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Client-centricity needs more than just lip service

By [Matthew Smith](#) | June 27, 2018



Despite all the talk about client-centricity, the data shows advice businesses are getting worse – not better – at understanding and managing client expectations.

Wealth businesses are spending plenty of time and effort talking about client-centricity and putting clients' best interests first, but research shows advice practices might be regressing when it comes to truly understanding and fulfilling their clients' needs.

Indeed, advice practices are spending less time on client communication, client feedback and face-to-face meetings with their best and most valued clients than they have in the past, says Terry Bell, founder of advice consultancy Business Health.

Business Health collates data from advice practices. Its latest findings are based on the detailed results of 226 Australian practices that have taken the firm's HealthCheck over the last 18 months, plus data from about 5000 clients who were surveyed during this period using Business Health's proprietary client survey tool.

Bell will be presenting findings from his advice practice audits at the upcoming *Professional Planner* Best Practice Forum, to be held in Sydney and Melbourne in August. Practice owners and principals who are also members of the Financial Planning Association can apply for complimentary registration [here](#).

Frequent and relevant

To be truly client-centric and meet best-interests requirements, advisers need to get better at understanding their clients, Bell says.

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This means frequent, relevant communication that is meaningful and easy to understand, he explains.

“Setting up interaction as and when the client wants it, listening to what clients are telling you, and regularly reinforcing the value you’re providing are all ways to demonstrate this centrality,” Bell says.

Going backwards

Business Health’s data shows advice businesses are also getting worse at understanding and managing client expectations.

Just over 1-in-3 practices communicate with their best clients 10 or more times a year – including contact that is written, electronic, via telephone, in group functions or face-to-face meetings – Business Health data shows. This result is well below the consultancy’s prior year finding of 43 per cent, Bell says.

Meanwhile, just 34 per cent of practices seek feedback from their clients through a formal survey, Bell notes.

“Seeking feedback from clients through a formal survey process is so important to communicating with and understanding clients...This result is one that continues to frustrate us as consultants,” he says.

Only 28 per cent of advisers meet face-to-face with their very best clients once a year to review their current personal circumstances and their progress to plan, Bell says.

Finally, only half of practices indicate they have a current client value proposition (CVP), a result that is down 6 percentage points over the prior year’s results, Bell says.

“Actions speak louder than words and, in a world where [advisers’ image] has been somewhat tarnished of late, advisers must be able to regularly demonstrate that they always have the client’s best interest at heart,” he says.

Missing demands

Forgoing structured and essential client communications might leave advice practices not fully apprised of the changing demands of their client base, Bell explains.

“Clients are ageing. While this fact alone is not exactly a scoop, when you consider the current state of play for many Australian practices...more focus and attention will be needed over the next few years, at the very least, to successfully address the greying client demographic,” Bell says.

Many advice practices aren’t moving with the times when it comes to new demands from ageing clients either, Business Health’s data shows.

Among clients, 53 per cent are aged 60, 44 per cent are already retired and 34 per cent don’t have a will, Business Health shows.

“Range of services is now one of the lowest-rated indicators by [ageing] clients through our client-satisfaction tool, yet we’re informed from our latest analysis that 67 per cent of business owners won’t be looking to expand their service range over the next 12+ months,” Bell says.

