

Optimise your service model

It's a balancing act





"My favourite things in
life don't cost any
money.

It's really clear that
the most precious
resource we all have
is time."

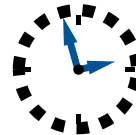
STEVE JOBS

EXERCISE: Calculate your time

Your annual gross revenue divided by working hours.



$$\begin{array}{r} \text{\$} \underline{\hspace{2cm}} \\ \text{Annual Gross Revenue} \\ \div \\ 2,000 \text{ hours} \\ \hline = \$\underline{\hspace{1cm}}/\text{hour} \end{array}$$



Delivering your client experience

Building scale and efficiencies in your execution



Discovery



Financial Planning and
Reviews



Scheduling



On-going
communication

What the customer experiences

FRONT STAGE

BACK STAGE

How the organisation delivers the
experience



Scaled
investment
solutions



Client-centric
Engagement



Team-based
Approach



Process &
compliance

Building your client experience

Build a strong foundation for your service packages

RAVE

Rare **A**dvocacy **V**aluable **E**xperience

Price for your top 20%-30% clients

Make it highly valued, high touch and differentiated

CORE

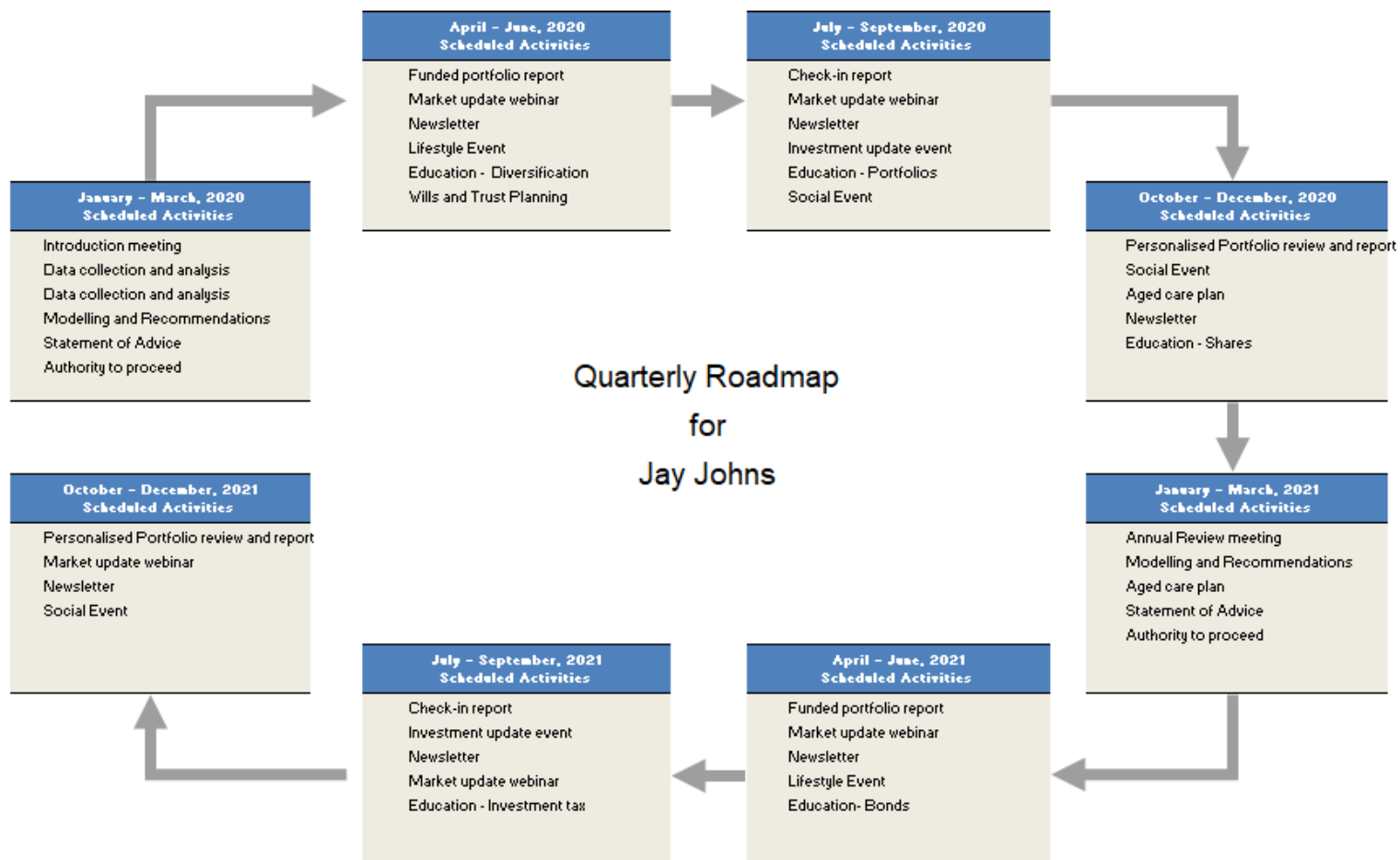
Consistent **O**rganised **R**epeatable **E**xperience

