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Harnessing the power of data and analytics in X-Plan for advice firms

978,123

98,456

6,627

561,758

165,394

624,647

26,259

798,345

262,913

Introduction

In an era defined by relentless demands on our time and attention, harnessing the power of data and analytics has become increasingly indispensable in maximising productivity and efficiency. Whether navigating complex business decisions, managing personal schedules, or optimising organisational workflows, leveraging data-driven insights empowers individuals and businesses alike to make informed choices and streamline operations.

By maximising the wealth of information available through data analytics tools and methodologies, individuals can unlock newfound potential in time management, enabling them to allocate resources more effectively, prioritise tasks strategically, and ultimately achieve greater balance and fulfilment in their daily lives.

Until recently, the world of data and analytics was seen by many as a 'black box'. To understand this world and extract value from it, a heavy investment in the form of time and money was required to get up to speed with data and analytical technologies, a luxury few small-to-medium businesses could afford.

However, things are different now.

With the increase in data generation has come a growth in bespoke tools and technologies, enabling businesses of all sizes to pry open the 'black box' and reap the benefits. Furthermore, industry-specific technologies such as X-plan have also embraced this evolution, iteratively adding features and functionality to enable users to harness the power of data and streamline performance.

By 2025, the amount of data generated globally each year is estimated to be triple that of 5 years ago.[4]

Of course, varying levels of success are possible when it comes to getting bang-for-your-buck from an investment in data and analytics, but we are going to share with you some small, quick, and actionable changes that you can make today that will yield significant results over time. And the best bit? It uses tools and capabilities already available to you, making the most of your existing toolkit to deliver valuable insights to optimise your time, enabling you to focus on what really matters, serving clients to the best of your ability. As well as highlighting practical ways to become more data-driven, Pentify Insights has developed a **Client Value Tool** that can be tailored to fit the needs and objectives of your practice, leveraging your X-plan software in a simple and scalable way.

Let's explore how you can harness the power of data and analytics!

By 2025, the amount of data generated globally each year is estimated to be triple that of 5 years ago.

Background research and current state of play

Throughout Pentify Insights' research process, speaking to many financial planners, two common themes stood out in terms of the challenges facing financial planners today. The first was one of **time management**. More specifically from a data perspective, how planners determine how much time is spent on the different activities for different clients, and thus determine what activities and what clients may require a strategic change in terms of service levels.

75% of planners cited time management as their #1 item of concern.[3]

The second theme was **pricing**, more specifically how using data and analytics to quantify and inform pricing structures would help maximise productivity and efficiency. We found that many planners currently price based on an overall service package, an activity-based fee, or derive a fee based on funds under management (FUM). Additionally, for more nuanced activities, pricing decisions rely heavily on experience. Whilst experience can suffice in many instances, it is still important to quantify the underlying value so that future pricing decisions can be optimised.

67% of planners stated that activity-based pricing and percentage of FUM were their two main pricing structures.[3]

It is with those two challenges in mind, time management and pricing structures, that we will focus the remainder of this piece, making practical and implementable recommendations to address these problems and make more informed decisions about what activities and which clients generate the most value for your business.

First, let us explore the current ways of working from an operational perspective.

Based on our research, it was evident that there are some major technology challenges across the sector. This has forced many planners to use a combination of technologies (e.g. Xplan, Salesforce, Xero) to generate key performance insights, costing time and money. This is not unique. Across all sectors, many businesses and people operate in this manner, using multiple technologies to get the job done. It is the need to address what is immediately before us that dictates our thinking and therefore where we focus our time and energy. If a combination of different technologies gets the job done, then great, to an extent… Using multiple tools may satisfy the short-term, but we should be asking more of the tools currently available to us, understanding their features and functions to help us work in the most efficient manner possible. As stated earlier, in a world where demands on our time and attention have never been more under the microscope, those who can understand what activities drive the most value for their business stand to gain the most. In today's landscape, data and analytics is the key to success.

We will show you how, using your current technology capability, you can use data and analytics to understand what activities and what clients are your most valuable, as well as showing you how to understand more about your pricing structure(s). We will share with you what is achievable and go step-by-step from there to show you how to get to this outcome.

