

Regulation Best Interest



Are you ready?



A changing landscape

In a nutshell, Regulation Best Interest requires broker-dealers to act in the **best interest of a retail customer** when making a **recommendation of any securities transaction or investment strategy involving securities** and cannot place their own interests ahead of the customer's interests. This new regulation, along with other sea changes across the advisory industry (e.g., market environment, competitive landscape, client and advisor demographics), suggest that the cornerstones of a successful advisory business are likely to look different in the future.

What might these changes mean for your practice?

We believe that advisors who thoroughly re-examine their practice along four key dimensions are likely to experience success in the future: Adopting a CEO mindset focused on strategy and risk management; Recommitting to a client-centric approach centered on what clients value most; Developing a product strategy that is clearly aligned with client outcomes; and Effectively managing the advisory team and workflows.

Four key drivers of potential future success



Getting started

The time to adapt is *now*. Take the Readiness Assessment on the next page to begin identifying areas of strength and opportunity for your practice so that you can be optimally positioned for growth into the future. Use this information in conjunction with your firm's Regulation Best Interest guidance to ensure internal compliance is met.

[Take the readiness assessment](#)

Regulation Best Interest Readiness Assessment



RUN MY BUSINESS LIKE A CEO

YES NO

- Have you done a complete risk analysis on your practice in the past 24 months?
- Do you regularly enter notes into your client relationship management system regarding client interactions?



CLIENT-CENTRIC ENGAGEMENT

YES NO

- Have you been able to contact each client at least once in the past 12 months in some way?
- Do you have a written defined service model that you share with clients, based on your segmentation strategy?
- Do you have a well-defined discovery and regular re-discovery process that you take clients through to understand and document their top priorities and concerns?
- Do you have close engagement and relationships with clients' spouses and beneficiaries?
- Do you have a repeatable client review process that provides needed perspective, reviews the client's priorities and clearly articulates your planning process?
- Are you able to confidently articulate and demonstrate the value you deliver to clients?



DISCIPLINED PRODUCT STRATEGY

YES NO

- Have you documented your investment selection and review process in writing—and can you articulate it clearly and concisely for clients?
- Do you regularly review and manage all the investments held in client accounts, no matter how many clients hold that investment?
- Do you use distinct investment strategies to address clients' qualified and non-qualified assets?
- Have you considered the potential benefits of advisory business to clients and your practice?



TEAM-BASED APPROACH

YES NO

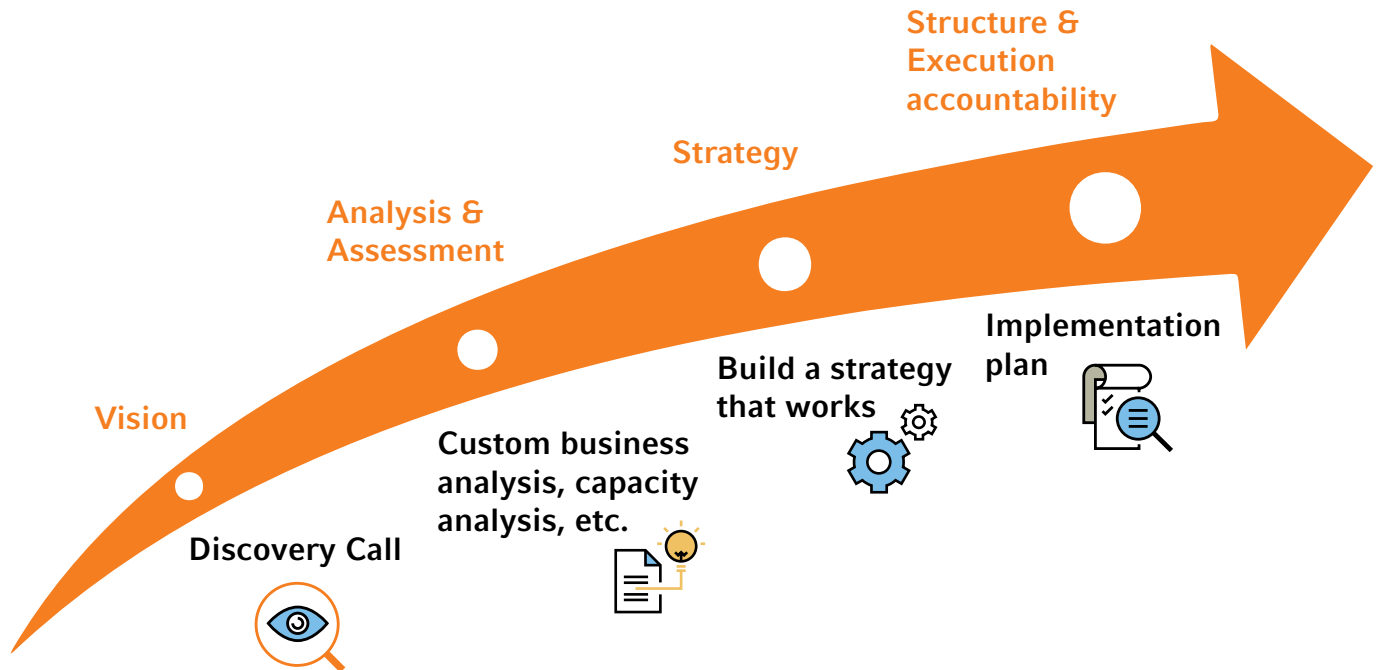
- Does your team have all the skills and competencies needed to address the full scope of clients' current and future needs?
- Does every team member have complete role clarity and individual accountability?
- Do you have a formal succession plan that addresses planned and unplanned team changes?

If you answered NO to any of these questions, Russell Investments can help!

What's next?

Congratulations! By completing the Readiness Assessment, you've already taken the first step toward potential success in the future. But you don't need to go it alone, especially in practice areas you would like to strengthen.

Your dedicated Russell Investments Regional team is at your side: We will debrief your Assessment with you and take you through a custom business planning process that will equip you with a prioritized execution plan. And, we can be your accountability coach throughout your business change process. It's how we've partnered with some of the most successful advisors for the past 20 years. That's simply how passionate we are about helping advisors build and grow their business. Are you ready?



Learn more!

To learn more on how we can help you grow your business and amplify your value, please contact your Russell Investments team at **800.787.7354** or visit russellinvestments.com

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