Price for your other 70-80% of your clients

Efficiency is the key to success

Building template Client Engagement Roadmaps

Your Future Financials Pty Ltd



“The Big Secret”

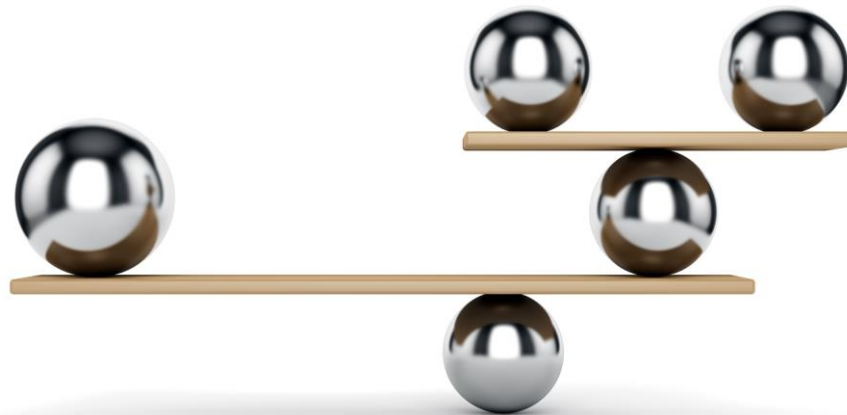
Deliver on what you promised to deliver



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Designing your optimal client experience

It's a balancing act



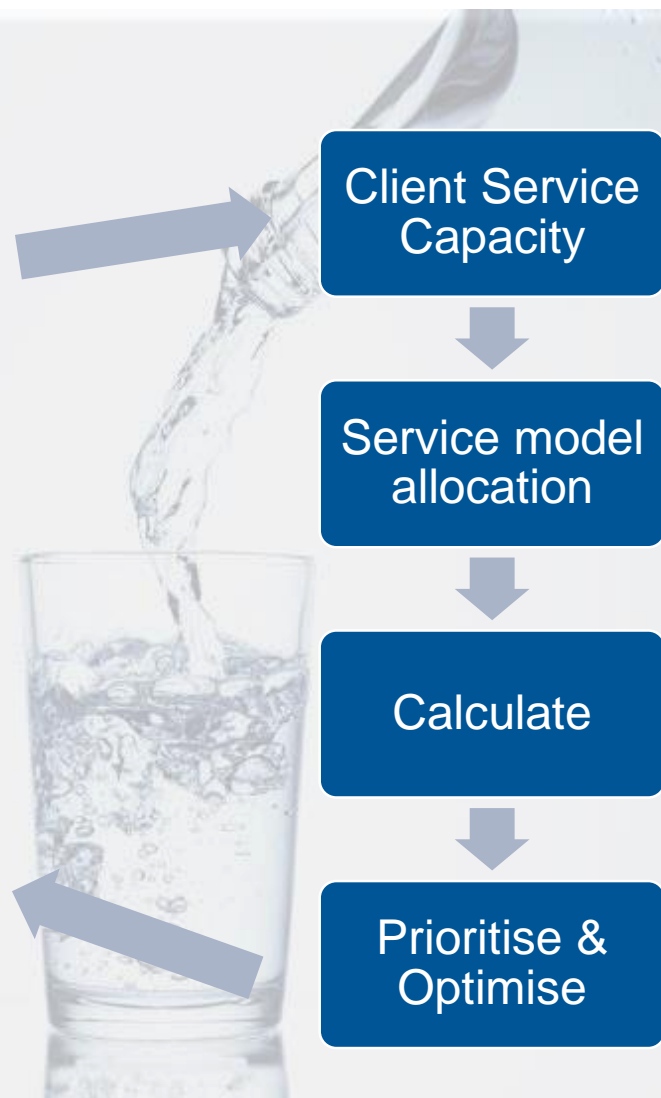
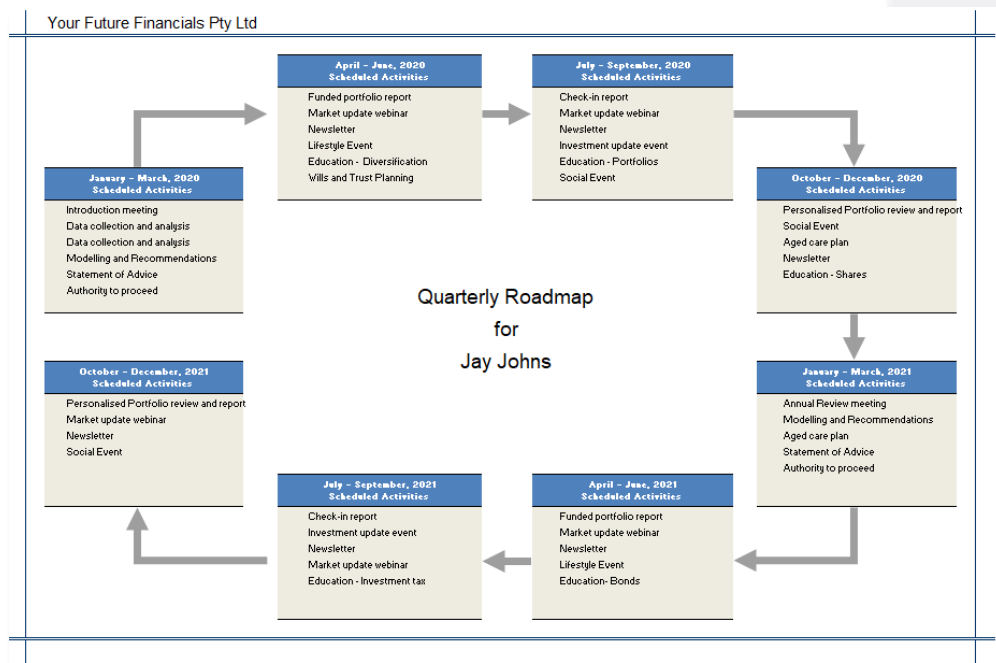
**Demonstrating
value to clients**