Hypothetical Analysis

(using mock data[1])

Part 1 — The Art of Possible

1. Clients by Value (Fees per hour)
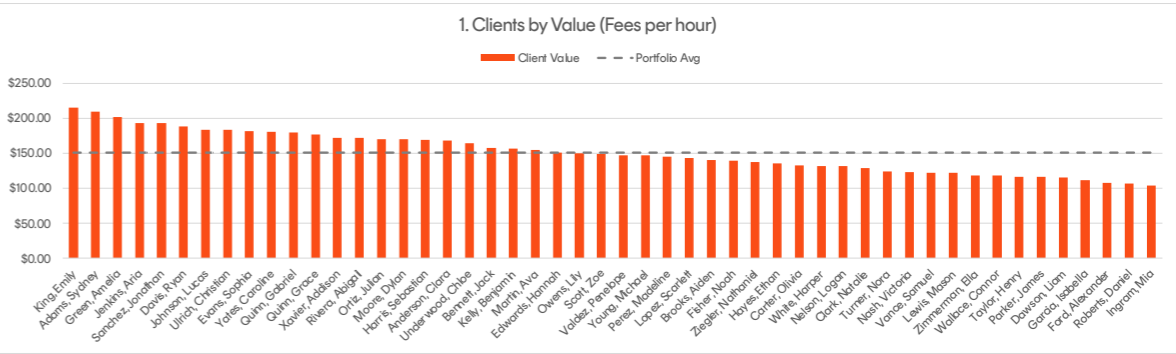
Imagine being able to determine the value of each of your clients, even being able to view your portfolio by desired client attributes (e.g. age, occupation). This is achievable, through a combination of a minor change to your way of working and leveraging the data available to you through your existing client management tool (CMT).

The above graph depicts value by client, where **value** is defined as;

Client Total Fees
Client Time Taken

This metric lets you see explicitly where your time has been best spent, but more importantly, helps you plan your time.

Let's compare client Emily King (far-left, high-value) to client Sophia Evans (far-right, low-value). The graph shows that for this planner, Emily King was the most valuable client, generating value of $216. That is, for every hour spent working on activities for Emily, there was $216 generated in fees. Compare this to Sophia Evans at the right-hand end of the graph, whose value is approximately $104. Put simply; to generate the same fees from Sophia as is generated from one hour of time spent on Emily,

this planner would have needed to spend more than 2 hours on Sophia. This graph alone does not tell the full story as to why Sophia only generated $104 in value whilst Emily generated over twice that amount, but it does allow us to start to think about the portfolio in a unique way. We can delve deeper into the portfolio using data and analytics to find out why, and most importantly, what action to take considering this new information.

In addition to providing a view of client value, time taken can be used to validate and inform pricing decisions. Our goal here is not to change your pricing approach, it is simply to provide you with additional information to ensure you are generating the most out of your current pricing approach.

Part 2 – The Current State

From a data and reporting perspective, the most used feature of today's financial planning tools is generating fee reports. The tools and technology currently used by planners make it straightforward to obtain a view of your clients by total fees generated over a period.

2. Clients by Total Fees
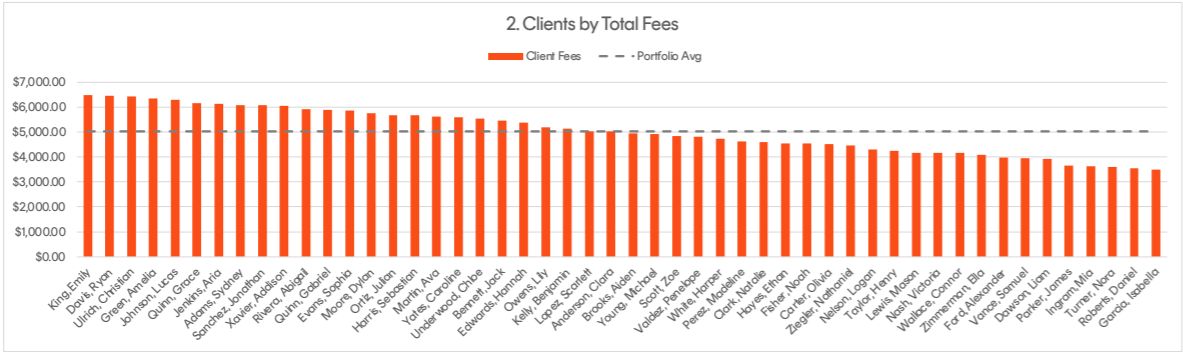
The above output is an example of what can be extracted from today's technologies. It enables you to compare individual clients to other clients, categorised by occupation and other factors, and compare to different benchmarks (the example output above shows the total client revenue average fees in orange). From this graph, we can already see that Emily King, Ryan Davis, and Christian Ulrich are the top three fee-generating clients, each contributing upwards of $6,400 in fees. Using this metric alone, these three clients could be described as top-tier clients. We can also observe that approximately 45% of clients generate above-average fees. This output also allows us to ask questions of the "tail", that is, the lowest fee-generating clients. These are just some examples of the insights that can be obtained from this view.

From a pricing perspective, a common fee structure for activities performed may currently look something like the below, where the fixed fee for each activity is an outcome of financial planning experience such as knowledge of the client, and the effort and complexity involved with the activity.


