State of the Financial Services Sector in 2026:

Opportunities for growth in wealth management

Strategy, Service, Scale

SBRConsulting

Executive Summary

The financial services industry is on the brink of profound transformation in 2026. Over the past decade, a wave of disruptions has begun to reshape every facet of the sector, and growth leaders are becoming increasingly aware of the challenges. Where personal 1:1 relationships once served as the keystone of the industry, they now face pressure from all sides. The rapid rise of digitisation and AI-enabled financial planning and investment tools, the proliferation of low-cost passive investment vehicles, evolving client expectations, geopolitical volatility, and shifting demographics are collectively redefining what it means to compete and thrive in financial services and wealth management today. What once relied primarily on personal relationships, market expertise, and a carefully guarded aura of exclusivity is now open to scrutiny, competition, and technological substitution.

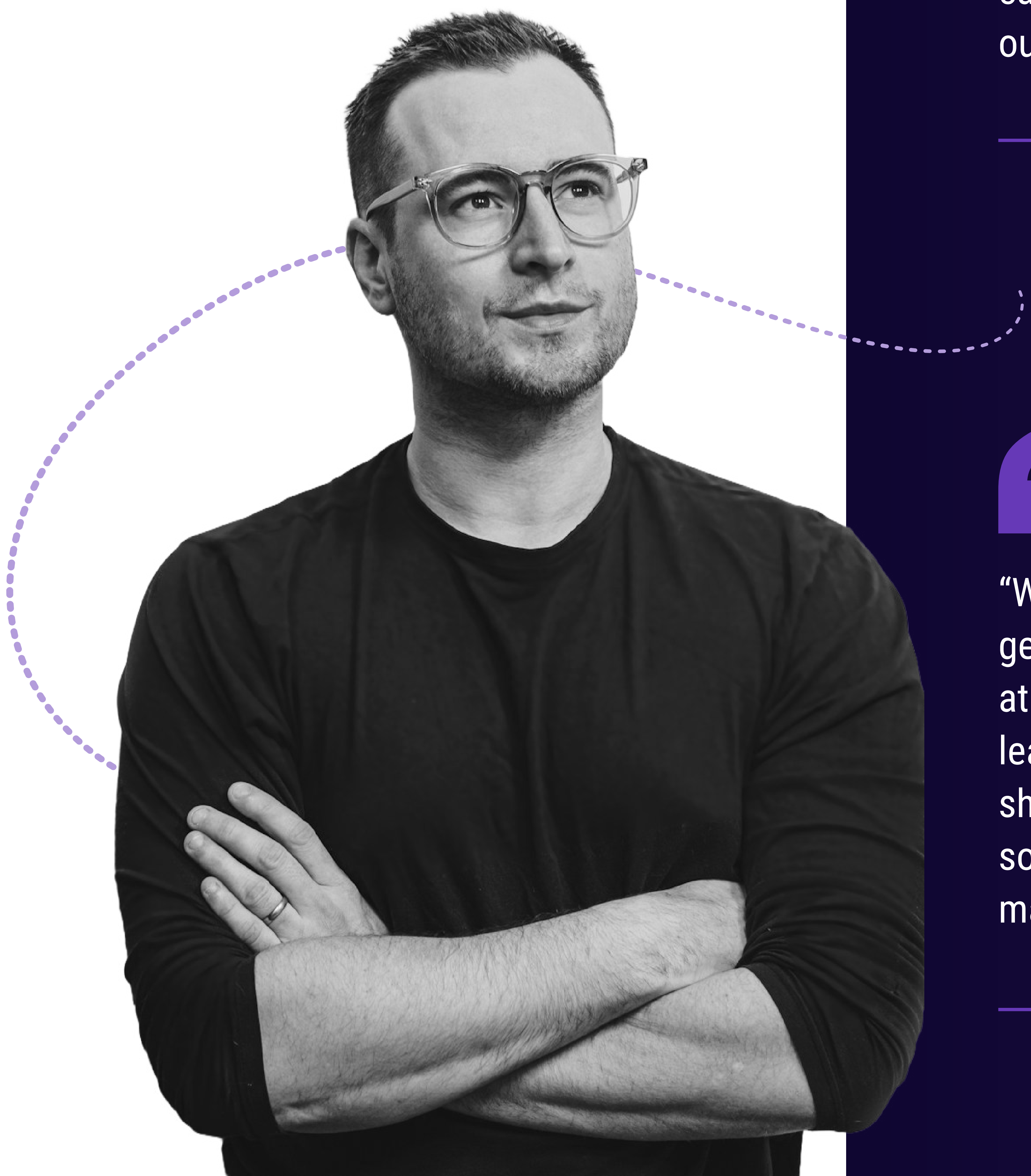
This didn't happen overnight; the current climate has been several decades in the making. Following the boom at the start of the millennium, the 2008 financial crisis sent tremors through public trust in traditional institutions. By the early 2020s, COVID-era retail investors had steadily turned to exchange-traded funds (ETFs), robo-advisers, and digital marketplaces in growing numbers, accelerating the digital transformation of financial advice. Fee compression began to erode the traditional assets-under-management (AUM) model, while a new generation of investors – digital natives raised on the speed and transparency of the internet economy – began demanding personalised, values-driven, and accessible services.

This paper examines the state of the financial services sector in 2026, focusing on five critical areas: client retention and reducing outflows, adviser shortages and succession planning, re-evaluating traditional roles and leadership processes, technology adoption, and strategic recommendations for the future. Success in the coming years will depend on firms' ability to redefine their value proposition, explore new organisational models, and embrace digital and AI-driven technologies, while preserving the human touch that remains central to trust and loyalty in wealth management and financial advisory.

01

Introduction

At SBR Consulting, we have provided management consulting to more than 1,000 clients across 38 countries, helping them work more efficiently and equip their organisations to face challenges with confidence and resilience. In the past 12 months, we've heard questions from our financial services clients that fall into several themes and emerging patterns:



"We struggle to attract and retain high-value clients with our current strategies. Our high-value clients are also fragmenting their assets across multiple providers. How can we deepen loyalty and prevent outflows?"

"We're losing clients to ETF and low-fee platforms. How do we justify our value proposition in 2026?"

"How can we provide compensation incentives for client satisfaction and retention, not just performance?"

"Our adviser base is slowly ageing. What's the best way to ensure smooth handoffs and protect client relationships? How do we reposition financial advising as a purpose-driven career? Younger recruits don't seem to want to sell products the way the last generation did."

"We are having trouble scaling and getting the entire team performing at a unified level. Our top-performing leaders are also burning out. How should we restructure leadership so managers can focus on management?"

"Clients expect holistic advice, but our investment managers and planners operate in silos. Should we merge them into a unified role, and how do we manage the transition?"

"AI is everywhere, but our team doesn't know how to use it properly. We're afraid to throw another piece of technology on a team that is struggling with the systems we currently have."

We felt it was essential to address these, along with the data driving the changes, and arm organisations with practical strategies and recommendations for growth in the coming year.

With the rapid diversification of the landscape, client retention and reducing outflows are more critical than ever before for firms' survival between now and 2030. Technology and artificial intelligence (AI) present both salvation and risk. While AI tools promise to revolutionise portfolio management, predictive analytics and client service, the plethora of disconnected software solutions often leaves firms overwhelmed rather than empowered. Yet falling behind in technology risks client attrition and competitive obsolescence.

On the supply side, the industry is facing an increasing human capital challenge. Advisers are aging out, with nearly **40% expected to retire** over the next decade (in the U.K. that number could be more than 50% over the next five years), while firms struggle to attract and retain the next wave of relationship-oriented talent – now more critical than ever.[1][2][3] At the same time, leadership structures and compensation models built for a bygone era increasingly fail to align with the realities of managing multi-disciplinary, technology-enabled teams.

At the root of it all, the question firms are asking is this:

> "How do we evolve from being primarily portfolio managers to being true life-planning partners for our clients?"

Many began this shift years ago.

Now: **"What shifts are required inside our firm to prepare for the next several years of disruption and client expectations?"**

We're glad you asked.

Client Retention

Safeguarding the current client base,
without losing key demographics

02

Client retention is one of the single most significant challenges for financial firms leading into 2026.

And at the heart of retention is a straightforward formula: inflows minus outflows equals net new money:

- **Inflows:** new contributions from existing or new clients
- **Outflows:** money leaving the firm
- **Net New Money:** a critical health indicator: a positive figure suggests healthy growth; a negative one indicates potential structural problems.

We mention this up front because firms often celebrate inflows without paying close attention to outflows, but high client churn can neutralise (or completely offset) growth efforts.

This is important, because reducing outflows through better client retention is often a more sustainable and cost-effective growth strategy than continually prioritising new business, which is what many finance and sales organisations naturally gravitate toward. Plus, acquiring new clients is admittedly costly, while barriers to switching for investors are at an all-time low.

Several factors play into this currently.

Net New Money (NNM)

ETFs, Robo-advisers, and Passive Investing

Over the past five years, passive investment vehicles have captured unprecedented market share. Global ETF assets alone grew from **£10.87 trillion** ($14.6 trillion) at the end of 2024 and rose to nearly **£12.65 trillion** ($17 trillion) **by mid-2025**, eating into the margins of actively traded funds.[4] [5] Robo advisers, once dismissed as a niche service, now manage over **£74.4 billion** ($1 trillion) worldwide and are expected to surpass £1.49 trillion ($2 trillion) in the next few years.[6] Simultaneously, digital market platforms like eToro, Trading 212, and Revolut have accustomed retail investors to zero-commission trading, instant account setup, and personalised user interfaces.

> As of mid-2025, global ETF assets have risen to nearly **£12.65 trillion.**
>
> *Source: PwC*

Financial planning is on the chopping block, too, with the rise of AI. According to one Ernst & Young leader in Western Europe, 60% of Millennials “would consider using AI tools for financial planning – without human interaction.”[7]

Indeed, the competitive landscape has shifted almost overnight. Asset-based advisory fees have declined by around 2 points from 2020 to 2024, with expectations of an additional 1-point drop by 2026, forcing advisers to prove their worth beyond portfolio construction.[8]

Clients now ask bluntly,

“What am I paying for?”

Geopolitical Factors

Persistent inflation for much of the last five years has left many clients concerned about the long-term erosion of their wealth. As those in the industry know, inflation can make conservative investment strategies feel inadequate, pushing clients to question whether their asset managers are being proactive enough. This also drives an increased scrutiny on fees: in high-inflation environments, every expense comes under the microscope, including wealth management fees.

