SBRConsulting

Innovate or Stagnate:
Reimagining the Financial Services Business

At a time of dramatic change,
Wealth Management and Financial Services firms
must make **smart changes
to survive and thrive.**

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Executive Summary

A changing landscape in FS means that, to remain successful, firms must transform their client segments, strategically align human resources, and modify behaviours without compromising their expertise and professionalism.

It's a formidable challenge, but it is achievable with the right systems and approach. SBR Consulting's experience in guiding clients through these types of transformation has allowed us to identify five elements that are critical in maintaining competitiveness in today's dynamic market.

These elements are not just pivotal; they are the keystones for any organisation seeking to navigate change effectively and sustainably.

01	**VISION**	A clear, well-communicated vision translated into a tangible strategy by leadership, ensuring every team member understands their role in achieving the common goal.
02	**ACTION PLAN**	A robust action plan is essential for turning high-level strategies into effective tactical operations. This involves setting clear, measurable milestones, defining lines of responsibility, and establishing accountability measures.
03	**LEADERSHIP & ENABLEMENT**	The evolving positioning of human advisers, from bureaucratic functions to value-added activities like co-creation and education, requires effective leadership and training. This demands a shift in traditional behaviours, which can be achieved through strong leadership and enablement strategies.
04	**INCENTIVES & METRICS**	Objective metrics are vital for tracking behaviours and assessing performance. Aligning these metrics with compensation plans can stimulate the right behaviours and provide a clear framework for accountability, addressing the common challenge of subjective performance assessments.
05	**RESOURCES**	Adapting team members into new roles and responsibilities requires training, coaching, and time. Introducing new metrics can help reallocate efforts to more impactful activities, and addressing challenges upfront is essential for embedding new practices.

These elements are crucial for driving organisational change and ensuring long-term success in the dynamic financial landscape.

Introduction

From the FinTech wave to social changes that affect client wealth, risk appetite and relationship-building, the world of Financial Services (FS) is experiencing unprecedented challenges to the traditional ways of servicing client needs.

But FS professionals will only successfully adapt to these new behaviours if they are able to identify how they have affected their clients, how those clients want to be served in the future, and how they can transform their own practices to meet those challenges.

While FinTech has been in the ascendency for some years, the Covid period accelerated society's adoption of online tools, as businesses and individuals alike recognised the convenience of problem-solving online.

The result was not only a growth in the use of digital payments – projected at 9.52% annually, to US$16.62tn by 2028 – but also in other segments of FinTech. For example, the number of Digital Assets owners has increased from 70m in 2020 to 670m in 2023, and is expected to hit 1bn in 2027.

Statista: Digital Payments Worldwide & Estimated Fintech Users by Segment.

New client behaviours

This is not new information, but it is important to emphasise that we're not talking simply about productization and market segment. It is the changing behaviours that come with them – and the opportunities – that could see less adaptable Wealth Management professionals left behind.

For example, users are saving time and making more informed decisions without necessarily turning to the traditional experts and gatekeepers. And it's not just individuals undertaking simple financial operations such as direct payments: businesses are trusting digital tools to solve ever more complex problems, such as FX hedging strategies and Investment Portfolios Management.

With AI tools rapidly proving their value, there is likely to not only be an expansion of the solutions on offer, but also an increase in demand for them from clients. This raises the challenge – and the opportunity – of proving the value of Wealth Management firms in a FinTech-led world.

Indeed, the traditional pillar institutions – banks, insurance companies and wealth management companies – have been conservative in their responses to this new paradigm. This has left the door open for more agile businesses, from challenger banks to digital brokerage platforms, to gain market share by leveraging technology over people power.

Keeping humans in play

Where, then, is the space for Wealth Management and other traditional FS services to grow their client relationships? Surprisingly, rather than ploughing everything into the latest tech stack, it is through valuing the solid financial advice provided by humans – while also integrating technological change in a smart way.

While the need for changing client engagement models is clear to any financial house that strives for growth, too few remember to put the customer at the heart of any transformation they make. Classic financial models must be enhanced by a true understanding of the client, through redefined customer segments.

This allows resources to be focused on the right areas, with some segments served and managed well through redesigned digital platforms while those that require human interaction and trust-based relationships will still flourish.

Get it right and you will spend less while winning more customers.

Yet it is no easy task to reshape your segments, focus your human resources in the right place and change their behavioural patterns, while still being able to leverage the expertise and professionalism garnered over the years.