3. Activity - Current Pricing Structure
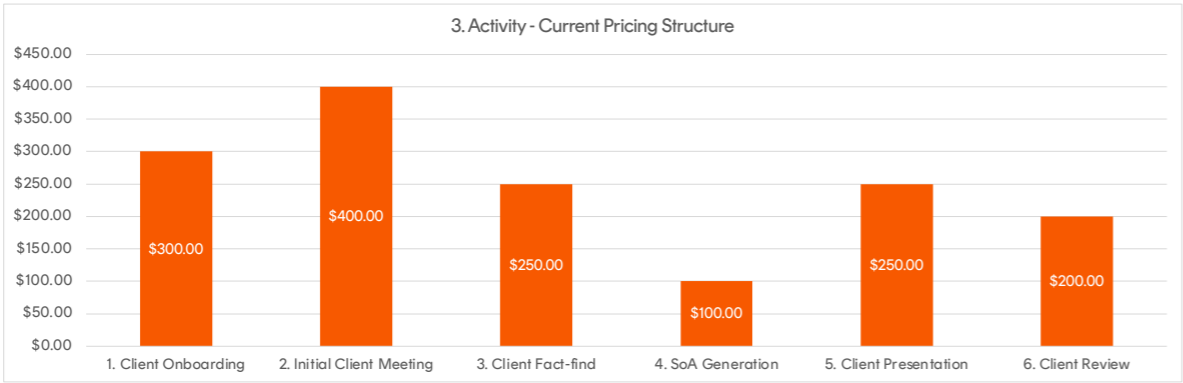
Whilst there are of course many other activities performed by planners (both client and non-client specific), we are going to use the above pricing structure as our *example* and basis for our pricing discussion, moving to a point where you can use data and analytics to scrutinise your pricing structure(s) and ensure that they are fit-for-purpose.

Part 3 – Obtaining Time

Your CMT should be able to capture **time taken by activity** (Xplan has this function, and the Pentify Client Value Tool integrates with this metric, and more). Our research found that this field is not currently being used due to a range of factors. If you do not have a tangible example of the benefit of using a certain function and/or feature, or it is clunky in operation, or it is not linked to fee generation, it is completely understandable for it to not be used as designed. However, you can expand what is possible when you start to make the most of this data point within your CMT.

78% of planners use Xplan as their main CMT, with 100% of these planners also relying upon at least one additional tool in their day-to-day operation.[3]


4. Clients by Time Taken (hrs)
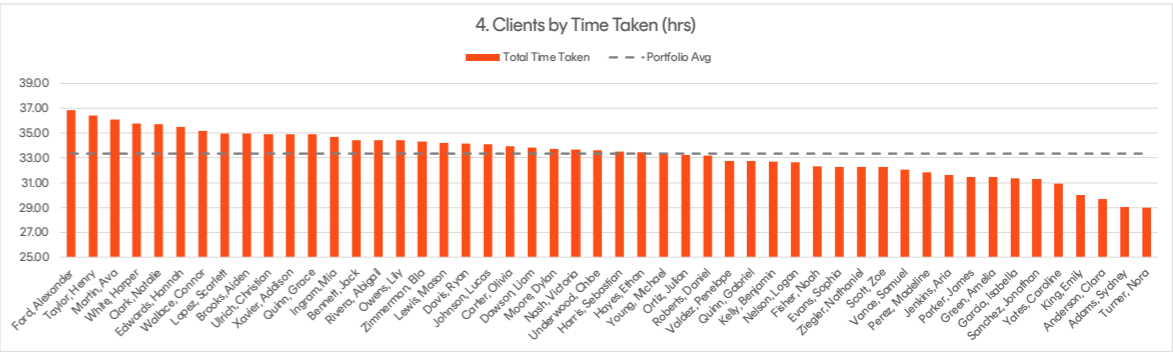
With that in mind, let us share with you a view of the total time spent on each of your clients. The above graph shows an example where all activities have time-taken captured within your CMT over the course of 12 months. We know this end-state is not going to be achieved overnight, however we have demonstrated the benefits of having this data point at your disposal for you to start making the minor changes needed to achieve a data-driven view of your business. The most important insight we can pass on at this point is that the quality of your insights, and therefore the quality of your decision-making, is inherently linked to the quality of your underlying data.

### The richer the data, the richer the insights.

In the world of data, the more you give, the more you get. The good news is that you can make gradual changes to your working day to start to capture time taken[2]. By capturing the time taken for your major client activities, starting with the activity that takes the most time, and inputting this for all your clients, you will be able to quantify the value of your clients by that activity. This is an example of imperfect data delivering a valuable insight. As you derive more value from seeing this insight come to life, you will begin to make sure time taken is an input for more, if not all, of your activities.

Part 4 – The good bit

You now have fees by client, and you also have a view of time taken by client, therefore we can generate our client value view as defined earlier.