Aside from inflation, recent conflicts in Ukraine and the Middle East, global trade tensions, and general economic uncertainty all add layers of risk aversion to clients’ decisions...and these layers add up. In calmer markets, wealth managers could earnestly focus on strategy, performance, and long-term planning. But macro-economic shocks change the underlying emotional tone of the client relationship. Today’s clients are often not asking, “Am I growing fast enough?” – they’re asking,

“Am I safe?”

The result is a dual challenge: traditional advisers must defend their margins while reinventing their value proposition. Without proactive intervention, outflows from traditional channels will accelerate, threatening not only revenue but the very relevance of advisory firms.

Reducing Outflows

While passive investing, direct platforms, and such geopolitical factors present rising external challenges, several additional forces are contributing to client attrition.

The Boomer Segment

The largest intergenerational wealth transfer in history is underway, with an estimated £62.5 trillion ($84 trillion) expected to pass from Baby Boomers to heirs by 2045.[9] Yet unless advisers actively build relationships with beneficiaries, assets often walk out the door when wealth changes hands.

An estimated **£62.5 trillion** is expected to pass from Baby Boomers to heirs by 2045.

Source: Money.com

Adviser Switching

Switching is easier than ever thanks to digital account portability. Globally, 29% of clients say they plan to switch their primary provider in the next three years, with around 40% of their assets at risk.[10] And not just mid-level investors; one survey found that nearly half (46%) of the high-net-worth individuals in the U.S., for example, were planning to change wealth management providers or add new WM relationships in the next 12-14 months.[11]

29% of clients say they plan to switch providers in the next three years.

Source: Ernst & Young

"Too often, wealth managers build long-lasting relationships with the head of a family and stop there," says **Katia Sand, Principal Consultant at SBR Consulting.** "But as family dynamics evolve and money-in-motion events increase, relying on a single connection has become a significant risk. In today's world of constant change, endless information and shifting attention, longevity is no substitute for engagement. Complacency erodes trust, and wealth managers who fail to build deep and broad relationships across families proactively won't just lose their ability to serve effectively, they'll lose their opportunity to serve at all."

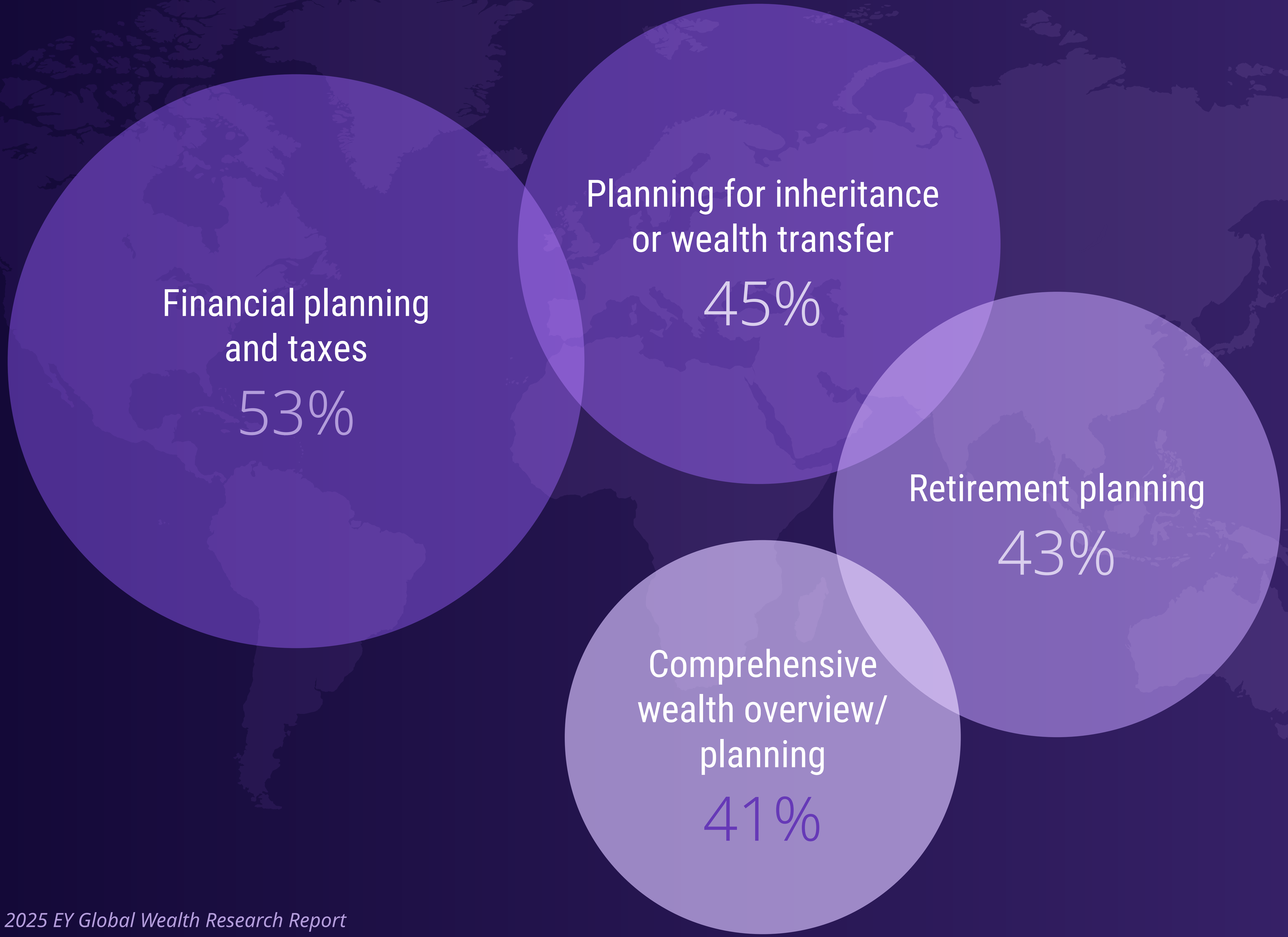
Fragmentation

Clients are increasingly spreading assets across multiple providers – one firm for planning, another for investments, another for alternative assets – undermining wallet share and loyalty. Ernst & Young found that clients are now using an average of **2.3 wealth managers** globally, with expectations for that number to increase.[12]

Quality of Advice

As investing information becomes more democratised and readily available, clients are becoming quicker to judge whether the service adds real value. Cookie-cutter solutions no longer suffice. A rising **45% of global clients** believe their investing needs are more complex than two years ago, with "taxes" topping the list as one of the most-needed wealth management services.[13]

Globally, clients report these top needs for additional services:



Source: 2025 EY Global Wealth Research Report

Next-Gen Demographics and the Rise of Female Investors

There have also been several shifts in client demographics and adviser preferences over the past several years that warrant closer examination.

Female Investors

Women currently control about one-third of all retail financial assets in the European Union and the United States, and this share is expected to rise to **40-45% by 2030.**[14] There are several factors driving this change – women are marrying later in life, coupled with persistently high divorce rates. Females are earning more and living longer. And cultural shifts in attitudes toward women in financial decision-making roles continue to evolve.

"For the first time in history, women are accruing more of their own wealth, says **Rachael Smith, Head of Growth at Evelyn Partners.**

"You're starting to see a more equal transfer of assets to children through a more equal gender split. We've got more women in the C-suite than ever before… female founders, entrepreneurs running their own businesses, and entrepreneurs selling successful businesses. All of these macro factors are creating wealthier women, which is incredible."

In Europe alone, assets controlled by women grew from €3.9 trillion to

€5.61 trillion

increasing from **32%** to **38%** of total EU AUM.

Source: McKinsey

In the U.K.,

60%

of the nation's wealth is expected to be controlled by females by the end of 2025.[15]

Source: Financial Times

In Europe alone, assets controlled by women grew from **€3.9 trillion** ($4.6 trillion) in 2018 to **€5.61 trillion** ($6.6 trillion) in 2023, expanding from **32% to 38%** of total EU AUM. McKinsey now projects that female-controlled assets will reach **€9.69 trillion** ($11.4 trillion) and **47% of all EU assets** by 2030.[16] Yet many firms still operate on outdated assumptions, failing to offer services and experiences that bring women investors closer into the fold.

"As we think about client verticals, we need to think really seriously about how we design a pathway for women in something that is institutionally designed for men," Smith says.

Studies show female investors...

- Are less likely to work with financial advisers
- Have different financial goals than men
- Are more willing to switch advisers if needs aren't being met
- Value in person-advice
- Are more risk-averse than men
- Have different financial goals

"If you think about women, 50% of them say that they are unconfident making investment decisions, and only 20% of women seek financial advice, and even fewer have nowhere to turn to for financial advice. So we've got an industry that's not designed for them and an inherent cultural mindset that's preventing them from seeking advice, but more of them have got wealth than ever before. That's what we're trying to solve for."

Rachael Smith, Head of Growth, Evelyn Partners

The Next Generation

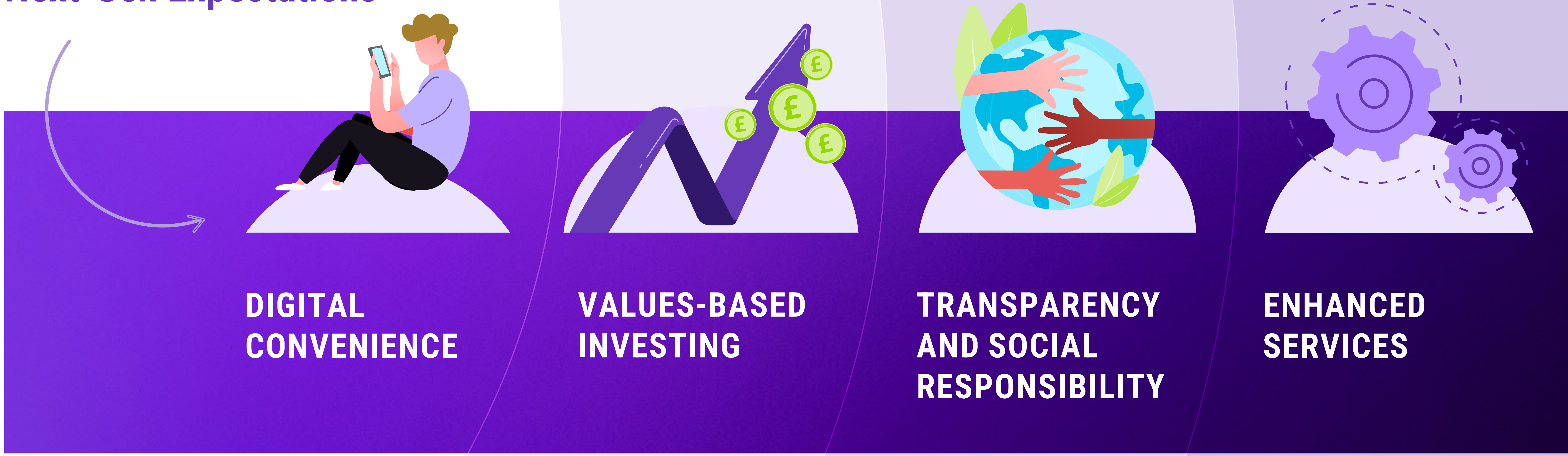
The preferences of Millennial and Gen Z investors are transforming financial services and wealth management.

