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Australian financial advice practices optimistic about growth - Iress survey

- 72% of financial advice businesses expect growth in the short-to-medium term
- Only 6% of businesses surveyed will be operating in the same way as they do now
- Legislation, compliance and finding the right people remain key challenges

Financial advice businesses are bullish about future growth prospects despite ongoing challenges as a result of compliance requirements, legislative change and a shortage of the right people.

In Iress' inaugural Advice Efficiency Survey¹, more than 7 out of 10 businesses surveyed (72%) forecast growth over the next three years. Advice businesses are nearly unanimous that their operating models need to change with just 6% believing they will be operating in the same way in three years' time.

Iress commissioned practice development consultancy Business Health to conduct the research with 113 Australian advice practices. The research also highlights the characteristics of the most profitable financial advice businesses.

Almost two-thirds (60%) say compliance and legislative requirements will be the greatest impediment to growth alongside finding good people and advisers (32%).

The research also found that many advice practices want to focus on creating more scale in their business in order to achieve growth, however 57% are frustrated with manually entering client data into two or three different technology platforms.

Iress CEO, Andrew Walsh, said: "The survey results clearly show that advice businesses are optimistic about the future. Despite a narrow focus on registered adviser numbers as the sole measure of the health of the industry, advice businesses remain confident of future growth and are seeking to change their practices to scale.

"The research found that successful advice firms are achieving scale by optimising their processes and harnessing technology to unlock potential and work smarter. This is enabling them to provide advice faster, which equals more opportunity to generate revenue.

"Newer advice practices are also reaping the benefits of their technology investment, including higher adoption of tools like portals to engage with clients at scale and producing advice documents more quickly. These newer practices are also focused on training their people to get the most out of technology.

¹ The survey was conducted by Business Health Pty Ltd with 113 advice practices across Australia in September 2021.

“Australian advice practices are going through an unprecedented period of change driven by regulation, demographics, markets and competitors, and technology can be an important ally to help practice owners adapt and thrive, now and in the future.”

A full copy of the survey results can be found [here](#).

Other key highlights from the research: Characteristics of high performing Australian advice practices

Practice attribute	Top 10% most profitable firms	Participant average
Annual revenue	\$2,752,012	\$804,005
Client meetings per week	7.0	5.8
Tech spend as % of revenue	4.9%	9.0%
Hours to produce a basic SOA	5.9	8.5
Hours to produce a complex SOA	12.1	15.0
Tech training hours per month (admin people)	2.9	2.6

Ends

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About Iress

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We provide software and services for trading & market data, financial advice, investment management, mortgages, superannuation, life & pensions and data intelligence.

Our software is used by more than 10,000 businesses and 500,000 users globally. We have over 2,250 people based in Asia-Pacific, North America, Africa, the UK and Europe.

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