**Ensuring it 's
deliverable**

Understanding capacity



Delivering on the promise



Understanding the capacity of your team

Sample exercise

Team breakdown by role and job function

Role	Headcount	Client Service	Business Development	Investment Research	Operations / Management	Total
Lead Adviser	1	70%	5%	5%	20%	100%
Adviser	1	40%	20%	30%	10%	100%
Client Service	1	60%	0%	0%	40%	100%
Admin / Support	1	50%	0%	20%	30%	100%
Total	4	55%	6%	14%	25%	100%

Firm Information

Topline Growth Advisors Pty Ltd

T-12 Revenue:	\$700,000
Number of Households:	150

Hours per team member in a year	2,000
Total team hours available	8,000
Hours available for client service	4,400

Value of one firm hour	\$350
Value of one hour spent working:	\$88
Value of one client service hour:	\$159

Service Model Allocation

Hours committed by your service model each year

Tiered Client Service Model:

Platinum

Communications

	Frequency	Hrs	Total Hours
Outbound Courtesy Call	4	0.5	2
Personal Correspondence (ex. bday card, life event)	2	0.5	1
Digital Commentary Package (economy, markets)	4	0.5	2
Digital Portfolio Performance Reports	4	0.5	2
Custom Performance Reports	2	1	2
Client paperwork (signing docs, followups, schedule)	2	1	2
Budgeted time for trading, distributions, client papervw	2	1	2
Newsletter			0
			0
			0

Platinum Client Comms 13

CLIENT REVIEW

	Frequency	Hrs	Total Hours
Prep for client review meeting	2	2	4
Client review meeting	2	2	4
Internal follow-up and documentation (Fin. plan, client)	2	4	8
Data Entry	2	1	2
SOA Preparation	1	8	8
Portfolio monitoring and reporting	2	2	4
Portfolio changes and implementation	2	1	2
Compliance processes complete (ROA)	2	2	4
			0
			0
			0
			0

Platinum Client Reviews 36

EVENTS

	Frequency	Hrs	Total Hours
1:1 Social Events (Golf, Concert, Ballgame)	1	4	4
1:Many* Client Appreciation Events (Dinner, Party)	1	1	1
1:Many* Continuing Education Events (digital)	1	2	2
1:Many* Continuing Education Events (in person)			0
			0

Platinum Client Events 7

Total Hours per Platinum Client 56

Gold

	Frequency	Hrs	Total Hours
	2	0.5	1
	1	0.5	0.5
	1	0.1	0.1
	4	0.5	2
	1	1	1
	1	0.5	0.5
	1	1	1
	4	0.1	0.4
			0
			0