Unlike their predecessors, these generations prioritise digital convenience, transparency, and social responsibility. They are more inclined to demand that environmental, social, and governance (ESG) considerations be seamlessly integrated into investment strategies, not as an add-on but as a core expectation. This shift reflects their broader worldview, one that ties financial outcomes to ethical and societal impact. Firms that fail to embed these values risk being perceived as outdated or disconnected.

Equally important is the way younger investors want to engage with their advisers and financial platforms. The traditional cadence of semiannual or quarterly reviews, once considered sufficient, feels slow and out of step with their digital-first lifestyles. Instead, Millennials and Gen Z clients expect continuous engagement through real-time dashboards, mobile-first platforms, and AI-powered assistants that can deliver instant answers. They prefer a collaborative relationship in which feedback loops are frequent, data is on demand, and insights are delivered in digestible, interactive ormats rather than lengthy, static reports.

If advisers and institutions fail to evolve, they risk alienating the very groups who will soon control the majority of investable assets.

Next-Gen Expectations



“Younger generations have access to a lot more information today,” says **Roman Kodera, Private Banking Manager with J&T Banka** in the Czech Republic. “Sometimes too much information, too fast.”

“Thirty years ago, clients would call me from a landline. Now it’s the smartphone. And now it’s not even about analysts and others who help with investing choices, but [next gen] are following influencers on social media.”

“There’s a lot of unregulated advice flowing into the marketplace,” agrees **Jonathan Tweedie, Managing Director and Head of Distribution at RBC** **Brewin Dolphin**, noting social media.

“We need to make sure advice for our next generation comes from a trusted and informed environment that doesn’t have an axe to grind or is persuading them to invest in any one thing, but is trying to plan for their futures. You’ve got to break it down into more manageable conversations and make it relevant to them, talk to them in a way that matters.”

Intergenerational Wealth Transfers

Consequently, intergenerational wealth and succession planning are increasingly challenging for financial services firms.

When a client passes away, many firms discover too late that they have built almost no relationship with the heirs. This disconnect creates a fragile handoff point, where assets that took years to manage can vanish almost overnight.

Research consistently underscores the severity of this problem: nearly 70% of inheritors switch advisers within a year of receiving their inheritance, often seeking someone who feels more aligned with their values, communication preferences, and financial outlook.[17]

The stakes are magnified by the scale of the wealth transfer currently underway. PwC estimates that approximately £50.62 trillion ($68 trillion) will pass from Baby Boomers and older generations to Millennials and Gen Z investors over the next decade.[18]

By positioning themselves as partners not just to today's clients but to their entire families, forward-thinking firms can build continuity and trust that spans generations. Without this, decades of carefully cultivated relationships may vanish overnight.

"We try to do seminars for the children of our clients," says **Vratislav Svoboda, Private Banking Director of J&T Banka.** "We invite them in for presentations, just to be more familiar with the bank and what we are doing. We try to explain things to the younger generation."

"We want to help our clients, to allow them to give their kids information, and often see the children become more active as a result."

> Nearly 70% of inheritors switch advisers within a year of receiving their inheritance.
>
> *Source: SEI*

> Nearly £50.62 trillion will pass from older generations to Millennials and Gen Z over the next decade.
>
> *Source: PwC*

Catering to the next generation means:

- Using digital-first platforms that appeal to Millennials and Gen Z.
- Offering financial literacy content for younger adults. Don't assume they come to the table fully in the know about the ins and outs of investing.
- Speaking to values-based investing, such as ESG, impact investing, and social responsibility, which were of less interest to Boomers, but of much more interest to next-gen.
- Providing lifestyle financial planning that includes home buying, education savings, career planning (side businesses), not just retirement and tax planning. As mentioned earlier, tax, and real estate remain top concerns.

"When we talk about the wealth transfer that is going to happen in the next 15-20 years, we've got two challenges to deal with. First, how do you engage early on? You've then got to think about the wealth transfer, because it doesn't happen to an 18-year-old. It happens to people in their 50s, even 60s, so you've got to be relevant to that generation as well."

Jonathan Tweedie, Managing Director, RBC Brewin Dolphin

Strategies for Growth

At the end of the day, strategies to clarify and **enhance the proposition** for specific client verticals are what drive client retention and ultimately reduce outflows. Where are the opportunities within these client verticals, and what value proposition are we bringing to each group?

If you focus on controlling the controllables, unlike other contributing factors (politics, economics, etc.), the proposition is the easiest for firms to isolate and update.

Too often, businesses coast too long on an outdated value proposition. Things have changed in the market, but your overall messaging and services haven't. Maybe it still works for one key vertical of the business, but ignores the needs of other client verticals that may be new, growing, or, in the case of outflows, experiencing higher attrition rates.

As part of these strategies, financial advisers are increasingly looking beyond traditional investment-management services to broaden their offerings and make their client relationships stickier.

In doing so, they're adding value in ways that extend across life stages, emotions, roles, and transitions, not just dollars and returns.

One major strategy is expanding into holistic life planning. Rather than just building portfolios, advisers are adding services such as retirement-readiness assessments, cash-flow modelling, long-term care planning, or even life-transition coaching. These additional services help clients feel the adviser is anchored in the context of their life. Another strategy is to leverage education and engagement events – that is, seminars or webinars on topics such as preparing for caregiving, decumulation strategies in retirement, or how to pass wealth on to the next generation.

"We've found this is a huge need," says **Dr. Amy D'Aprix of LifeBridge Strategies**, whose LifeMap platform helps advisers' clients navigate financial life transitions. "When an adviser offers these extra services, it deepens the client-adviser relationship, and clients benefit by getting more clarity on life issues that are going to intersect or derail their finances without the proper support."

"The rise of female investors due to divorce, singleness, or widowhood is a major topic right now, as is any issue around emotional retirement readiness and/or unforeseen events like illness and caregiving," D'Aprix says.

03

Adviser Succession and Shortage

Planning ahead and creating sustainable growth through talent

From an in-house angle, the next structural challenge facing the asset and wealth management sector is a looming shortage of advisers.

Industry insights paint a startling picture: a sample study of financial advisers in the U.K. found that 37% plan to retire in the next three years.[19] The average age of financial advisers is 57, and less than 1 in 10 is under 35.[20] In the U.S., around 110,000 advisers, or roughly 38% of the adviser population, are expected to retire over the next decade, meaning the industry could face a shortfall of 100,000 advisers by 2034.[21]

Compounding this issue is a thin pipeline of next-generation talent. Financial advisory is not viewed as attractive by many young professionals who themselves use digital investing alternatives and see the profession as synonymous with high-pressure sales, 24-7 office time, or outdated hierarchies. Meanwhile, the skills required to succeed are evolving; clients expect advisers to combine technical knowledge with emotional intelligence and digital communication.

The result is a widening skills gap. Many firms find it difficult to retain and recruit advisers who can serve both the high-touch relationship needs of wealthier clients and the digital engagement preferences of younger investors.

Studies show

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Source: Financial Reporter

The average age of financial advisers is **57**, and less than 1 in 10 is under 35.

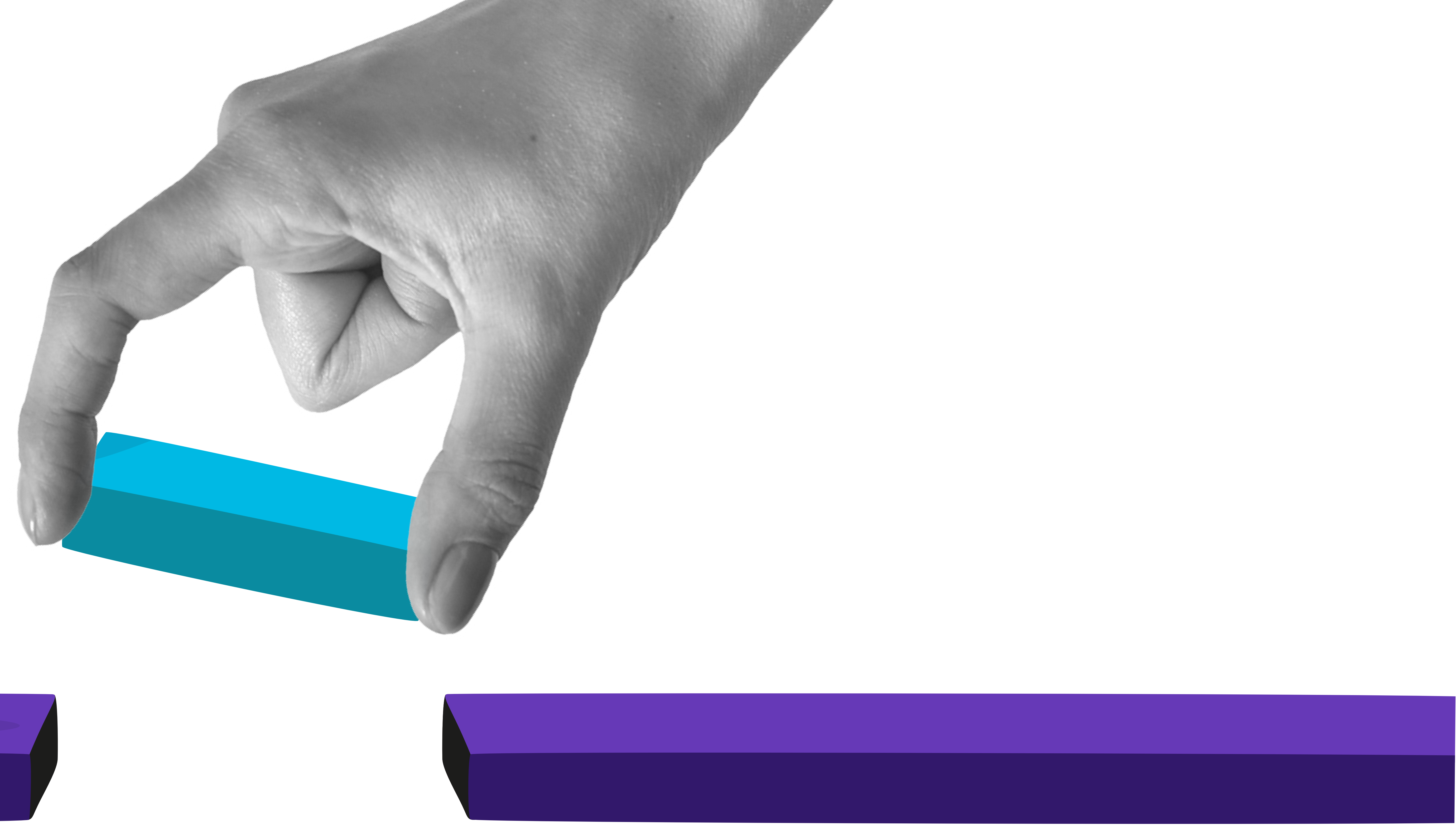
Source: FT Advisors

In the U.S., around 110,000 advisers, or 38% are expected to retire over the next decade, creating a potential shortfall of 100,000 advisers by 2034.

