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## Managed accounts significantly improve financial advice services

Managed accounts are driving better client engagement and improving the delivery of financial advice, according to the findings in a whitepaper released by Colonial First State.

In releasing the whitepaper, the General Manager Distribution for Colonial First State, Peter Chun, said: "Our whitepaper, *Managed Accounts: Building your future business*, takes what we know anecdotally and provides insights and clear data into how managed accounts are supporting the evolution of advice practices.

"The whitepaper shows that advisers who use managed accounts are reporting reduced manual administration, more regular communication with their clients, and improved risk controls in managing client portfolios."

As a result, Chun said these advisers also report having more time to spend with their clients, have higher levels of client engagement, and are achieving better business outcomes.

Some of the key findings of the whitepaper include:

- 87 per cent of managed account users surveyed reported reduced administration within their business;
- 73 per cent benefit from improved client engagement;
- 73 per cent report improved client investment outcomes;
- 70 per cent benefit from improved risk control of client portfolios; and
- on average, advisers using managed accounts are spending approximately 23 per cent more time in client appointments each week.

The analysis for the Colonial First State whitepaper was conducted by Business Health, with insights from the IMAP Business Health Check diagnostic tool. It covered 30 managed account practices benchmarked against 226 financial advisory firms and 45,000 clients.

According to Terry Bell from Business Health, the key benefit of managed accounts is in improved client engagement.

"Financial planning practices using managed accounts are now able to spend more time with their clients, whether it be through face-to-face meetings or simply communication touch points. This results in higher levels of client retention," he said.

"It's also clear from the research that these benefits accelerate over time as managed accounts are embedded into an advice practice."