

6 steps for operational excellence

Advice Operations Research Report 2024

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Top-performing advice practices have six common characteristics driving effectiveness and profitability above the industry average.

171 advice practices, representing 720 advice professionals, participated in this national research study. The research shows that while practices are targeting an EBIT of 34%, the actual average EBIT is 23% (after normalising Principal salaries at \$150k + super).

1 Manage your team well

Intentionally build a good culture
There is a direct correlation between a positive culture and enhanced profitability and employee satisfaction. Firms with higher culture scores notably outperform their counterparts in both EBIT and satisfaction metrics.

Pay them well, aligning their pay with business success
Firms who go the extra mile with remuneration, considering bonuses across the board and keeping salaries above industry standards, tend to see better profits and happier teams.

Involve them in your strategy planning and business improvement initiatives
The research shows 49% of businesses involved all staff in strategy planning and/or business improvement initiatives and a further 21% involve those they consider leaders. The difference in the profitability of those businesses who include staff in some way was significantly different (+5% EBIT) to those who go it alone with strategy planning.

2 Separate the role of practice manager as quickly as you can

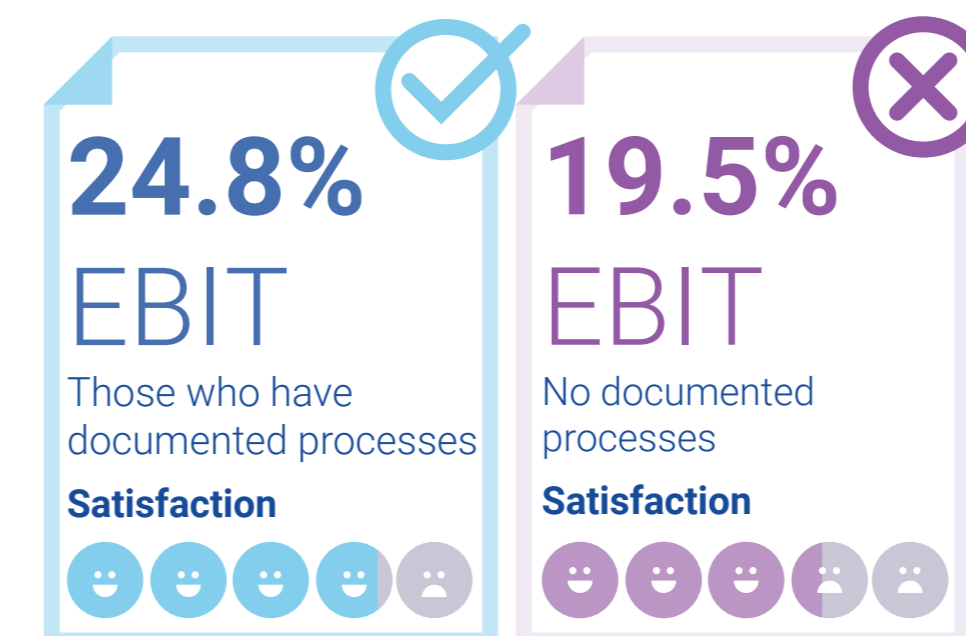
Practices with a manager role and a turnover of \$1M or greater had an EBIT of 26% with a satisfaction score of 3.9 out of 5.