1. Clients by Value (Fees per hour)
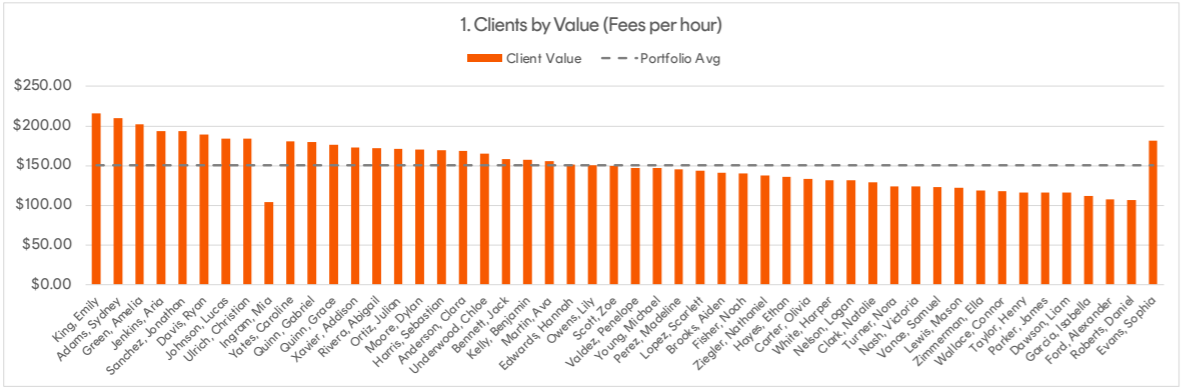
The fixed-fee pricing structure is one method employed across the planning landscape today. Let us demonstrate now how the addition of time taken can help you use this pricing structure to deliver richer pricing insights, and help you make crucial pricing decisions in the future.

5. Activity - Actual fees per hour
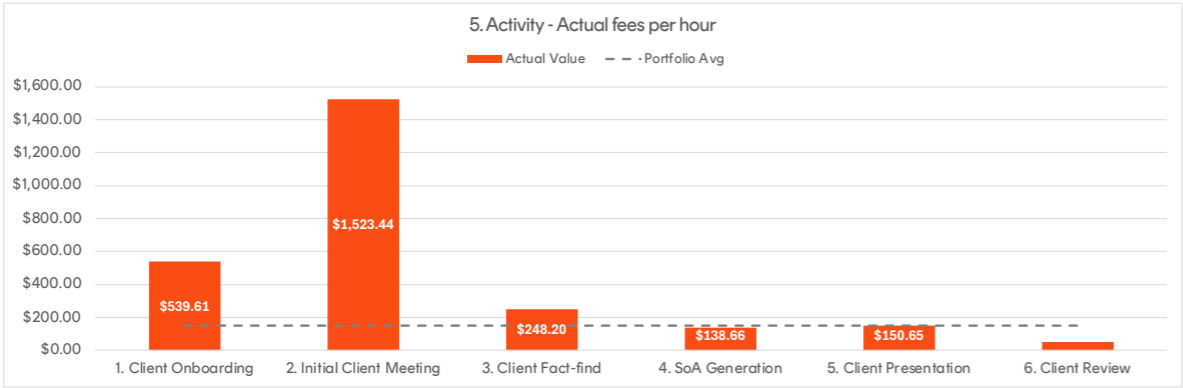
Earlier, we stated that current pricing structures rely upon a combination of factors underpinned by financial planning experience (e.g. effort required based on the complexities of the task, client information etc). What the above graph depicts is insight into the fees generated per hour by performing key activities across your business. Information we can glean straight away is that initial client meetings are generating above-average fees per hour under this pricing structure, and client review activities are generating below-average fees per hour. However, what about when we split this by new and existing clients, as not all activities will be performed for all clients

