
Few Advisors Confident of Own Business Strategy: Curian Capital

By Editor Test *Wed, Feb 17, 2010*

Many advisors feel a need to change their approach but are uncertain how to go about it.

While two out of three financial advisors define their 2010 business mindset as one of “acceleration and growth,” only one in 100 feels his or her business strategy is sound, according to a Curian Capital LLC survey of more than 1,800 independent financial advisors associated with 150 broker-dealers.

The survey, conducted last November, is titled “2010 Outlook for Advisor Priorities.” Curian, a unit of Jackson National Life Insurance Company, provides a fee-based managed account platform for financial professionals, and also offers practice management, business development and educational support for advisors.

Among the findings:

- 88% of advisors feel investor emotions impacted their ability to manage clients’ portfolios and led them to increase the frequency and duration of their client meetings.
- Only 10% of respondents feel their business strategy is currently sound, while a third know their business model needs to change but are uncertain how.
- Most respondents feel that marketing, cross-selling and business plan development are valuable forms of support that can help them achieve growth.
- 78% of respondents have changed the way they interact with clients during the past year.
- More than half of advisors report that their clients have modified their expectations of retirement lifestyle or plan to delay retirement.
- More than half of respondents have adopted a more tactical approach to portfolio construction in response to client demand for more conservative investments and guaranteed income.
- 56% have a strategic plan in place to grow their business.

“Most advisors responding to our survey indicate that their clients’ goals and priorities have changed dramatically since the downturn, said Chris Rosato, senior vice president of strategic development for Curian Capital.

“As a result, advisors have had to make a fundamental shift in their approach to portfolio construction, client interaction and practice management,” he added. “The advisors who recognize the need for change and seek out new solutions for meeting their clients’ needs will be the most successful in the coming year.”

Curian distributed its 2010 Advisor Outlook Survey to independent advisors via e-mail in November 2009. Results were collected via Zoomerang, and 150 broker-dealers are represented among the 1,804 respondents.