 6%

3. Looking ahead to calendar year 2009, how important are the following to your business?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Least Important	2	3	4	5	6	7	8	9	Most Important	N/A
Significantly increasing net new assets	1	0	0	1	4	5	7	10	16	39	1

Significantly increasing net new assets	1%	0%	0%	1%	5%	6%	8%	12%	19%		46%	1%
Rebuilding client confidence in the markets	0	0	1	3	7	10	14	14	8		26	1
	0%	0%	1%	4%	8%	12%	17%	17%	10%		31%	1%
Rebuilding my own confidence in the markets	4	11	11	6	14	10	7	5	6		9	1
	5%	13%	13%	7%	17%	12%	8%	6%	7%		11%	1%
Making adjustments to my investment philosophy	4	11	7	6	14	11	9	7	4		9	2
	5%	13%	8%	7%	17%	13%	11%	8%	5%		11%	2%
Making adjustments to my investment process	6	10	13	6	11	8	9	7	4		8	2
	7%	12%	15%	7%	13%	10%	11%	8%	5%		10%	2%
Rebuilding my clients' wealth	0	0	1	4	1	4	14	15	13		31	1
	0%	0%	1%	5%	1%	5%	17%	18%	15%		37%	1%
Rebuilding my personal wealth	3	2	7	2	8	6	14	9	11		21	1
	4%	2%	8%	2%	10%	7%	17%	11%	13%		25%	1%
Fully adopting the wealth management business model	6	5	5	4	10	13	5	9	9		11	7
	7%	6%	6%	5%	12%	15%	6%	11%	11%		13%	8%
Bringing on a new partner(s)	30	9	6	0	8	4	5	2	4		10	6
	36%	11%	7%	0%	10%	5%	6%	2%	5%		12%	7%
Hiring additional staff	31	10	5	2	5	6	6	3	6		4	6
	37%	12%	6%	2%	6%	7%	7%	4%	7%		5%	7%

4. For 2009, what are your top 3 business goals?

78 Responses

5. For 2009, what are the 3 greatest challenges you face in your business?

75 Responses

6. List up to 3 questions you would you like to have answered in future surveys:

25 Responses

7. How likely are you to take the following actions in calendar year 2009?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Least Likely	2	3	4	5	6	7	8	9	Most Likely
Sell my investment advisory practice	68 82%	7 8%	6 7%	0 0%	1 1%	0 0%	0 0%	1 1%	0 0%	0 0%
Buy an investment advisory practice	46 56%	4 5%	8 10%	4 5%	9 11%	5 6%	5 6%	1 1%	0 0%	0 0%
Go out on my own	48 59%	7 9%	6 7%	3 4%	8 10%	0 0%	3 4%	2 2%	0 0%	5 6%
Change firms	45 55%	8 10%	5 6%	2 2%	5 6%	4 5%	4 5%	3 4%	2 2%	4 5%
Change careers	65 77%	9 11%	5 6%	3 4%	2 2%	0 0%	0 0%	0 0%	0 0%	0 0%
Retire	75 89%	5 6%	2 2%	1 1%	1 1%	0 0%	0 0%	0 0%	0 0%	0 0%

8. Which of the following BEST describes the channel you work in?

Bank Brokerage	5	6%
Bank Trust Department	10	12%
Independent Broker-Dealer	12	14%
Independent RIA	12	14%
Insurance Broker-Dealer	1	1%
Regional Brokerage Firm	5	6%
Wirehouse (incl merged or acquired)	38	46%
Total	83	100%

9. How long have you been a financial advisor?

Less than 5 years	4	5%
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6 – 10 years	13	16%
11 – 15 years	12	14%
16 – 20 years	21	25%
21 – 25 years	21	25%
26 – 30 years	9	11%
More than 30 years	3	4%
Total	83	100%

10. Which of the following BEST describes what you do for clients?

Financial Planning	5	6%
Investment Advisory	17	20%
Investment Management Consulting	15	18%
Wealth Management Consulting	47	56%
Run a Family Office	0	0%
Total	84	100%

Q4: For 2009, what are your top 3 business goals?

Increase assets/revenues/new clients	1	39	46%
Maintain/Retain/Stregthen Client Relationship	2	19	22%
Change business model/strategies/process	3	9	11%
Strengthen Team/Marketing/Partners	4	7	8%
Counset clients/Restore confidence	5	5	6%
Education	6	6	7%

Q5: For 2009, what are the 3 greatest challenges you face in your business?

Client confidence / Stability of firm	1	21	30%
Economic / Political expectations in the market	2	16	23%
New business/Gathering new assets/loss of assets	3	11	15%
Lack resources/firm limits/team changes/time mgn	4	9	13%
Own fear/uncertainty in mkts/firm	5	6	8%
Staying with business model/process	6	4	6%
Client communication/marketing	7	4	6%

Q6:

Business Model/Practices/Theories/Firms	1	22	34%
Economy/Effects of Meltdown	2	15	23%
Regulatory Envir/Industry Future/Corp Governance	3	12	18%
IMCA	4	6	9%
Maintaining/Growing Business	5	5	8%
Client's Looking for	6	3	5%
Personal confidence/stress	7	2	3%