5a. Activity - Actual fees per hour - Split by New v Existing Clients
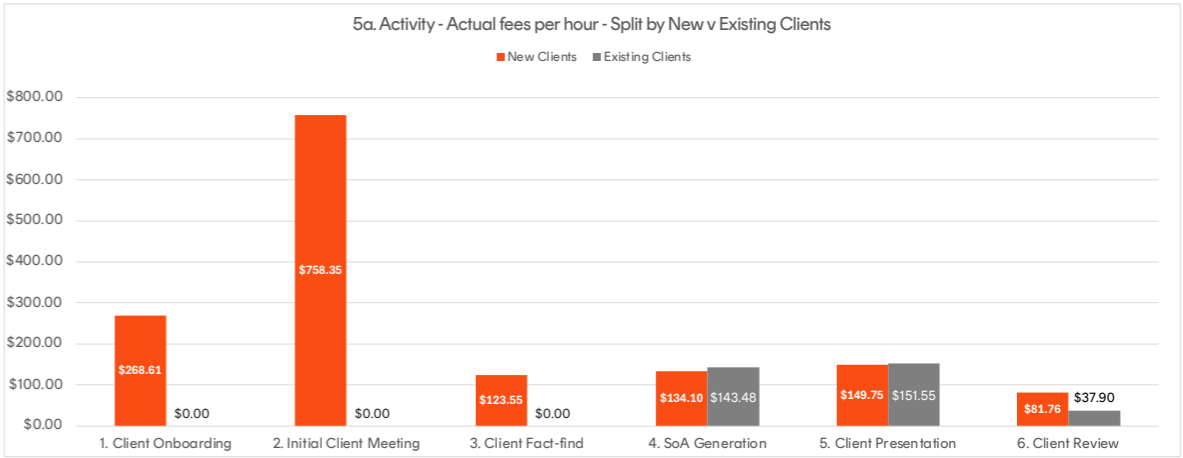
The above graph gives us an entrée into customer segmentation, which we will cover in greater detail later in the paper. But for now, we can see that when we split our activities by client type, the fees generated by SoA generation and presentations are quite similar, however client review meetings for new customers generate greater value than our existing client meetings. That may be simply explained by the fact that we are performing more client meetings and catch-ups with the existing client base than with new clients over the course of one year.

This level of insight should be used to complement and inform pricing strategy, not to highlight incorrect pricing decisions. The situation depicted above could well be perfectly explained, as it makes sense that the initial client meeting activity for new customers is the most complex for a financial planner, as it involves a detailed examination and information gathering process. Consequentially, client reviews may well require less effort, and/or less complexity. At worst, having access to this level of insight will provide you with confidence in your current pricing approach, and ensure that your pricing strategy is fit for your business.

Part 5 – Deeper Client Insights

The final way in which data and analytics can help you get richer insights into your clients is by slicing and dicing this value metric by key characteristics of your clients. This can not only inform your decision making from a fee and time perspective, but it can also deliver a wide range of other insights. This is an introduction into **customer segmentation**, the process of dividing your client base into distinct group(s) based on shared characteristics to tailor service levels that result in improved business outcomes. The Pentify Client Value Tool utilises Xplan to obtain these characteristics, allowing you and your business a new lens to view your client base through.

6. Total fees by Occupation
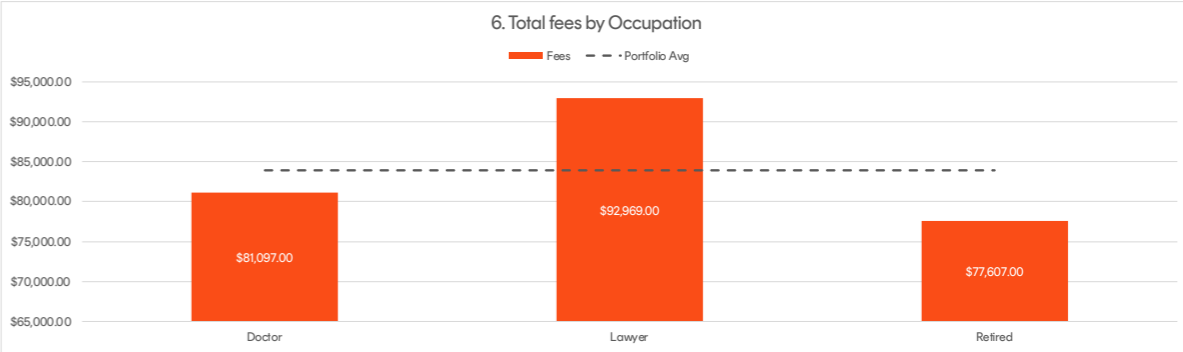
The above graph depicts fees, but now sliced by a single characteristic - in this example, **client occupation**. On face value, the insight gleaned from the above is that lawyers generate the most fees, more than 10% above both doctors and retirees. However, what about value by occupation? To obtain this, just as before, we are relying upon the additional metric of time taken.