5 ELEMENTS FOR SUCCESS

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In the course of helping clients through such changes, SBR Consulting has identified 5 key elements in staying competitive: vision, action plan, leadership and enablement, incentives and metrics, and resources. Line these up and the result is an organisation that is primed to win in the Wealth Management space.

Vision

The need for vision might seem obvious. It's certainly a ubiquitous part of business strategy – some might even call it a cliché. But the importance of having a clear vision of what you want to achieve in your business, and what that desired state looks like, is inarguable.

- The firm's strategic leadership should translate its values, mission (the WHY) and vision (the WHAT) into a strategy that demonstrates the HOW.
- With their team, they should then plan the tactical delivery so that each individual understands how their daily tasks and roles support the common goal.

This is not only important for the overarching direction of business but as part of the process of gaining buy-in from colleagues – especially in an industry such as FS, which tends to be more conservative – even change-averse.

As John Kotter so famously explained, you must first clarify why change is inevitable to persuade enough individuals that they must change and adapt their behaviours, before going into action with a critical mass behind you.*

The vision serves as the guiding compass and unifying force when you are moving forward together.

Having that vision is, of course, only the beginning. To understand your organisation's preparedness for change, test the understanding of your leaders and the wider team, taking them on a tailored journey of thought. In fact, having a comms plan ready is not just a good idea. It's essential.

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Kotter, J. (2017). Our Iceberg is Melting. Macmillan

Action Plan

While senior leadership is usually very capable of defining the company's strategy, based on market analysis and trend understanding, it is at the tactical level that things can start to fragment.

The redefinition of client segments is not a simple task, and even when it is achieved successfully, it is essential to meticulously plan its delivery throughout the team. After all, organisational and behavioural change is an additional ask of employees, on top of the tasks they already have.

Without a clearly communicated plan, it is impossible to hold people accountable. And without clarity of expectations around roles and competencies, with KPIs, it is difficult to synchronize across different teams, such as Marketing, Sales, Operations and IT, and to motivate and steer them.

Organisations might define the strategy and plan of action, but surprisingly few got into the detail of clarifying additional processes required for the change itself, lacking the continued communication required to stimulate progress.

Key measures include:

- Establishing clear and measurable milestones.
- Putting in place a clear line of responsibility and accountability measures.
- Updating role competencies including behavioural metrics.
- Communicating your tactical plan and starting to collect activity data.
- Setting up regular reviews with feedback.
- Enabling yourself to adjust in time.

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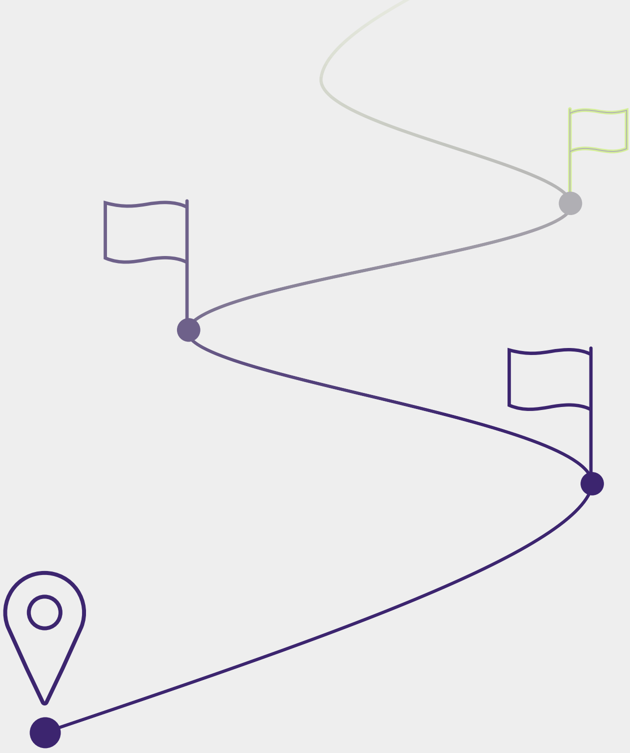

Leadership & Enablement

We have mentioned client behavioural change already, but what do we mean by it?

In FS, there is a strong legacy of working in a more bureaucratic manner, in which the adviser serves the client purely practically – in other words, by taking the customer's request and processing it correctly.