3 Have processes and follow them

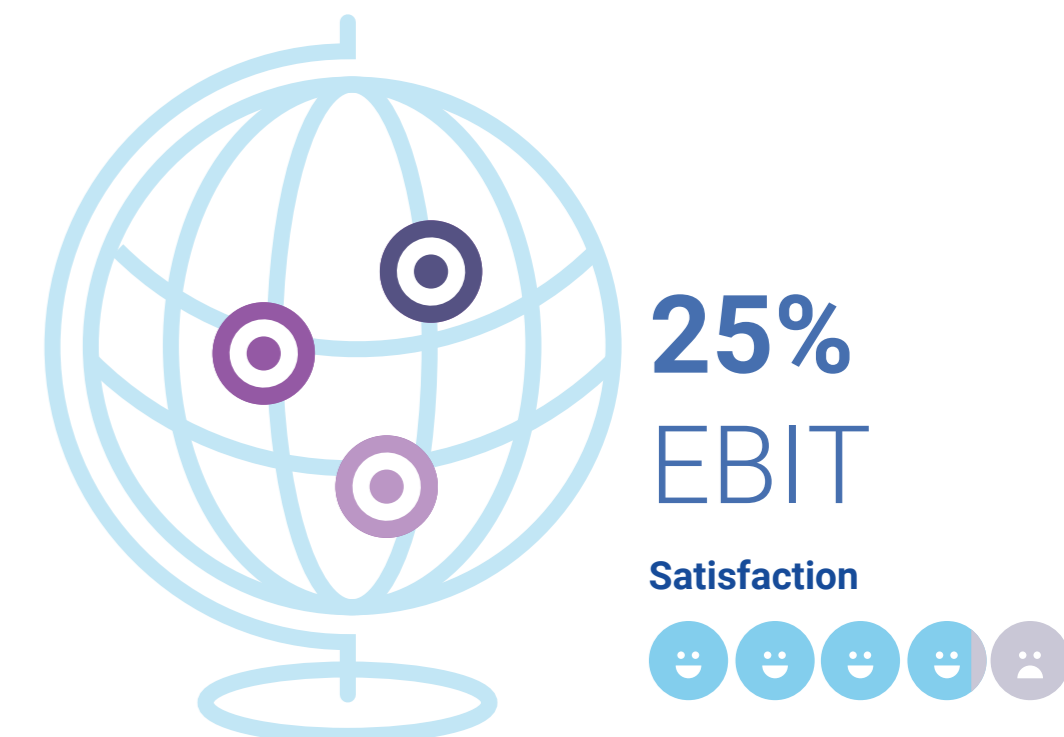
One third of participants noted their biggest frustration are processes being:

- ✗ Out of date
- ✗ Not documented
- ✗ Not followed or inconsistently followed



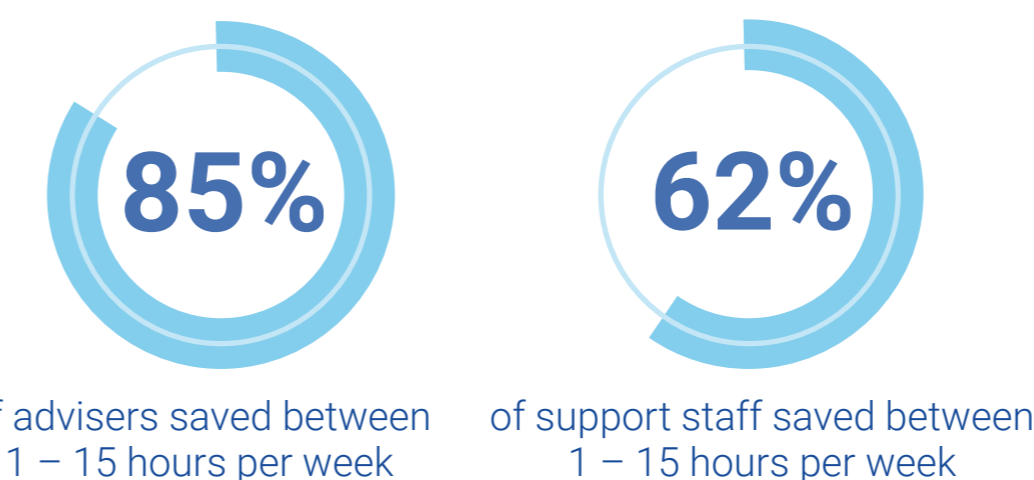
4 Build a global team

Those who employ outsourced staff member(s) as part of their team recorded an average 25% EBIT and an average satisfaction score of 3.8 out of 5.



5 Deploy efficient investment management techniques

52% of participants have at least started to use Managed Accounts, and the impact was profound.



6 Invest in expert support

Those who either had or have had a coach reported an average EBIT of 26.3% (and a higher satisfaction score) compared to an EBIT of 22% for those who had no input from a coach.



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