7. Total time taken by Occupation
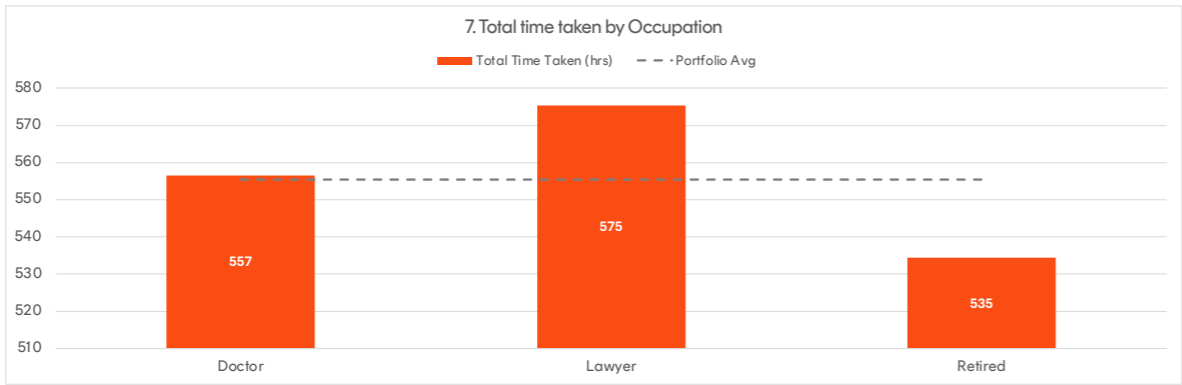
When we capture time taken, we can now see that we spend a greater portion of time on activities for our lawyer clients than for doctors and retirees. As before, data and analytics can combine these two graphics into a value metric, and determine which profession provides this planner the most value.


8. Total Value by Occupation
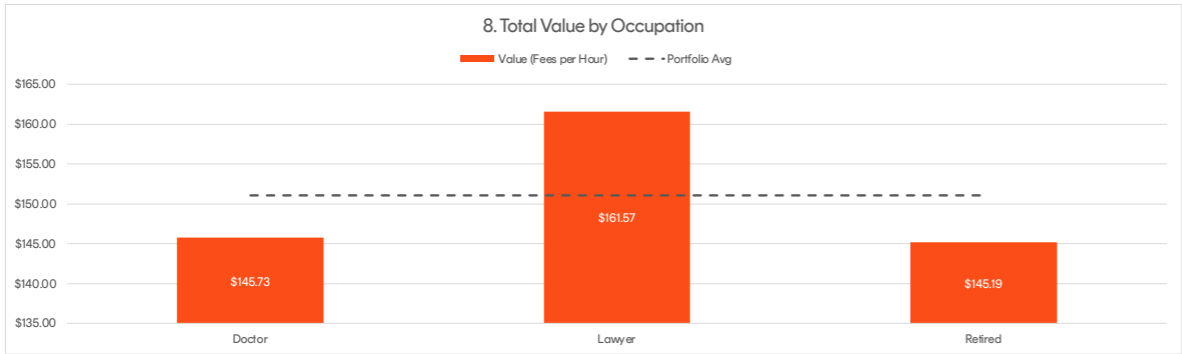
The above output depicts client value by profession. Initially, we saw that lawyers generated the most fees. When we bring time taken into our dataset, we quickly see that the value of our clients by occupation has a clear hierarchy, with lawyers our most valuable clients, ahead of retirees and finally doctors. Whilst initially we may have concluded that doctors were better clients than retirees because they bring in a greater amount in fees, when we have the data that allows us to measure our time, we can conclude that retirees could be more valuable than our doctor clients. This may be because doctors require products with higher degrees of complexity or may have a greater range of assets held or need more monitoring. Whatever the reason, examining your clients through a more detailed lens will help you drive future business strategy.

Pentify's Client Value Tool integration with Xplan can capture all of the data points in Xplan to derive new insights. A further example with a different twist is viewing client value *by referral source*, providing insights as to what channels your clients are converting from, and therefore help optimise any marketing spend decisions or indeed rewarding clients who join organically or by existing client referral.
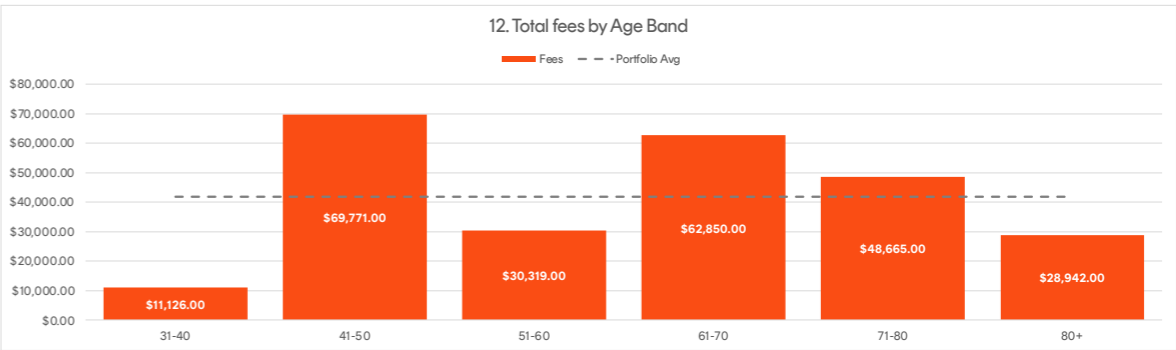
As before, we begin by obtaining our total fees by month, before also analysing time taken by month.