Source: Retirement Living

Bridging the Gap

So what can be done to bridge the gap here? Addressing the adviser shortage requires a multi-pronged strategy.



Training programmes:

Firms must invest in comprehensive training that combines technical finance, communication, and technology fluency.

Diversity recruitment:

Expanding recruitment efforts to women, minorities, and non-traditional candidates can broaden the pipeline and better reflect client demographics.

Retention incentives:

Clear career paths, mentoring, and compensation models that reward metrics beyond production are critical to retaining younger advisers.

Succession planning:

Firms need to proactively design succession plans, matching retiring advisers with protégés years before transition.

Brand repositioning:

Reframing financial advising as a purpose-driven career (helping families achieve life goals) can attract purpose-oriented millennials and Gen Z talent.

Client Themes

"We don't have a clear succession plan, and we risk losing client relationships when senior advisers retire."

"We have a broad age range of advisers and don't have clarity on what's going to help our team grow to achieve their potential."

"Our attrition is much too high, and we don't dig as deep into it as we should."

"The training we provide is inconsistent, and we struggle to measure whether it's actually working."

"Our hiring costs are too high. I'm not even sure we're fishing in the right pond."

"We're not sure that the talent we have now will get us to where we need to be in the next five years."

"It's unclear how to transition clients smoothly from a retiring adviser to a new one without risking attrition."

"Our seasoned players and leaders don't have time and/or a solid game plan for bringing newer advisers up to speed."

"When we talk to clients, we hear several re-occurring themes on the 'wall of pain' when it comes to creating sustainable growth through talent."

Jonny Adams, Partner and Consultant, SBR Consulting

"When we talk to clients, what we hear over and over again is that they need to replicate the success of their top sales contributors to drive their top line and to respond to changing market conditions. This ties in with creating a path for talent growth and ensuring that productivity is spread equally among all financial producers."

Jonny Adams, Partner and Consultant, SBR Consulting

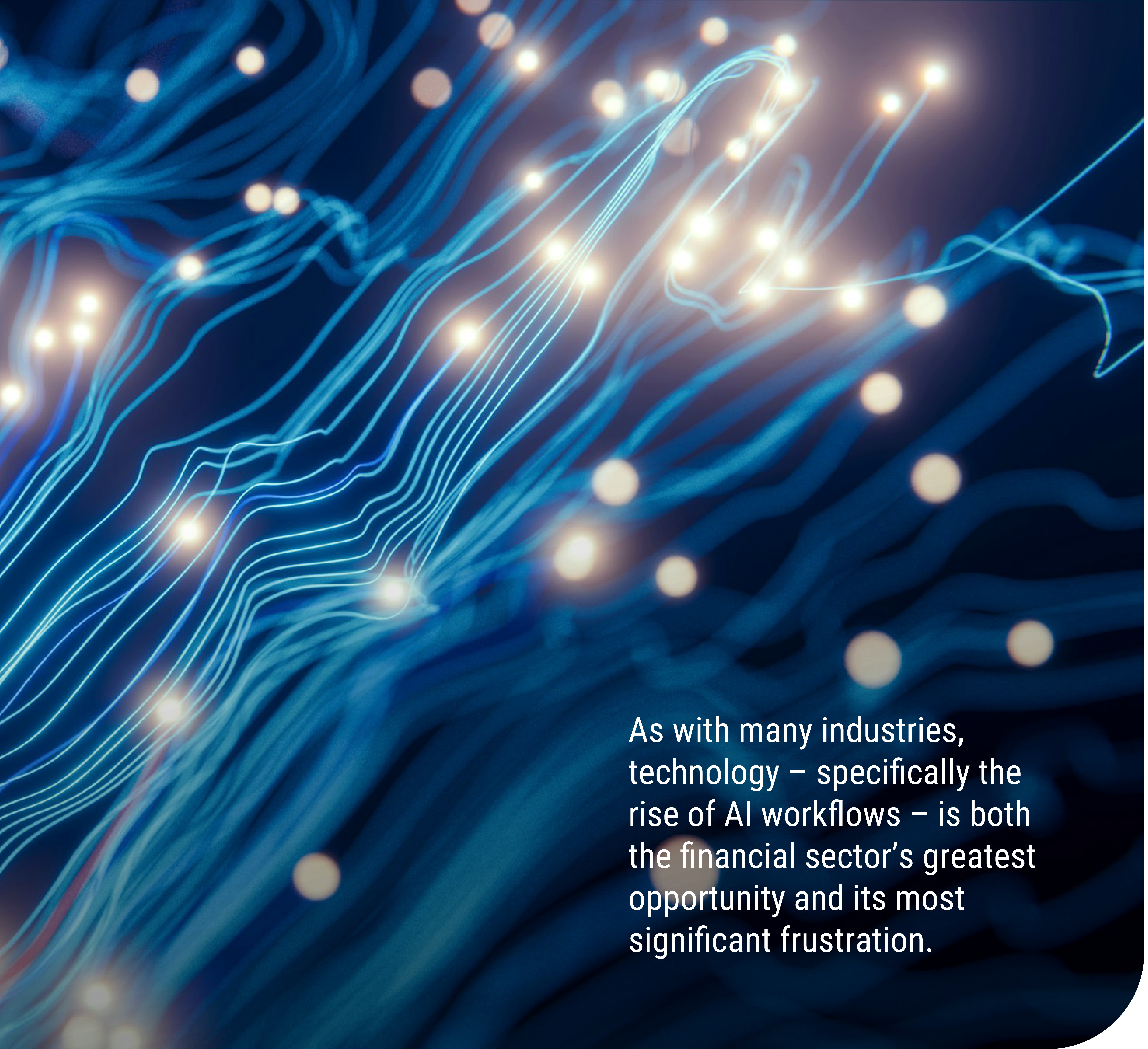
Strategies for Growth

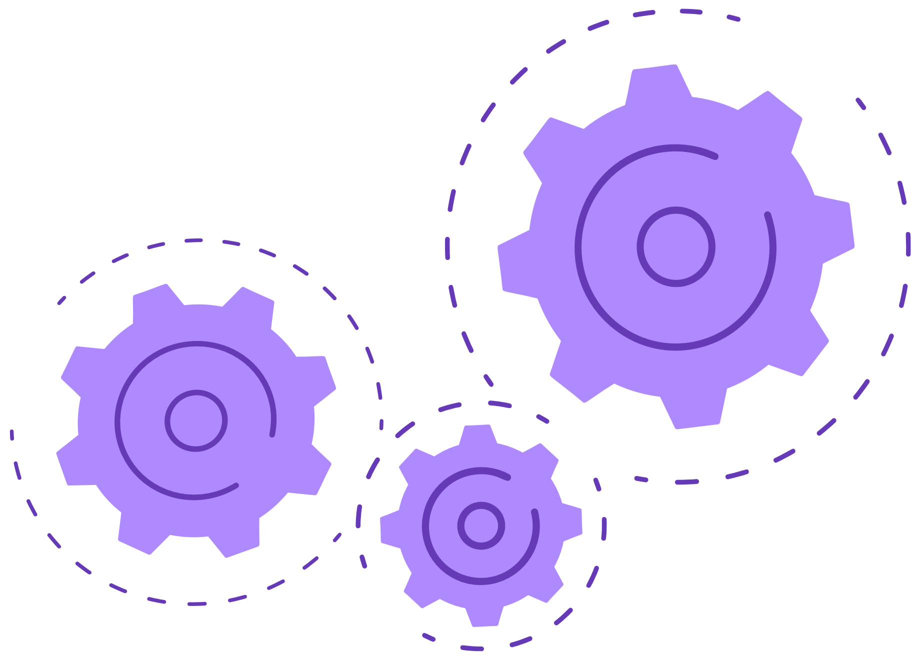
The key principle here is **people and process.** Specifically, how are you grooming your human capital and training your talent not just for uniformity, but for skill transfer? Done correctly, this will level the playing field and increase revenues in a way that is predictable and less dependent on standout performers or seasoned legacy players.