Gold Client Comms 6.5

	Frequency	Hrs	Total Hours
	1	2	2
	1	2	2
	1	3	3
	2	1	2
	1	8	8
	2	2	4
	1	1	1
	1	2	2
			0
			0
			0
			0

Gold Client Reviews 24

	Frequency	Hrs	Total Hours
	0	1	0
	1	0.5	0.5
	2	0.5	1
	4	0.25	1
			0

Gold Client Events 2.5

Total Hours per Gold Client 33

Silver

	Frequency	Hrs	Total Hours
	1	0.5	0.5
	1	0.5	0.5
	2	0.1	0.2
	2	0.5	1
	0	1	0
	1	0.5	0.5
	1	1	1
	4	0.1	0.4
			0
			0

Silver Client Comms 4.1 933.5

	Frequency	Hrs	Total Hours
	1	2	2
	1	1.5	1.5
	1	3	3
	1	1	1
	1	8	8
	1	0.25	0.25
	1	1	1
	1	2	2
			0
			0
			0
			0

Silver Client Reviews 18.75 3453.75

	Frequency	Hrs	Total Hours
	0	1	0
	1	0.5	0.5
	2	0.5	1
	2	0.25	0.5
			0

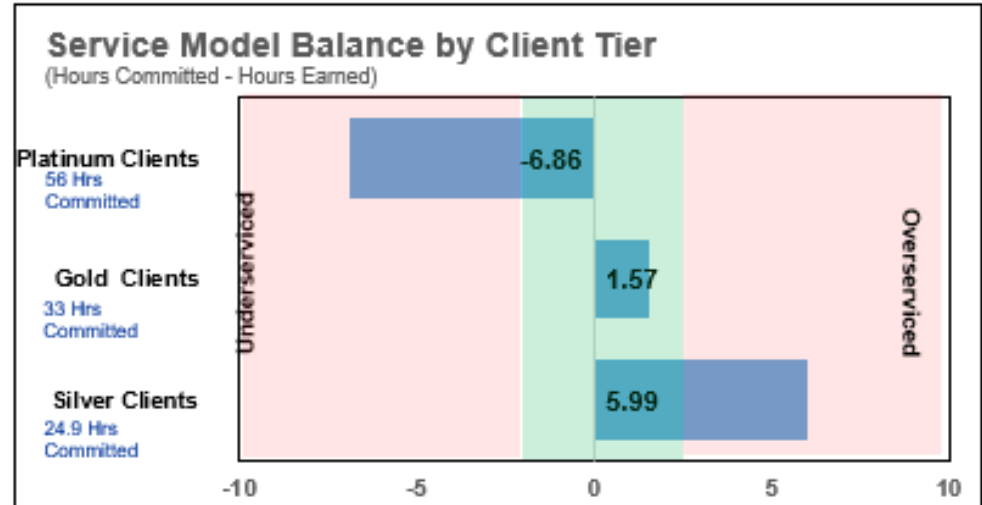
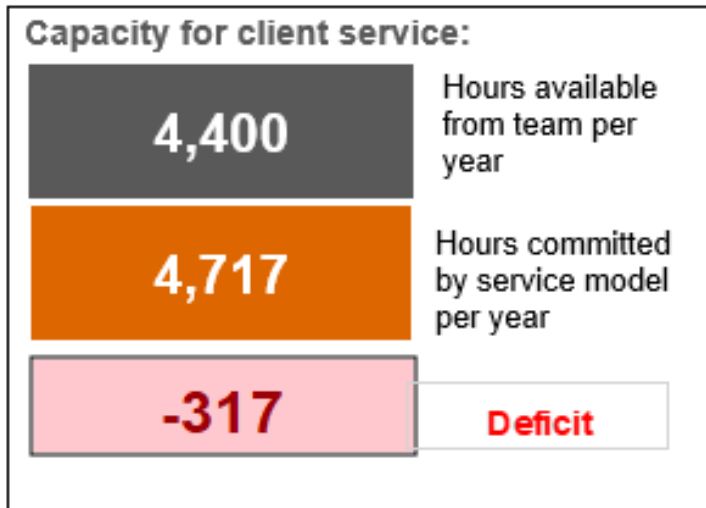
Silver Client Events 2 445

Total Hours per Silver Client 24.85 4832.25

Understanding your client service capacity

Are you set up for success or failure?