9. Total fees by Referral Source

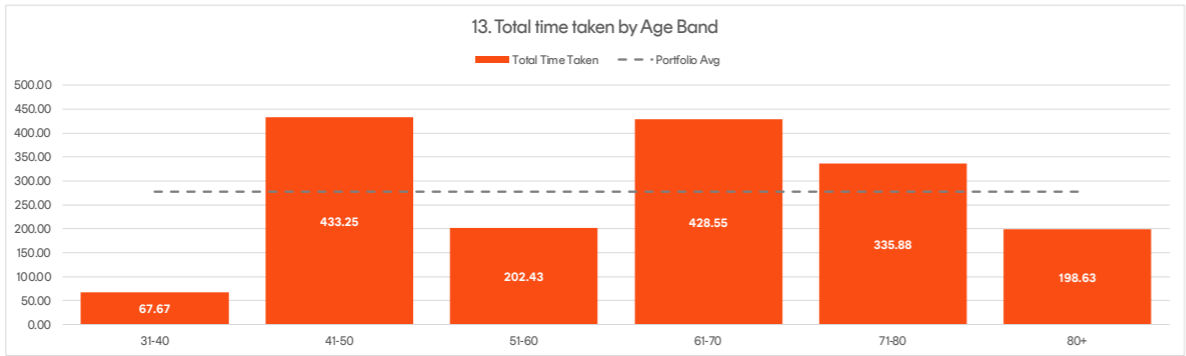**10. Total time taken by Referral Source**
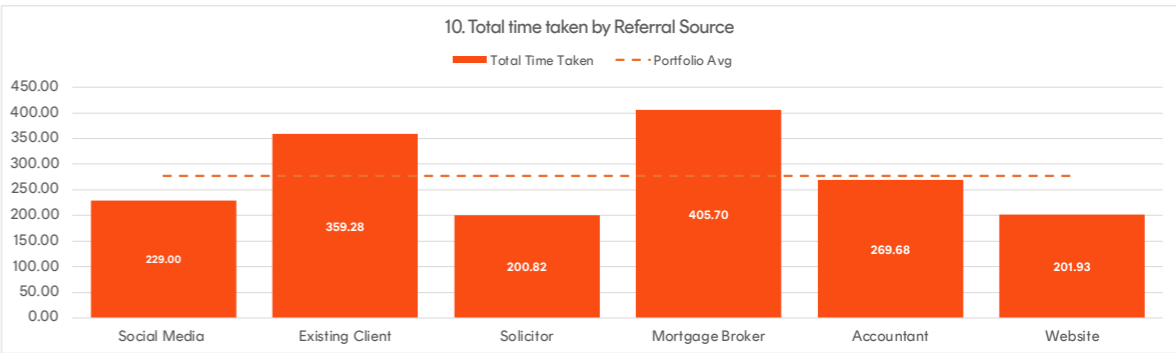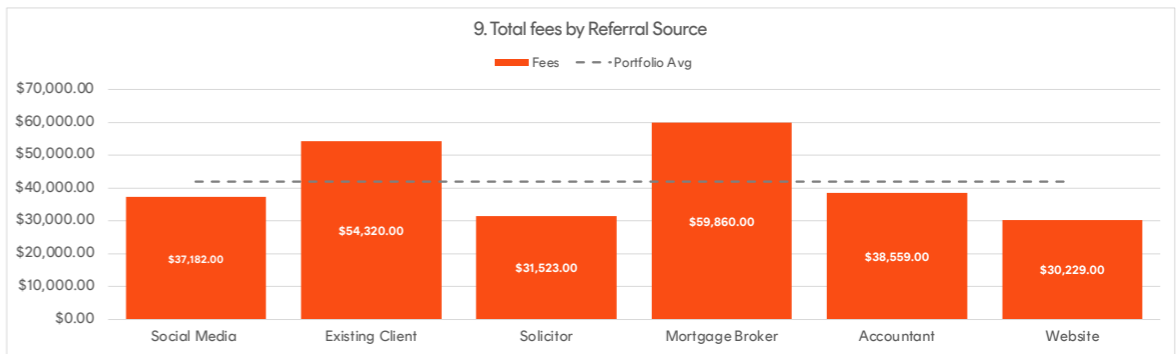
As we can see from initial examination of our channel breakdown, referrals from existing clients and from mortgage brokers are where we derive the greatest fees, which is largely unsurprising because a referral from an existing satisfied customer (or indeed an already trusted partner) is **4x** more likely to convert to a new client than organic referral sources. In addition to that, referrals from existing customers are a far cheaper way to grow your client base due to lower acquisition costs. However, this does not necessarily tell us the whole story.
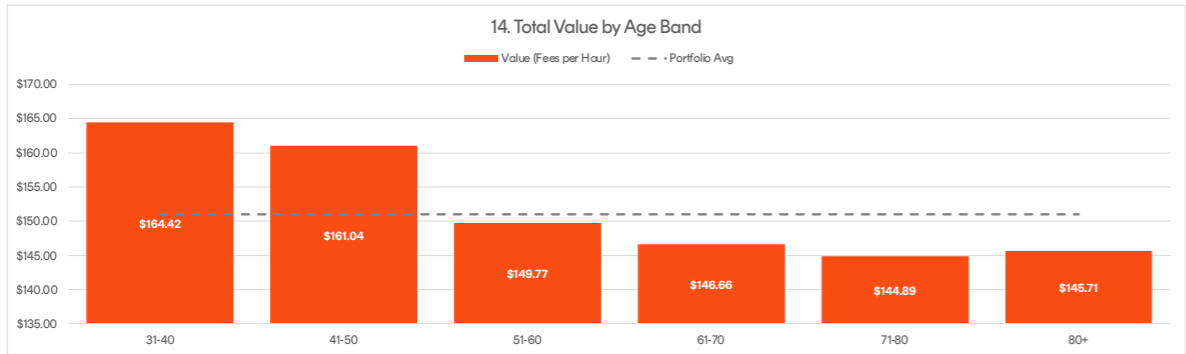