04

Technology and AI Adoption

Utilising technology for AI-fueled efficiency and innovation



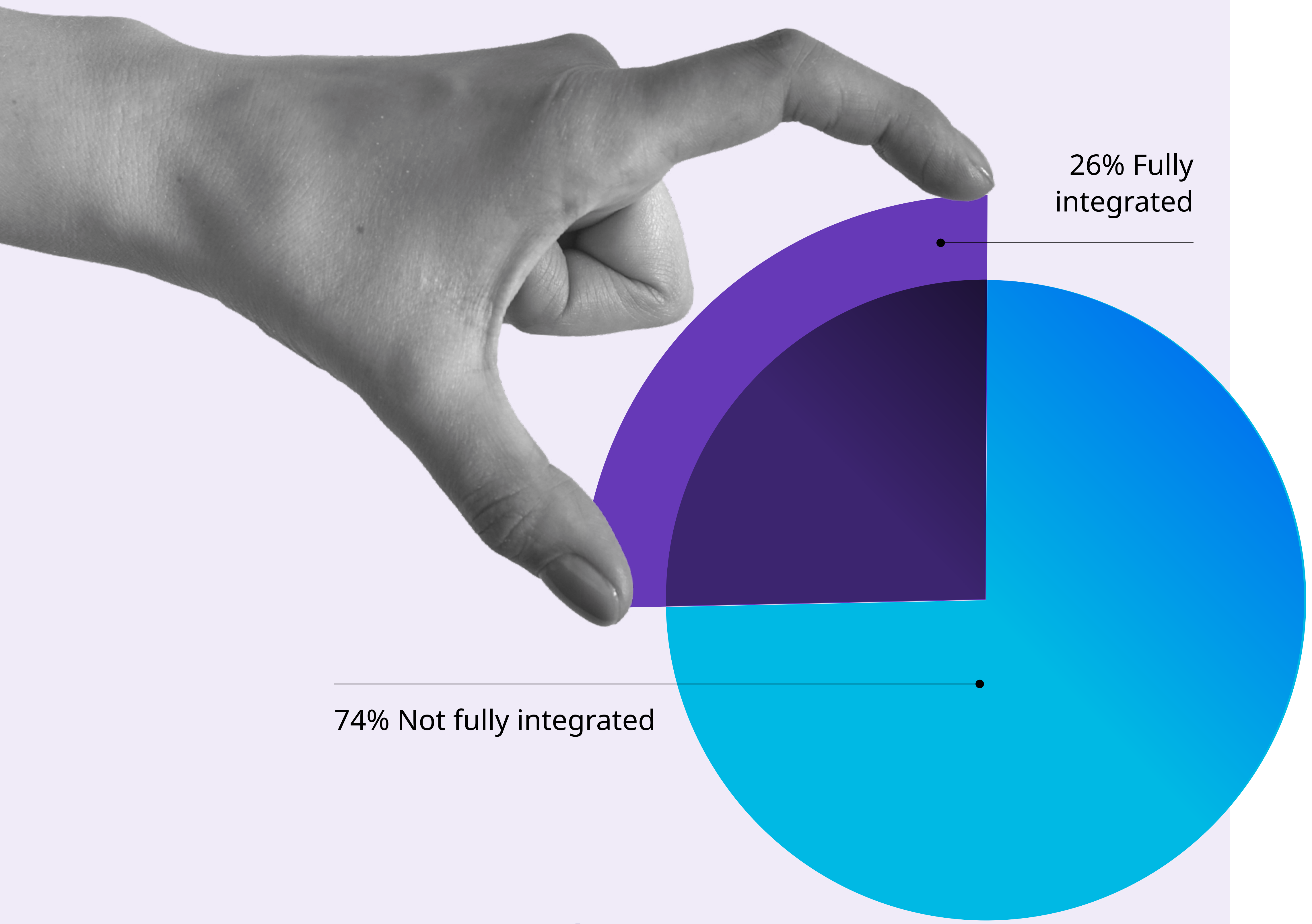


The Overload Problem

Firms often adopt technology reactively or haphazardly, layering new tools onto legacy systems. The result is "tool overload": advisers juggling multiple logins, duplicating data entry, and poorly integrated workloads. Everything is "in the database," so to speak, but there are now twice as many databases. Thus, rather than empowering advisers, technology often increases the administrative burden.

"Ultimately, client-facing teams suggest that they spend up to 40% of their time on administrative tasks," says **Matt Goddard, Principal Consultant and Head of Design for Etch.**

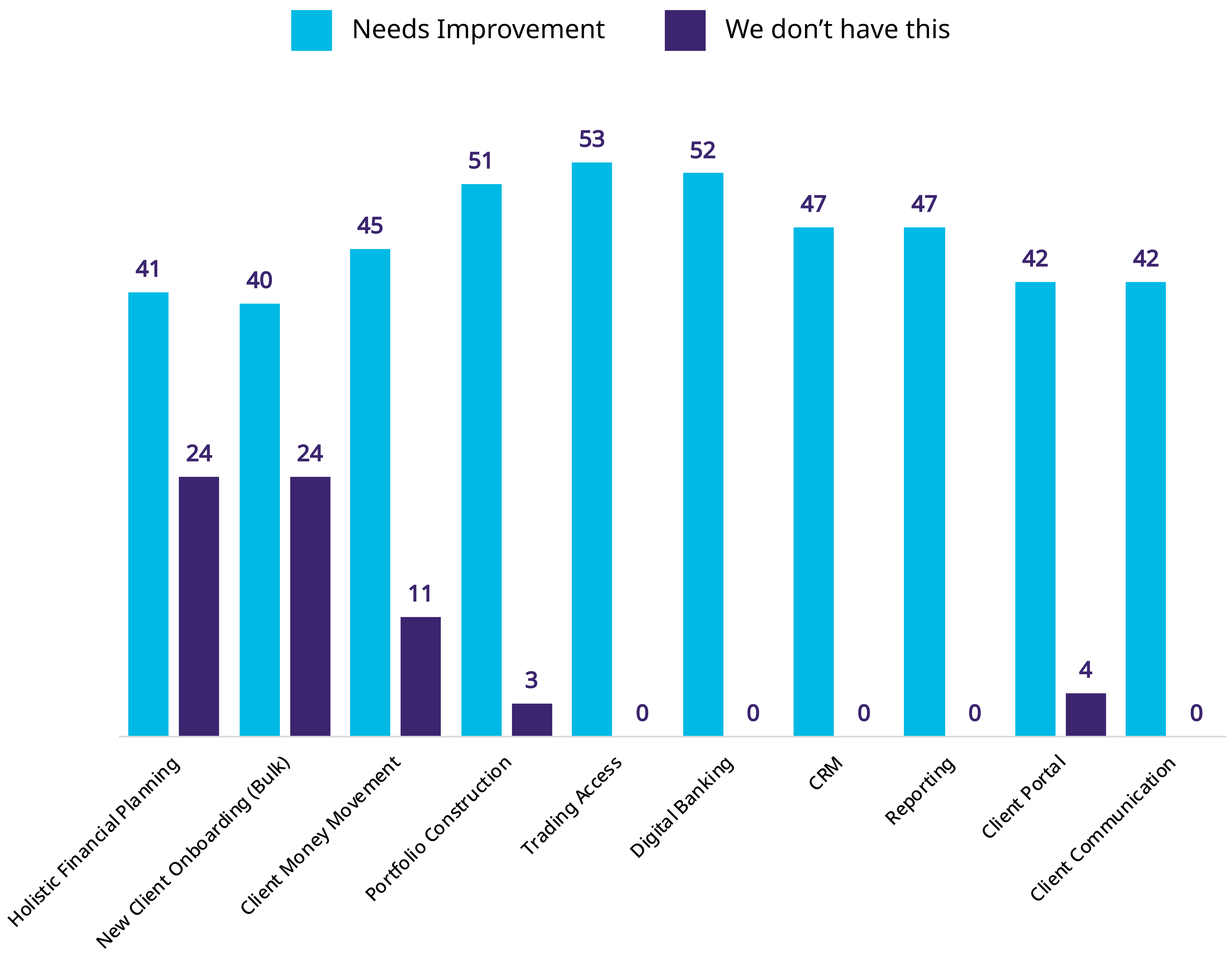
"There are a ton of issues that can occur from disparate systems, whether you have a CRM or not, whether you have [multiple] pieces of technology at an organisation, and you can't find the right information. A lot of the time, we start to see that there's too much administration, and that impacts the golden time being spent with clients."



How well integrated is your firm's technology?

When implemented strategically, however, studies are beginning to show that technology can dramatically improve client service. Integrated customer relationship management (CRM) systems provide a 360-degree view of the client, enabling seamless communication and personalised recommendations. Full-stack integration – linking CRM, portfolio management, and communication platforms – reduces friction and increases efficiency.

How would you categorise your firm's technology?



Source: 2025 Connected Wealth Report: Advisers and Technology

"Over 60% of financial services executives cite legacy technology as a major barrier to operational efficiency. I liken it to the wonderful game we played when we were children, called Jenga. When we carry on building [randomly] onto a foundation, eventually someone will lose out and that Jenga tower will start to collapse. That's effectively what can happen with legacy technology."

Matt Goddard, Principal Consultant & Head of Design, Etch

AI: The New Horizon

AI is entering a pivotal phase in financial services and wealth management, evolving from a back-office support tool to a core driver of growth, streamlined services, and client engagement.

"Over the last five years, I have seen the number of pulse scores, or employee satisfaction scores and typically the lowest rating is the amount of technology and the challenges people have to navigate within these," Goddard says. "Research tells us that 30% of the day individuals spend is actually spent on looking through systems. It limits your ability to bring high-value conversations. AI-enabled automation workflows save time, allow [prioritisation], and reduce admin."

In 2025, AI has firmly moved into the adviser's toolkit, reshaping how client relationships are managed, portfolios are optimised, and firms deliver value at scale. From generative AI that cuts research and reporting times in half to agent-based platforms that automate meeting prep and workflow, what was once seen as experimental is quickly becoming table stakes, just as the smartphone revolutionised how society interacted and communicated in the 2010s.

"Most advisers within big organisations will have access to things like the Microsoft 365 Suite, in which case you will have access to things like Copilot and Copilot Studio. To get the best out of these tools, you need to focus on how to create the best prompts or to use what's called context," Goddard says.

"There are also things called agents, which are basically just autonomous scripts that will go off and find different pieces of information for you. Let's say there's been a policy change in the U.K. – the interest rate has changed. What we can do then is pull the companies that may be affected by that and use that to have much better conversations. [There are] AI chatbots that will allow you to say things like, 'Will you role-play with me?"

The adoption of generative AI is no longer niche – more than three-quarters of advisers report immediate benefits. A recent Adviser360 report found that 76% of advisers surveyed say generative AI is already delivering benefits, and 85% view it as a valuable help, a 25% increase from 2024. A whopping 9/10 advisers said they used AI-enabled assistants, with "predicting client behaviour" as the most popular function.[22]

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9 out of 10

advisers said they used AI-enabled assistants

AI has the potential to dramatically enhance financial adviser effectiveness, creating considerable opportunities for firms that are ready to capitalise. Financial advisory firms often manage a **client-to-adviser ratio of approximately 100:1**, while studies estimate that, at best, advisers spend only around 40% of their time with clients. [23] [24] Advisers' time for meaningful, high-value client engagement is thus severely constrained.

AI is directly addressing these bottlenecks. By automating repetitive tasks such as summarising meeting notes, generating client reports, and responding to routine service inquiries, advisers can reclaim significant time for strategic client engagement. McKinsey projects that AI adoption could increase adviser productivity by **6–12%** by 2030, mainly through process automation and decision support.[25] Similarly, PwC found **80%** of firms believe AI will drive up to 12% higher productivity as soon as 2028.[26] These estimates may be conservative, considering the expanding capabilities of AI tools to support.

