

How Can Advisors Improve Their Business Practices?



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WealthTech
Insights



Adrian Johnstone

Founder and Chief
Commercial Officer of Practifi

Embracing trends and building meaningful relationships

**Interview with Adrian Johnstone,
Founder and Chief Commercial Officer of Practifi**

Everyone dreams of being their own boss. Generally, people fantasize about making more money. Nobody fantasizes about working hard and seeking out talented individuals to help them grow. As Ronnie Coleman, eight-time winner of the Mr. Olympia title for bodybuilding, famously said,

“Everybody wants to be a bodybuilder, but nobody wants to lift no heavy-ass weights.”

Industry trends advisors need to embrace

You need more than a thirst for cash to succeed in business—you need an innovative business idea, a smart strategy, a willingness to work hard, and a desire to build relationships with clients. And, you need to find a way to present your product in the best light.

Fee compression and automation

Adrian Johnstone, Founder and Chief Commercial Officer of Practifi, told me that fee compression is a major concern for many advisors. This is a tough nut to crack because there are so many factors involved. Pressure on advisors is commonly caused by low-price robo-advising platforms and a generational shift in clients. Despite the clear evidence of declining fees, some experts say this pressure is good for advisors. It will force innovation or adjustment, and that means a better value proposition, more automation, and better transparency.

“There's a huge trend toward how to automate: How do we take the routine and the mundane and eliminate that so we can focus on high value? How do we not

only automate a workflow, but how do we reset all the data in the system based on a single input?”

Client-centric approach

Adrian explained that another challenge is breaking the mold of having a simplistic understanding of the clients’ world beyond the conversations with advisors. He went on to say that our definition of a CRM system hasn’t changed since the ’70s. It’s a one-dimensional relationship, and it’s not enough anymore.

“Today, the industry is staring into problems like wealth transfer. Who are the children? When did we last talk to them? Have we ever met them? What are we doing for them?”

Advisors need to understand that there may be third parties involved, like accountants or attorneys. They also need to realize that these parties can (and often do) influence clients’ opinions.

“The more you know both in breadth and depth of the client, their family, their needs, their values, their concerns, the other voices influencing them, all those inputs allow you to be more proactive and then to deliver them a more valuable service.”

The key to long-term relationships with clients

It might sound redundant at first, but let it sink in: the first key to long-term relationships is to build a great relationship. How do you accomplish this? Adrian said that it’s simple: you have to constantly innovate and reassess your value. Hundreds of tech startups flood the market with genuinely amazing technology. However, many tech providers stop there. They don’t build out the client strategy but instead use the tech as a crutch.

“Today’s great is tomorrow’s outdated. They say if you don’t innovate, you’ll stagnate. I think that message has never been more true.”

Innovation is what drives change in the wealth industry and finance as a whole. If a platform is flawless but isn’t capable of going to the cloud, it’s likely to stagnate. In this scenario, the platform would have to be rebuilt or reengineered, taking the focus away from the client and back to the tech issues.

“If you haven’t reengineered toward a software-as-a-service model, it’s going to be hard. Some of the changes are major, some are minor, but if you don’t continuously innovate, you won’t maintain long-term relationships.”

The bottom line

Seeing the hurdle in front of you is one thing. Overcoming that hurdle is a different beast altogether. Planning can only get you so far, and understanding how to execute is the key to growth. Adrian has grown Practifi on the idea of simplifying instead of complicating. He believes advisors need to take a client-centric approach and build the best relationship: a deep understanding of all the client’s needs.

About

Adrian Johnstone has over 25 years' experience consulting and working with wealth management firms in Australia. At Practifi, his main responsibility is to deliver a product that fits the market needs in the future, not just what they need today.



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