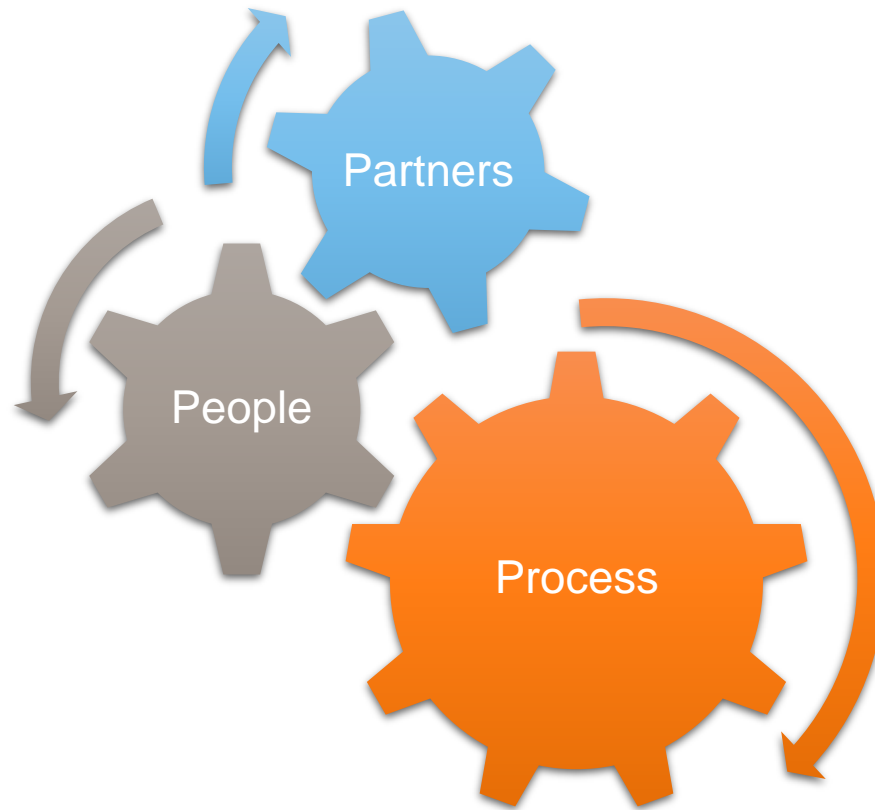
Time Capacity Analyser Tool



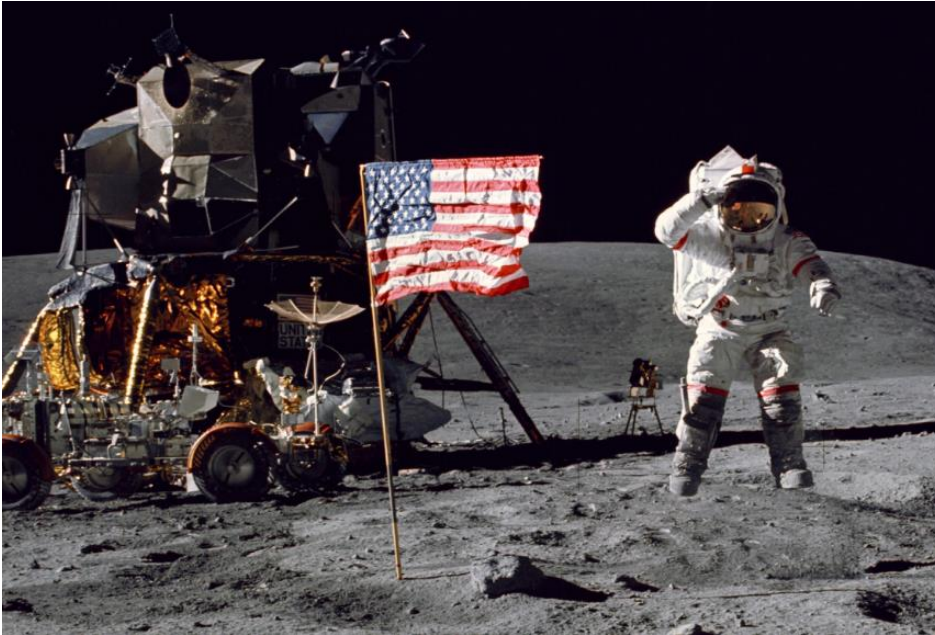
Client Service Capacity Drivers



Enablers / Capacity Drivers



Client Centric Teams - Finding the “Why”?