Portfolio optimisation:

AI models can analyse market conditions, client goals and risk tolerance to suggest customised allocations. Platforms such as Vise AI automate portfolio construction, tax-loss harvesting, and rebalancing, while major institutions like Fidelity and Schwab are incorporating deep-learning models for real-time portfolio strategies.[27]

Personalised insights:

According to a recent study, **55%** of financial advisers now use AI to tailor investment strategies to each client.[28]

Client communication:

AI language processing enables automated yet personalised messaging, reminders and reporting.

Predictive analytics:

AI tools can identify at-risk clients and flag dissatisfaction before it results in attrition.

Risk and operational management:

More than **85%** of financial firms are applying AI across areas such as fraud detection, risk modelling, IT operations, and digital marketing, according to another recent study.[29]

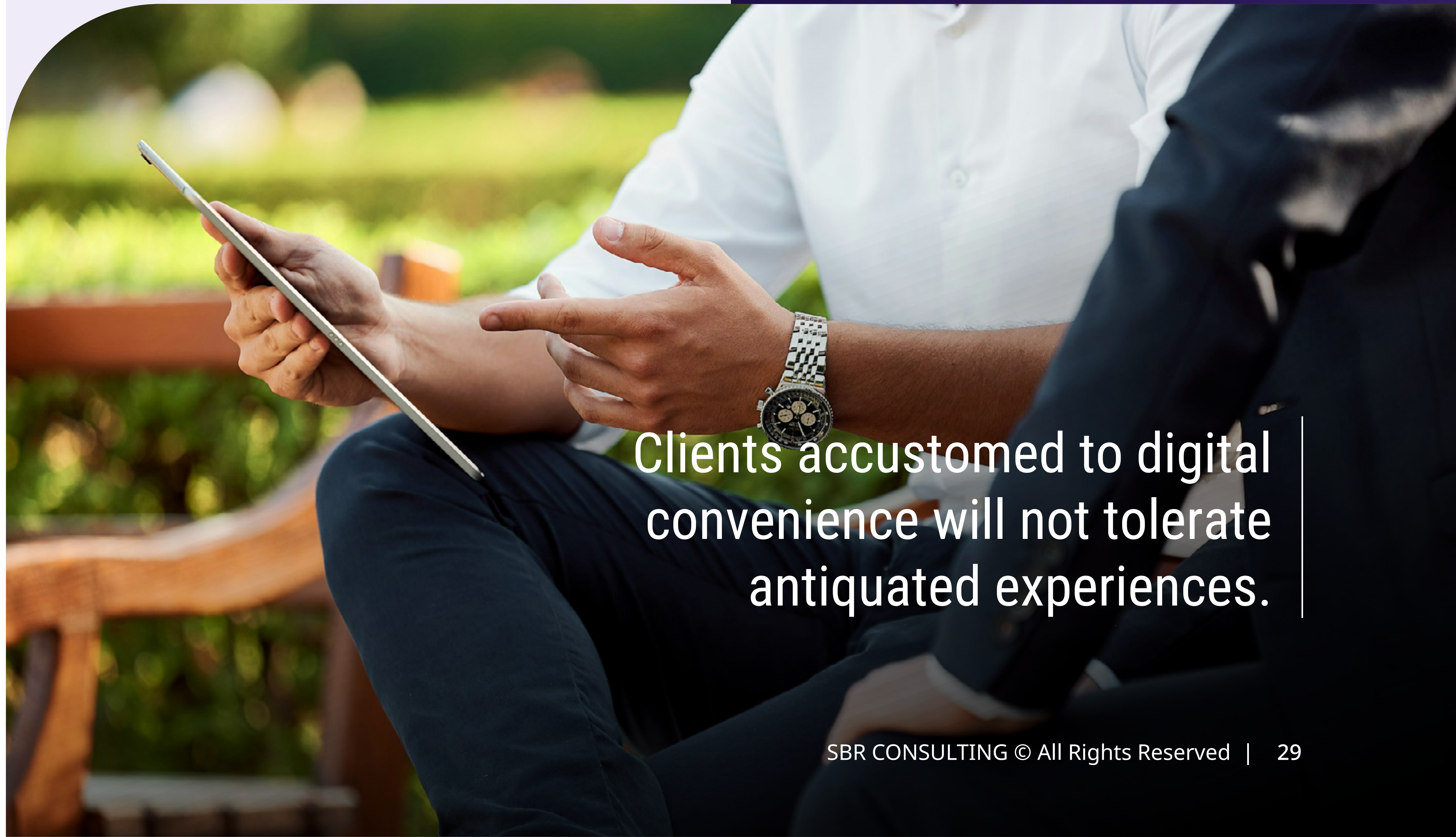
60%

of advisers plan to increase their AI investments in the coming year

75%

of financial firms using AI reported improved client engagement

Source: WifiTalents Reports



Clients accustomed to digital convenience will not tolerate antiquated experiences.

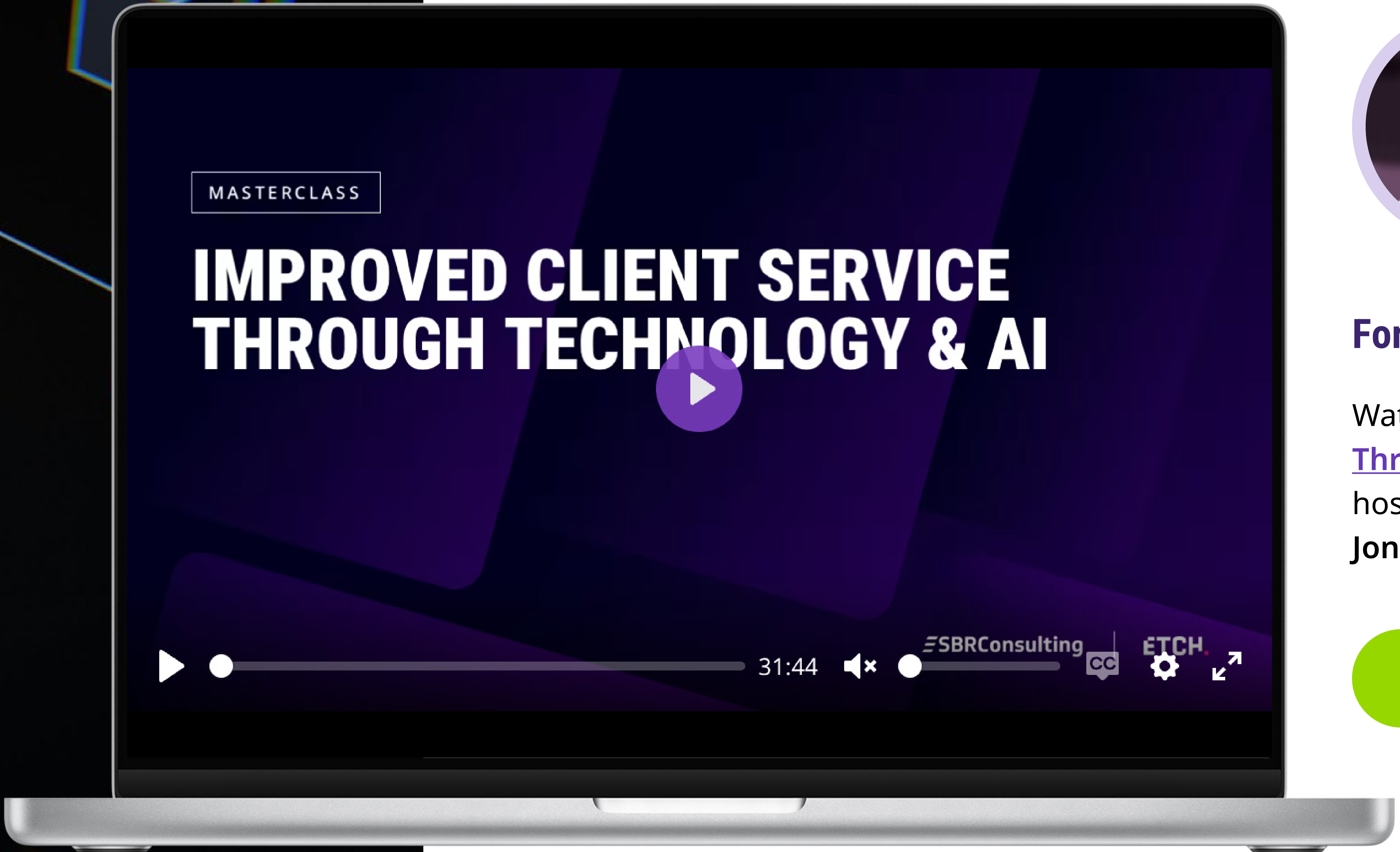
Strategies for Growth

The 2026 pathway is clear: Organisations that **leverage AI and integrated systems** will deliver more personalised, efficient, and proactive service. Old processes can become too comfortable and sometimes become a barrier to progress.

First, focus on productivity: identify which systems and processes in your office are taking time away from client interaction. Next, look at how you can start using AI to streamline some of those tasks, using integrated AI tools – that is, tools that integrate with existing CRMs and tech stacks to help advisers work more efficiently. Next, look at which AI tools can be used to generate reports and client insights and help facilitate touchpoints with clients, making the 1:100 ratio feel more manageable.

"You can't have a great customer experience if you don't have a great employee experience. There's staff churn because people are frustrated with the tool chain they have access to. They're not able to do their job to the best of their abilities."

Matt Goddard, Principal Consultant & Head of Design, Etch



For more:

Watch [Improved Client Service Through Technology and AI] with hosts **Matt Goddard of Etch** and **Jonny Adams of SBR Consulting.**

Click here to watch

05

Redefining Roles, Leadership, and Incentives

Adapting internal roles and management to meet future challenges

As clients and the adviser base evolve, so too must the structure of leadership and incentives within firms. Some of the biggest challenges we hear about in the space involve traditional roles and compensation alignment.

Transitioning from Player-Manager to Out-Manager

The traditional "player-manager" model, popular in sales and finance, in which leaders manage their own book of business, is becoming increasingly unsustainable. Revenue-producing leaders often suffer burnout as they juggle both client responsibilities and leadership. The dual role also creates conflicts, as time spent coaching junior advisers is not time spent generating revenue. Even if revenue-producing expectations are reduced, simply promoting top producers to leadership positions often results in a skill-set clash.

"You have to develop trust really quickly," says Tweedie of Brewin Dolphin. "You've got to create an environment where your junior leaders are trusted by their 'soldiers' almost instantly."

"When we look at the leadership functions at organisations, some of the most critical roles are transforming and changing," Tweedie says. "But they're actually some of the most underdeveloped people. We fall into the mistake of taking the very best car salesman and putting him in charge of running the garage."

"It's a global challenge," adds Adams of SBR.

