

Introduction and Methodology

Value add programs are a cornerstone of the sales and marketing activities for firms that distribute their products and services through financial advisors. Asset managers, insurance companies, broker-dealers and custodians, and other providers spend tens of millions of dollars each year on value add support to engage and influence advisors. The intent of these programs and tools is to capture the attention of advisors, build awareness, differentiation, and loyalty, and generate incremental business.

Our goal in this report is to offer a deep, data driven view that examines value add support from the singular perspective of financial advisors. This in-depth report combines distinct research insights with practical, consulting oriented analysis. The report is designed and written to provide relevant and actionable information for a number of key constituents including asset managers, broker-dealers, distribution platforms, insurance companies, and other service firms that are interested in how advisors use value add support and ways to increase the effectiveness and differentiation of the support provided. The study builds upon a prior report on value add support published in 2013.

“Value Add Support to Financial Advisors – Insights and Opportunities 2014” examines the programs and tools that advisors use today and what types of support are of greatest import going forward. The analysis looks in detail at specific elements of value add support to advisors, including the impact of these programs and tools, the characteristics that are associated with the most widely used support, and the enhancements desired by advisors. It also provides a detailed profile of different advisor segments to enable product providers and distributors to craft and implement more targeted and effective value add support.

Among the key questions addressed in this report are:

- How useful are value add support programs and tools to advisors?
- What impact does value add support have on advisors and their practices?
- To what extent does value add support influence advisor attitudes and behavior?
- To what degree are advisors reliant on value add support?
- Which sources are advisors turning to most often for value add support?
- How satisfied are advisors with value add support from key sources?
- How useful are various ways in which value add support is provided to advisors?
- Which factors are important in determining the support most useful to advisors?

- What can be done to improve advisor satisfaction with value add programs and tools?
- Which firms are offering the most useful value add support?
- What subjects are most important for advisors to receive value add support?
- Which types of value add support are advisors using and what are their most significant needs going forward?
- What are the key differences among advisors in their interest and use of value add support?

This report is based on input from a broad cross-section of advisors across key channels including wirehouse, regional, independent, and RIAs. In May 2014, advisors were asked to participate in an on-line survey regarding support they receive in running their practice. Advisors were randomly solicited across all delivery channels. More than 600 advisor responses were used as the basis for this report. Advisors did not receive any compensation for participation in the survey.

In addition to the on-line quantitative survey, data was gathered through interactions with advisors and industry experts. These meetings provided the opportunity to learn more about the issues and concerns facing advisors using value add support. These discussions helped inform the development of the on-line survey.

In reviewing this report, note that all data presented is sourced through proprietary research unless otherwise noted. Given the confidential nature of the input, none of the respondents is identified by name or firm.

Key findings in the report are provided for the complete sample as well as for the largest distribution channels – wirehouse, regional, independent, and RIA. Findings are also compared to prior year results as appropriate to reveal trends or shifts in advisors perspectives on value add support.

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