**Your client's mission is your
team's mission**

Some ideas:

- > Every team member is a client facing team member
- > Bring clients as Special Guests to your team meetings
- > Standing agenda item in team meetings, celebrating client wins and milestones
- > Every team member is a champion of a client experience
- > Schedule an event – client experience hackathon

Image source: The New York Times

Culture of continuous improvement

Building a mindset of small changes everyday

KAI ZEN
改善
Change for Good

Image source: Japan-Product.com

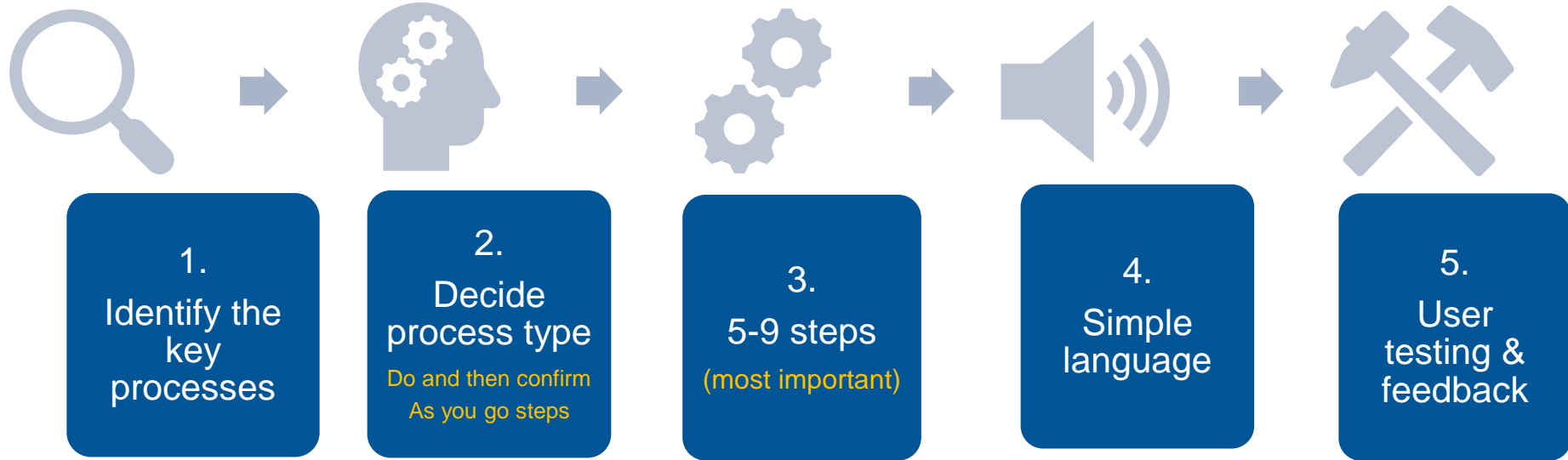
The power of process



Image Source: Guardian

Principles of Process design

Making it work for you and your team



Source: Checklist Manifesto, Atul Gawande

Accountability and Transparency

Roles, Responsibilities and Reporting

The RACI Model- Routinely communicate in advance of action.

As you consider each activity on the team, the team will need to determine who should fulfill the following roles:

R	Responsible: who on the team will have ultimate ownership and responsibility for making sure the task is executed?
A	Approve: Does anyone on the team have to approve the task before it gets executed? If so, who will the Approver be?
C	Consulted: Does anyone on the team need to be consulted for the task, even though their approval is not necessary?
I	Informed: Does anyone on the team simply need to be informed of what is happening?

THE WORK: DEFINE THE ACTIVITIES	R	A	C	I
Client Service & Engagement				
Core Service				
Incoming call Management-top client	Mary			John Kara
Incoming call Management-all other clients	Mary			
Receiving Visitors	Mary			John Kara
New Client Onboarding	Kara		John	Mary
New Client Discovery	John		Kara	Mary
CRM management	Mary			
Problem resolution and tracking	Mary	John	Kara John	Kara
Creating the Financial Plan	Kara	John	John	Mary

When to use Technology?



Using technology to optimise your process

The Advice Tech Landscape



Average number of AdviceTech used

● AdviceTech Stars ● Rest of the industry

16 13

Customer engagement

7 5

Advice and financial planning

4 4

Operations and workflow

5 4

Source: Netwealth 2020 AdviceTech Report

Building your tech stack

Making tech CORE to your service model

Technology	Currently use (%)
 Customer Relationship Management (CRM) System	88.8%
 Cloud-Hosted Email or Internal Communication Service	76.0%
 Investment Research Technology for Investment Selection	74.7%
 Cloud-Hosted Document/File Storage and Sharing Technology	74.3%
 Website/Blog Management Tool	69.4%
 Emails, Newsletters and Marketing Automation Technology	64.1%
 Commissions Management Software	60.5%
 Project, Activity and Task Management Tool	59.2%
 Accounting Software	51.3%
 Virtual Online Meeting Tool	45.7%
 Managed Accounts (SMA)	38.2%
 Client Presentation Software	36.5%