"Businesses do not recruit leaders. They typically recruit high performers from previous roles that might be income-producing or technical individuals. A lot of time, people recruit the people they want to recruit versus having a decent, well-built framework."

Restructuring IMs and FPs into Wealth Managers

Historically, investment managers and financial planners have held separate roles in separated silos when contributing to the client experience. As clients increasingly expect holistic advice that integrates investments, tax strategy, estate planning, life goals, etc., many firms are re-thinking the divide and exploring integrated "wealth manager" roles.

The merger is not without a few challenges, however. IMs may need to upskill in social and relational client interfacing, as well as in holistic planning, while financial planners might initially feel unprepared to discuss more sophisticated client portfolios. But many firms think the transition is worth exploring.

"The line between investment management and financial planning is blurring fast. Clients don't see their lives in silos. They want a single, trusted relationship that connects performance with purpose. What we've seen is, investment managers are learning to lean into behavioral finance and life planning, while planners are growing their confidence in portfolio construction and risk analysis. Yes, there's a learning curve on both sides, but the payoff is a client experience that feels more seamless and deeply personal."

Jonny Adams, Partner and Consultant, SBR Consulting

Compensation Alignment

Perhaps the most contentious area is compensation. Traditional models reward production, either through commission or AUM-based fees, but don't necessarily align with client satisfaction or long-term retention.

As a result, a growing number of firms are experimenting with performance metrics that are more closely tied to the following, in addition to AUM:

- **Client retention rates**
- **Net promoter scores (NPS)**
- **Engagement frequency and quality**

Like any other change, this might generate resistance at first. According to one PwC survey, 35% of respondents said the most valuable compensation structure for relationship managers was a transaction-fee-based incentive structure, plus salary and bonus. The least popular answer (with more than half of respondents) is incentives around client satisfaction.[30]

This gap was a challenge for leaders seeking to shift behaviour from short-term sales to long-term relationships. And, admittedly, managers face consistency in measuring the new criterion. But the end goal is to incentivise holistic client service and, thus, retention, which is a worthy objective.

"The industry is at a crossroads at the moment," says Tweedie. "The industry will continue to focus on the high net worth and ultra-high net worth, the 1% and above, because that is the environment where you can get rewarded. For the advice and the difference you make today, it's the safe space to operate in."

"But I think you go from the 1% to the 25 percenters [over the next five years]. And that's a really good place to be. And intergenerational wealth will mean that there needs to be a wider percentage, absolutely. Let's build a model for it. 25% isn't good enough. We need to go further."

People

Proposition

Platforms

Process and Performance

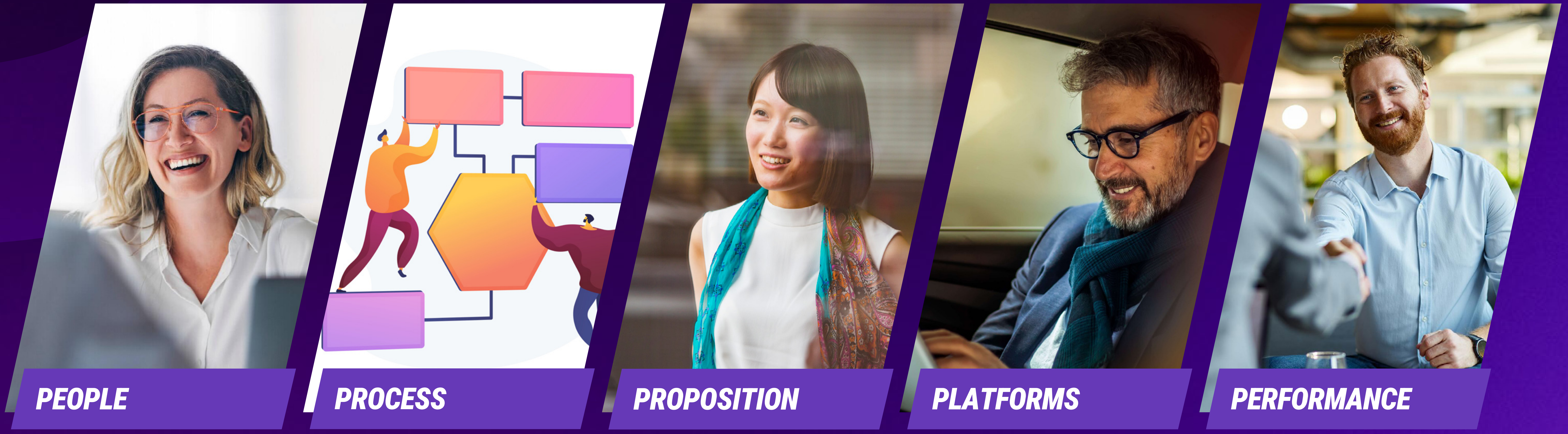
06

Building the Financial Services Workforce of 2026

5 P'S TO CONSIDER FOR REDUCING OUTFLOWS

The good news is that while some market forces are beyond a financial services firm's control, there is still a great deal they can do to shape outcomes through a clear strategy and disciplined execution.

At SBR Consulting, we consult with leading financial firms on the 5 P's: People, Process, Proposition, Platforms, Performance.



People

Even the most sophisticated investment strategy or sleek platform can't replace a trusted relationship. Clients do business with and stay with people they trust – professionals who understand their goals, listen actively, and can coach them through both triumph and tragedy.

As we move closer to an AI-driven world, the people factor will become increasingly important. This is not a signal to ignore the implications of AI; it is to realise that people are still a large part of your unique value proposition. And a good thing too, as it's one of the most controllable.

"Having coached nearly 100 unique advisers in business development and relationship management, the factor that is consistent in the most effective client relationships is trust," says **Matt Best, Principal Consultant at SBR Consulting.**

"The most successful advisors that I've worked with place the personal relationship and rapport with the client above almost everything else," Best says. "This helps not just to retain that client, but also to grow the relationship and build new trusted relationships with the client's inner circles."

A few practical people strategies to consider when reducing outflows include:

- **Train for empathy and communication:** Technical skills are table stakes; the differentiators are the interpersonal ones. Build training programmes that develop listening, storytelling, and emotional intelligence.
- **Create consistency in relationships:** How often are you reaching out, not just with auto-emails, news about the firm or legal touchpoints, but touchpoints with clients (that don't require them to come in for a full-blown office visit)? How often have you been surprised to learn that someone got divorced, had a child, started a business, etc., because your last human touchpoint with them was 12 months ago?
- **Multi-layered teams:** Clients should have more than one point of contact. A team approach showcases depth and expertise and prevents clients from only knowing one adviser who retires or leaves the firm.
- **Invest in your team:** While technology makes our lives easier, at the end of the day, people are still what will drive deals, make sales and retain revenue. Organisations that have had the same routines and training for years are taking a step back to re-evaluate their human capital and bring all players in an organisation up to the level, even as the bar continues to be raised.

"Investing in your people through practical training and unified habits enables them to build trust with clients and have stickier relationships," Best says.

"Being trustworthy is a cornerstone of success in this space, in retention and growth. On that basis, supporting your advisors – your people – to help them master this skill and providing them with the tools to maintain trust with their clients is key to wider business success."

Matt Best, Principal Consultant, SBR Consulting

Proposition

Proposition is the main thread that keeps coming up with regard to some of the most significant challenges facing firms in 2026.

At SBR Consulting, we believe that client retention and ultimately safeguarding revenue require an aggressive rethinking of the value proposition. Specifically, clients are asking:

- "Is my adviser proactive?"
- "Do they understand my personal goals?"
- "Are they saving me time and stress?"
- "Am I getting anything from them other than the bottom line (returns)?"

The fact is, retaining clients today requires consistently delivering both tangible and intangible value. To address this, firms may consider the following:

- **Expand beyond investments:** As mentioned earlier, tax is a big one, as well as inheritance planning, real estate, and retirement planning.
- **Life-based services (LBS) and resources:** Offer life-based services such as career coaching, eldercare planning, philanthropy advice, and financial education for children.
- **Deepen personalisation:** Use advanced analytics to tailor advice not only to risk and return profiles but to lifestyle preferences, values, and family dynamics.
- **Enhance communication:** Replace transactional reviews with ongoing dialogue through secure messaging, video, and mobile apps.
- **Build family relationships:** Intentionally include spouses, partners, and next-gen clients in planning conversations.
- **Position yourself as a life adviser, not just a financial one:** Help clients plan for major life transitions: retirement, business exits, inheritance, or family governance. The deeper the integration into their lives, the harder it is for them to leave.
- **Tailor solutions to client segments:** Customise your value proposition for high-net-worth (HNW) individuals, families, entrepreneurs, or institutional clients, instead of a one-size-fits-all model. Devise a plan to reach underrepresented segments, such as female investors and next-gen investors.

Bottom line: If your firm's proposition sounds like everyone else's, price becomes the only differentiator. A good value proposition has to have clarity.

"Today's financial services clients have more options than ever. With robo-advisers gaining ground and AI-enabled information at our fingertips, the cost-benefit equation for traditional firms is harder to defend. Saying that AI can't do the job properly misses the point, because popular opinion increasingly holds that it can or soon will. Unless firms clearly, compellingly and consistently articulate their unique value, they'll lose the debate by default."