As far as clients experience it, the new tech can already do that without the need for a human – and probably faster and more accurately too. And for businesses, humans are an expensive resource.

So the human value must go beyond the technical to provide something a machine can't: the capacity to co-create, challenge the customer's thinking, educate, and inspire. Unlike an online app, a human being can build rapport, establish a relationship of trust and understand the client at the emotional level. This is especially important in the mid- to high-tier firms, where larger investments are involved.

We need to be considered in the way we use the time of the human adviser in our organisation*, of course, yet even in the age of AI, the adviser's EQ is often what makes the difference.

That may seem like something only certain types of talent can do, but with an open mind there are ways of reskilling even the more experienced or more analytical and conservative advisers so they can learn, change, and benefit their own careers and their firm's bottom line.

Indeed, if practitioners don't change their behaviours in favour of a consultative approach, it often comes down to a lack of leadership and enablement through effective training.

**Niyogin, 2023*

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Good leaders need to:

- Explain the WHY.
- Teach the HOW.
- Motivate and coach.
- Eliminate obstacles.
- Keep people engaged.
- Hold accountability.
- Keep the team fresh by removing the rotten apples and supporting the captains of change.

If you want your people to change their behaviours, you need to be active and serious about it. Your leaders must be closer to their reports, using a more educative style of leadership, even with colleagues who previously had more freedom, until the habit of change is developed.

Incentives & Metrics

A push for cultural change can result in conflict not because it is the wrong approach, but because it is assessed using unfair metrics, stoking resentment in teams.

You can't improve what you can't measure. If leaders lack the data to track the required new behaviours, they have no other option than to resort to subjective assessment in judging the achievements of their reports. Inevitably there will be a risk of bias due to any pre-existing working relationships between the manager and the report.

This is why it is essential to introduce metrics and, ideally, to align them with compensation plans and competency frameworks.

According to the Harvard Business Review,

82% of managers acknowledge they have "limited to no" ability to hold others accountable successfully.

Harvard Business Review, Carucci, 2020

Yet there is no shortage of evidence of the success of this approach. Indeed, one of SBR's clients, a CRO in the banking industry, who has recently wrapped up the second year of Sales Transformation, told us just that, saying,

"I'm astonished, how the measuring of activities itself has stimulated much higher activity across the team."

The result? Their team surpassed its revenue target, hitting in 2023 the targets that had been planned for 2027.

Here are a few metrics we have seen help stimulate the right behaviours:

Activity Tracking

Having data on the focus, intensity and effectiveness of the adviser's activity helps stimulate contact with your audience. The best predictor of growth is the number of meetings with clients. The ability of the adviser is shown by conversion rates.

Product Penetration

The ability to cross-sell and upsell demonstrates a consultative approach. Start measuring and comparing portfolios of different advisers. Show what good looks like.

Portfolio Combing

Ensuring each adviser has spoken with account stakeholders within a defined period helps uncover unknown opportunities and maximises portfolio value.

Portfolio Segmentation

When resources are scarce, prioritizing accounts by current and potential customer value allows some automation on lower-value accounts. Be strategic.

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Praise offered to your team should be based on data, not gut feeling, and it allows you to show clearly what can be achieved.

Simple dashboards that can be interpreted by individuals and relate to their competencies allow leaders to be more objective in their coaching sessions. In fact, if dashboards are set up effectively, all individuals can see, prior to their one-to-ones, what the topic of the discussion will be. And the right metrics and readable dashboards enable productive self-coaching.

Resources

If this sounds like a lot, you won't be surprised to know that the most common challenge from senior management is simply: we don't have time.

And while this can be partially dealt with by using metrics to redirect their work to what matters, and using data to understand what your people focus on, it is also likely that this complaint is fair to some extent.

When learning new skills and tactics, people do need more time and energy. Changing habits can be painful and draining, and our results tend to worsen before we see any improvement. For example, if you teach your advisers to open their meetings with a set of devised sentences to show professionalism, it will feel awkward for weeks before the new client conversation structure is embedded.

So these objections need to be addressed upfront, and recognised in your vision communications. Your team will need the right support. They will need training; they will need coaching; and they will need extra time and capacity.

And it is worth that investment, with as little friction as possible. Because those who can free up resources quickly and train their people at scale to leverage newly available technologies will get the best results.

The problem of identifying what robots do best and what needs to be kept for people can be solved through defining competencies and enriching them with objectively observable behaviours.