Continue

Optimise

Replace

End

Source: Netwealth 2020 Advice Tech Report

Key Partners can create efficiencies

Partner with an investment manager to complement your firm's investment philosophy

24%

Less time on
portfolio
mgmt. for
best-managed
firms*

62%

Of firms that
outsourced
increased
their client
base^

30%

Realised
increase in
revenue^

Fully outsource smaller account solution



Managed Account Solutions



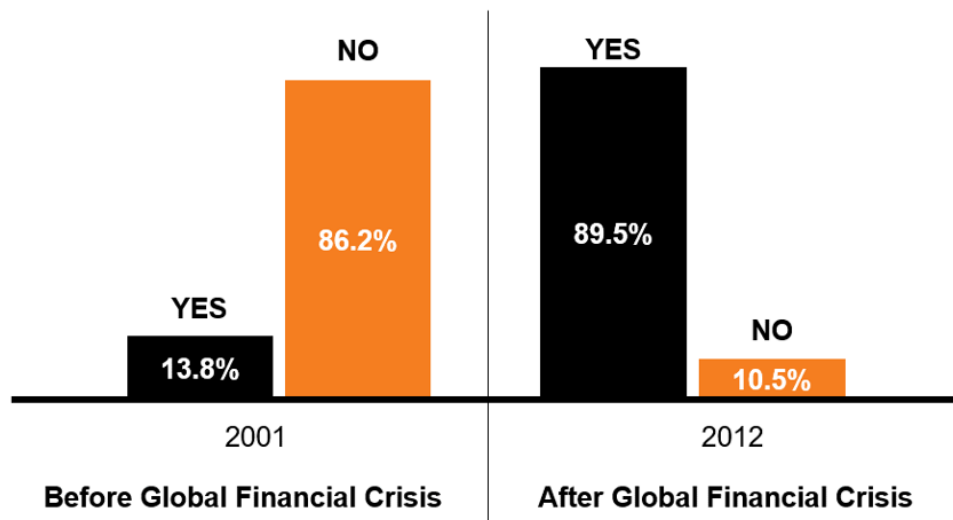
*Source: Schwab Best Managed Firms: It's about time; Time management and organizational effectiveness. 2007.

^Source: The Race to Scalability 2018: Advisor Research on Investment Management Trends. FlexShares Exchange Traded Funds, 2018.

Strategic shift client centricity

Managed Accounts enable capacity to be more client centric

Is building deep client relationships a priority over maximising investment returns?



For Advisers that are using managed accounts:

- > 44% are seeing higher client engagement
- > 40% believe their practice is more profitable
- > Time saved on average was 12.7 hours / week

Source: Investment Trends, IFA,
CEG Worldwide, 2001 and 2012 survey of financial advisers

Working smarter not harder

Client review system:

Russell Investments service schedule

Market Insights

- > Global Market Outlook
- > Market Week in Review

Quarterly Portfolio materials

- > Multi-Asset Portfolio Manager Webinars
- > Managed Portfolio Quarterly Overview
- > Managed Portfolio Investor Updates

Client Education and communication

- > Quarterly insights
- > Volatility toolkit
- > Cycle of market emotions
- > Value of Diversification
- > Risk vs Return



Creating Capacity



Key Service Elements Evaluation

Exercise to Prioritise and Optimise

Step 1. Write down your key processes

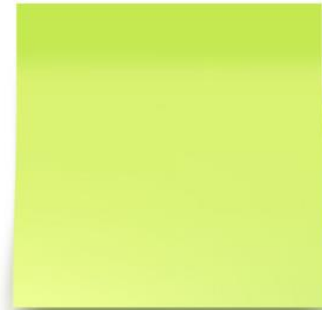
Step 2. Identify a champion

Step 3 – why do you have do these processes? Are they:

Necessary

Client Value

Business Value

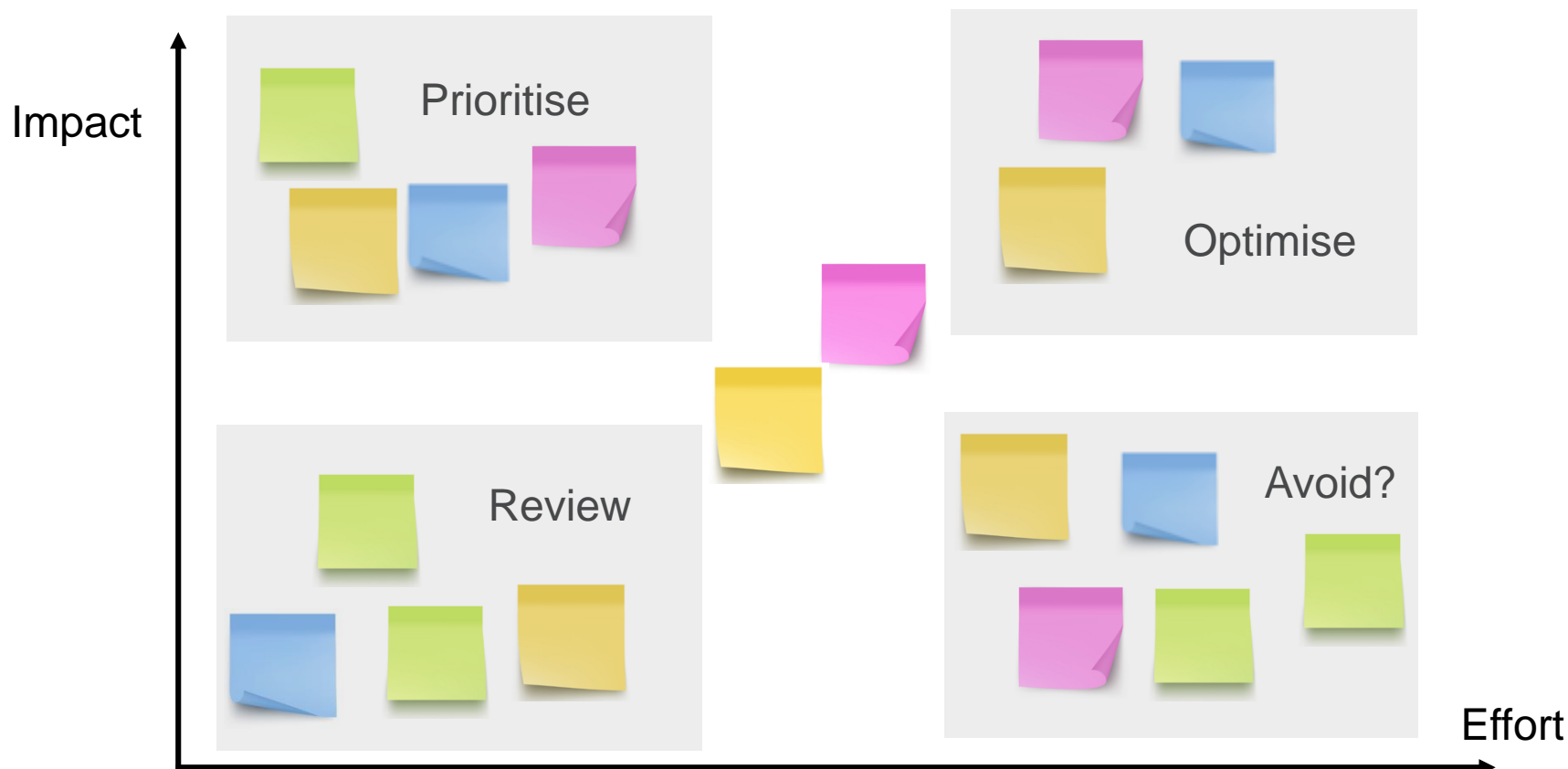



Key Process Evaluation

Evaluate Impact and Effort of key process

Step 4. Map your processes

Step 5. Agree on key actions





*“The key is in not
spending time,
but investing it”*

STEPHEN COVEY
7 HABITS OF HIGHLY EFFECTIVE PEOPLE



Image Source: Fearless Motivation

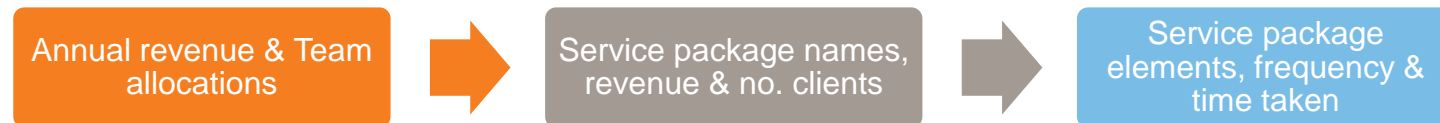
How can we help you make it happen?

Post event website will be emailed to you

- > Fill in form to request CPD points to be emailed to you
- > Read other articles and resources

Interest in our Time Capacity Analyser Tool (TCAT)?

- > Request the TCAT Data Input spreadsheet from the website. Complete with key inputs:



- > Request a Business Consulting session to calculate your Time Capacity and discuss your results.

Want to find out other ways to create capacity in your business and spend more time with clients?

- > Ask our team to find out more about the benefits of partnering with Russell Investments

We are here to help

Meet the Russell Investments team

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Thank you.

Any questions?



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