Katia Sand, Principal Consultant, SBR Consulting

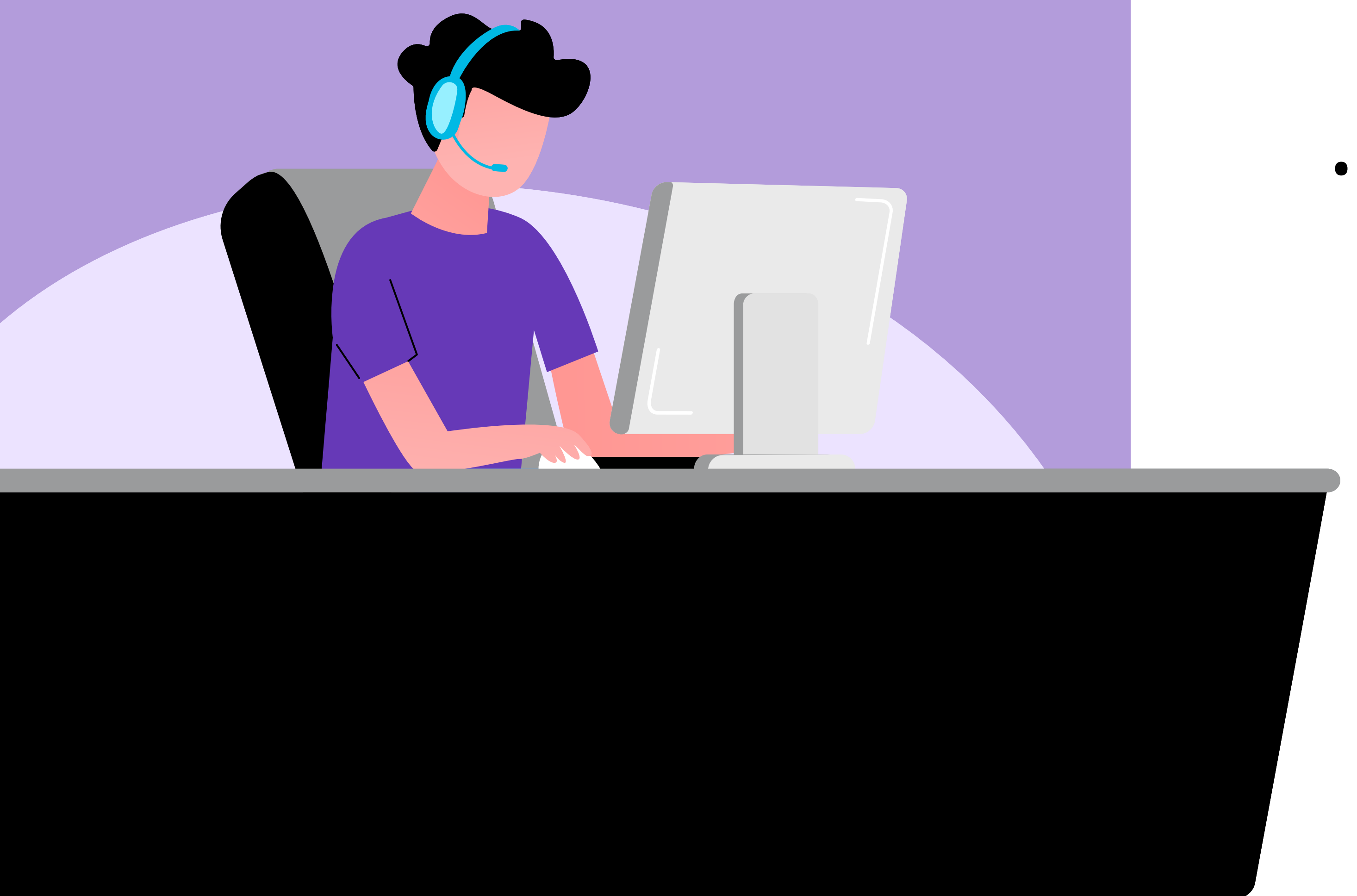
Platforms

Digital platforms are essential for providing transparency, access, and convenience. However, technology should enhance, not replace, the adviser-client relationship.

- **Ensure your client portal is intuitive and easy to use.** This cannot be overstated. Clients expect the same UX from wealth platforms as they do from consumer apps, which are often geared at the IQ level of a high schooler. Prioritise simplicity and mobile access. If a client can't navigate the app and doesn't know what's going on with their investments, they will eventually leave.

- **Use data to personalise experiences.** Use their individual goals to tailor communications and anticipate client needs without being intrusive. People like to be reminded of their own goals; it feels like you are on the journey with them, not just dumping information on them about ROI or capital gains.

- **Don't rely on tools to do all the work.** Clients want the option to interact both digitally and in person. A once-per-year check-in often isn't enough to compete with the bombardment of financial information the average person sees over the course of a year. Strategise on how you can maintain the human connection so it's not lost in the noise.



A great platform will not make a weak relationship strong, but it will strengthen a good one.

Process & Performance

Beyond the value proposition, two of the most controllable factors for financial organisations navigating the challenges of 2026 are process and performance. Specifically, is there a process in place to address the industry pain points noted earlier, and how can firms enhance team performance collectively?

At SBR, we use 11 strategically identified capabilities to help financial firms get a handle on both of these and be able to drive change at their organisation:

- Customer Segment Awareness
- Commercial Prioritisation and Planning
- Commercial Acumen
- Opportunity Creation & Prospecting
- Discovery & Questioning
- Commercial Focus
- Influence and Storytelling
- Solution Design
- Cross-functional Collaboration
- Resilience and AI Fluency

As part of the process, we use a unique psychometric assessment that combines our insights with your data through a tool that identifies individuals' underlying traits and potential. This provides a clear picture of who is best suited for growth and high performance within your sales team. By integrating these insights, we can tailor development and recruitment strategies to ensure the right people are in the right roles, maximising your team's impact. This approach removes guesswork and enables targeted, effective talent management.

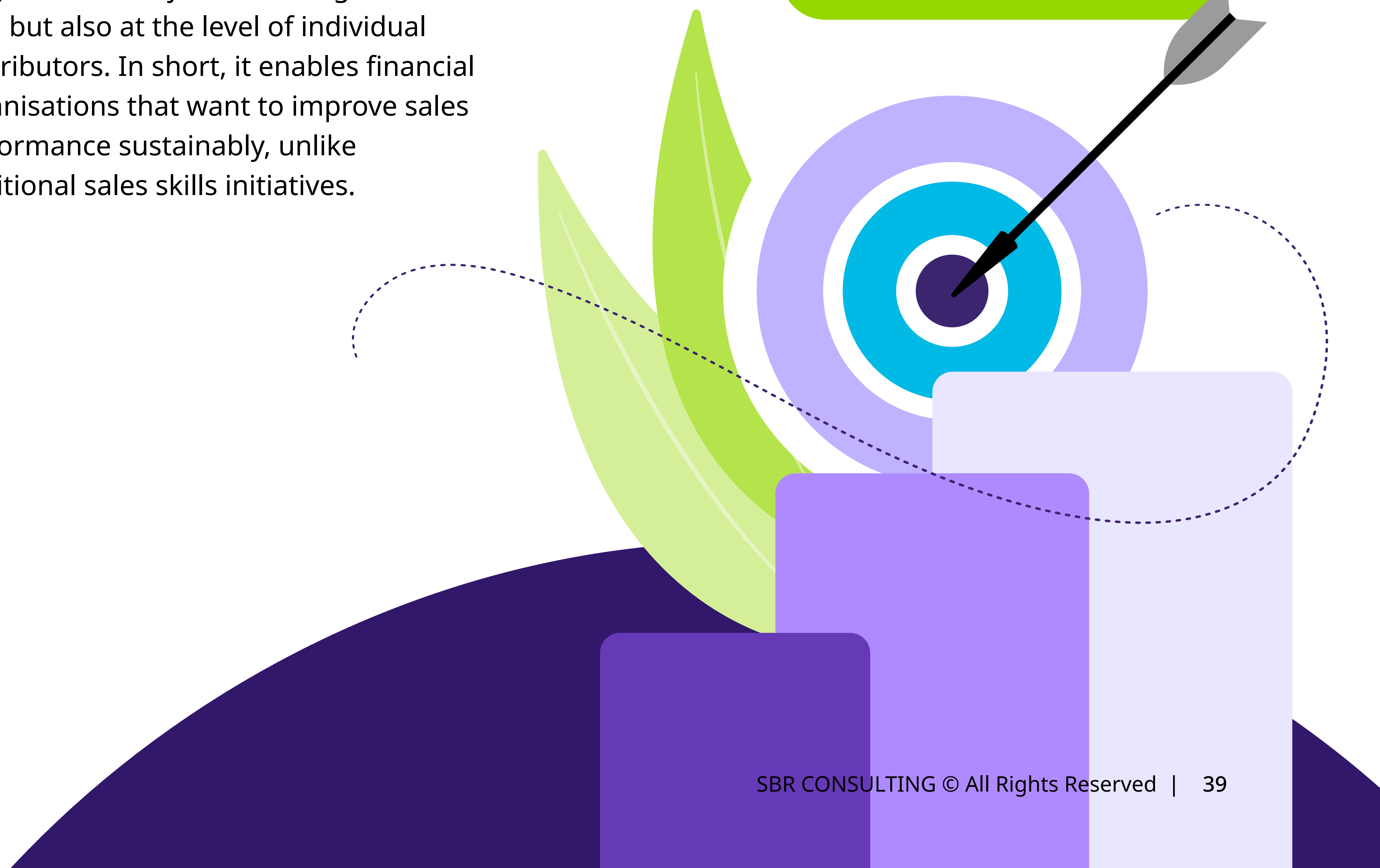
This helps create more customised programmes not just at the organisational level but also at the level of individual contributors. In short, it enables financial organisations that want to improve sales performance sustainably, unlike traditional sales skills initiatives.

We do this by:

- Aligning with your strategic context and ambition
- Applying our 12-box methodology to analyse potential and capability
- Cocreating and deploying relevant interventions

This is based on our experience of working with over 1000+ clients to refine GTM strategy, leadership enablement, and commercial effectiveness.

Find out more



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07

Conclusion

Conclusion

In summary, the financial services sector faces converging challenges: client attrition, adviser shortages, shifting demographics, evolving leadership models, and technological disruption. Yet within these challenges lies an opportunity for firms willing to roll up their sleeves and critically examine the drivers behind their process, services, and training.

This involves:

The call to action is clear: the financial services industry cannot cling to legacy structures while the ground shifts beneath it. Organisations must embrace change proactively, not wait for it to be forced upon them by outflows or industry disruptors. Those who emerge victorious in the latter half of the 2020s will be those who anticipate, adapt, and lead.

Re-examining / re-definition of the value proposition

Advisers must evolve from portfolio managers to holistic life advisers, integrating wealth with overall client goals.

Protecting multi-gen and rising demographic relationships

Intentionally include spouses and heirs in advisory relationships, and thoughtfully examine outreach to emerging subgroups, such as next-gen and female investors.

Investing in the talent pipeline

Retain focused, purpose-driven talent and provide training that blends technical, relational and digital skills.

Redesigning leadership and compensation models

Separate management from production, align compensation with client outcomes and outline clear career pathways.

Adopting AI and using emerging tech wisely

Focus on integration, not just adoption, and on client-centric applications of AI. Avoid tool overload.

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About SBR Consulting

SBR Consulting is a global growth and transformation advisory firm that partners with financial services organisations to embed strategic thinking, operational rigour and sales capability into their organisations. With 24 years of experience serving more than 1,000 clients across 38 countries, SBR helps institutions navigate complex market shifts, accelerate revenue growth and build the commercial muscle required for sustainable success.

To explore how SBR Consulting can help your organisation embrace new market opportunities, enhance client engagement strategies or build a scalable advisory business engine, visit www.sbrconsulting.com or contact the team at +44 20 7653 3740 (UK) or email info@sbrconsulting.com.

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