An updated competency framework defining the new role expectations will help with several key success factors:

- Targeted recruitment
- Effective onboarding
- Individual growth planning
- Team competency development
- Performance coaching

Perhaps most importantly, you will be able to establish clearly which activities are being newly assigned to technology, steering your team away and freeing up time for valuable consultative client interactions – an excellent justification for those extra resources.

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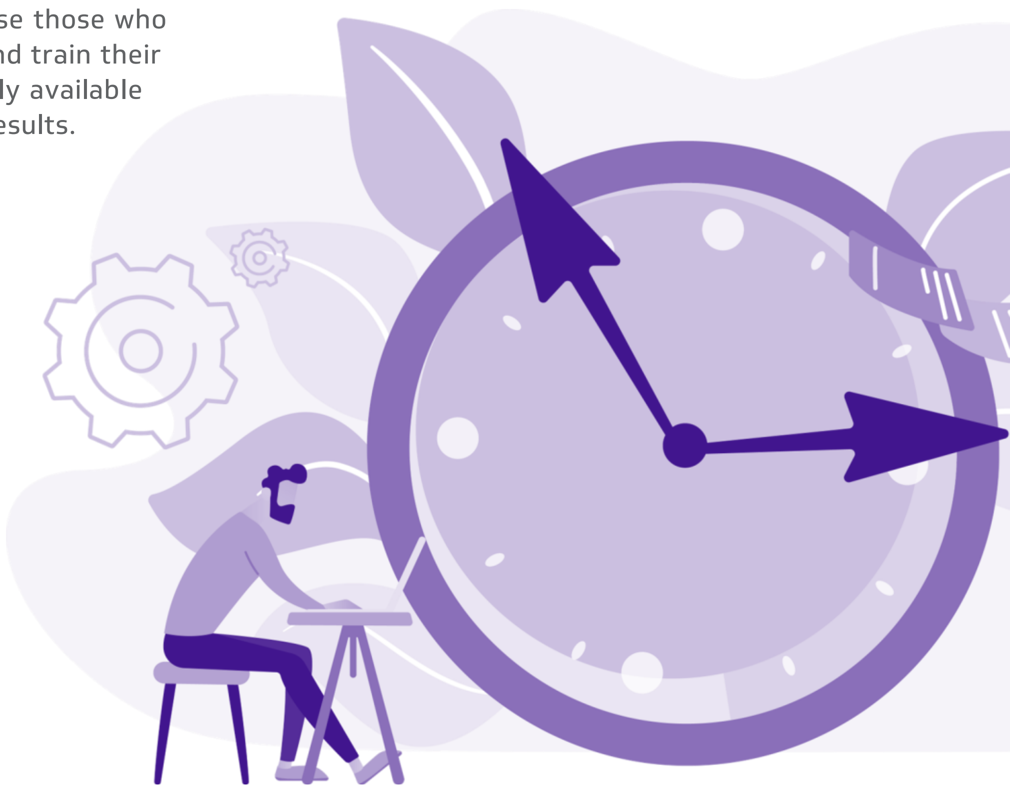

in conclusion...

Optimise your client interaction

The technology, tools and behaviours that are changing the FS landscape today require us to rethink our client segments, so that we can show up for our customers where and how they need us to.

Those segments will allow us to identify the customers that will most benefit from a professional human touch, versus the efficient delivery of technology.

The next phase will be the optimisation of human interaction with customers. In the organisations we advise, we strive to nurture the trusted adviser approach over transactional approaches that can be replicated by technology. That behavioural change is painful, especially for the more tenured, yet all advisers can benefit with the right plan in place.

To overcome these challenges and begin to build greater success, there are five key elements we need to get right:

1. Vision
2. Action Plan
3. Leadership & Enablement
4. Metrics & Compensation
5. Resources

Change is inevitable, and those organisations that invest and adapt first will drive competitive advantage, potentially growing market share by adding more value to their clients with less cost.

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About SBRConsulting

SBR Consulting is a specialist sales transformation and sales enablement performance consultancy. We focus exclusively on the end-to-end sales journey and what it takes to make each stage a habit.

We deliver practical, real-world solutions and are uniquely qualified to help businesses grow because every member of our delivery team is an Authentic Sales Practitioner.

Our aim is to elevate the practice and perception of business development within individuals and organisations, creating increased revenue, enhanced professionalism and intelligent activity.

Get in touch to accelerate your revenue.

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