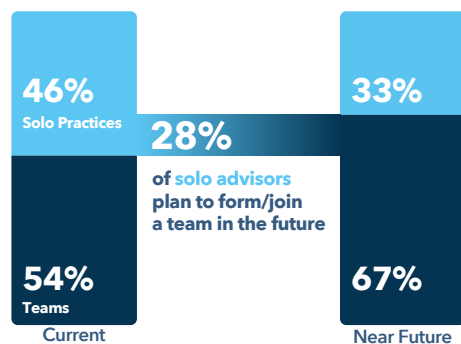


# Team Practices: The Shape of What's Next

Two concurrent forces are spurring advisors' move to team-based practices: the growing focus on holistic financial planning and a desire to scale their businesses. These team practices are more than simply a group of advisors under the same roof; they represent **a shift in the very nature of how work gets done.**

## Teams represent a growing majority of practices

% of advisors in teams vs. solo today and expected in the near future



Average team makeup



## Reasons solo advisors plan to form/join a team:

*"To serve more families with our offering of financial life planning."*

*"Clients expect and prefer a larger group. It will benefit me by having advisors with specialties in different areas, as well as make the business more efficient and scalable."*

*"It's easier to market as a team and attract larger clients."*

Wirehouse firms have most embraced the team approach (63% of practices, expected to increase to 79%), establishing teams in part to serve ultra high net worth clients.

## As the "holistic" in holistic planning continues to expand, deep expertise is required in a growing number of areas. Most teams include multiple specialties.

Paraplanners, tax specialists, and estate planning specialists are anticipated to be the highest growth areas.

% of teams that include each area of expertise

	Currently have	Plan to add	Total
Retirement Specialist	68%	7%	75%
Portfolio Manager/CIO	63%	5%	68%
Paraplanner/Planning Specialist	56%	15%	71%
Insurance Specialist	47%	7%	54%
Estate Planning Specialist	44%	10%	54%
Small Biz/Biz Specialist	32%	7%	39%
Tax Specialist/CPA	27%	13%	40%
Charitable Planning Specialist	26%	6%	32%

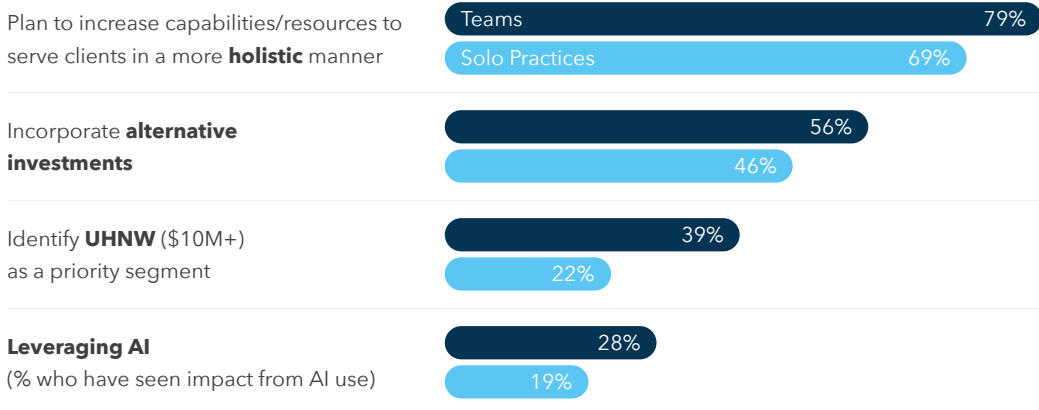
The average number of specialty areas on a team is 3.7, which means most advisors have developed an area of expertise.

4 in 10 currently have plans to add at least one specialty to their team.

### IMPLICATIONS:

- Similar to professions such as healthcare and law, wealth management is likely to see increased specialization over time.
- Opportunity to differentiate may exist for teams who are early to market with the breadth of specialties their target clients value.

**Team practices—with greater bandwidth, resources, and expertise—may be better suited to serve clients with more complex needs.**



**Teams also provide a significant advantage when it comes to succession planning.**

In fact, one third of solo advisors who plan to form or join a team cite succession planning as a reason.

Solo advisors are 3x more likely to express concern about creating a succession plan.

Advisors on teams are ahead of solo advisors when it comes to succession plan creation.

**% who rate succession planning as a "top three" practice concern**

**% who have completed or have a succession plan in progress** (among advisors who plan to retire within 10 years)



**POTENTIAL AREAS TO SUPPORT ADVISORS BUILDING TEAMS**


- ▶ **Team-Based Growth Strategies:** building a successful team requires more than simply adding headcount. It entails thoughtful creation of roles and understanding how to gain synergies from their working together.
- ▶ **Building Expertise:** whether acquired internally (via training/credentials) or externally (via recruiting), adding specialties is a challenge, requiring time and resources.
- ▶ **Marketing:** establishing or expanding a team likely necessitates crafting and marketing a broader value proposition.
- ▶ **New Processes:** increased specialization may require adjusting approaches to compensation and client relationship management since clients are likely to work with multiple professionals on the team.

The **Financial Advisor Perspectives** study is conducted by 8 Acre Perspective, a recognized leader in financial services marketing research. In summer 2024, 403 advisors were surveyed on a range of timely topics. Additional insights from the study will be released in the coming months.

To learn more, contact:

**Karen Mahooti**

 kmahooti@8acre.net

 831-588-0601

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