11. Total Value by Referral Source
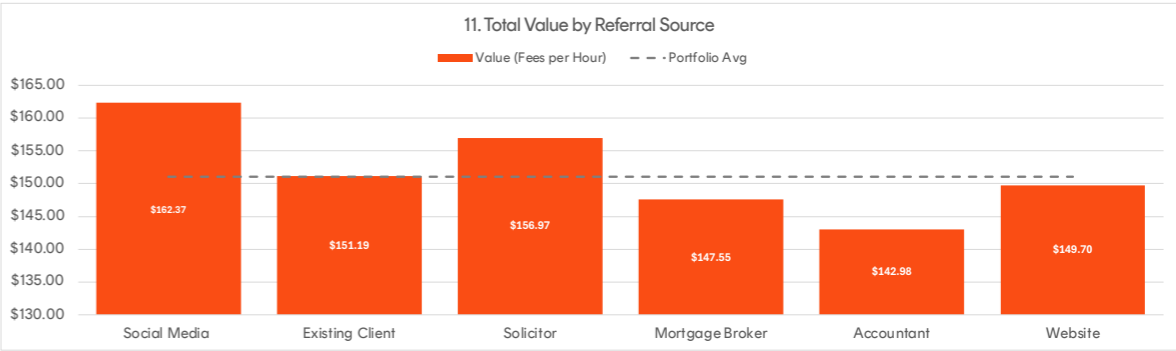
Overall, whilst initially observing that our fee generation is maximised from our existing clients and mortgage broker partners, when we bring time-taken into the discussion, we notice that in fact, new clients who joined from social media or who were referred by their solicitors deliver us the greatest value. Let's look at one more practical example, but now splitting our portfolio *by age*.

12. Total fees by Age Band

13. Total time taken by Age Band

However, the true value of analysing your client data to an extra level is once again displayed when we overlay total fees with time-taken to derive our value metric. What our total value by age band highlights is a clear bias to younger clients in terms of value. Perhaps younger clients today are more aware of their financial situation and different options available to them, and therefore already have an idea of the product(s) and service(s) they require. Or, perhaps they are of higher value because their portfolio may be less complicated as they've not had the length of time to invest and accrue wealth. At the other end, perhaps the older generation are thinking about wealth transfer, or changing their financial strategies more frequently as they move towards retirement. Again, pinpointing the exact reason is for a later time, but having the data available to you and presented in this manner gives you the ability to critique your decisions with more rigour and confidence.

We observe that our age bands of 41-50 and 61-70 provide us with the highest amount of fees. In addition to this, these two age bands are also where the most time has been spent, which is not altogether surprising given our flat-fee pricing model.

14. Total Value by Age Band

These practical examples are designed to get you as an adviser thinking in greater detail about your portfolio. What we want to convey is how you can use data and analytics, and the Pentify Client Value Tool, to start to think about your business in a different way, hopefully confirming (or disproving) previously untested theories or beliefs as to drivers of performance, to assist you in making better decisions.

Conclusion

In a world where our time has never been more precious, efficiency is crucial, and understanding your key business drivers from a revenue perspective is vital. In every industry, across every role, data and analytics is playing an ever-increasing part in finding these efficiencies and future opportunities, enabling us to focus on achieving organisational objectives. Businesses that can harness their data and use it to drive the right insights stand to gain the most over those that do not. This is true of financial planners as well. The world of data and analytics has come a long way. You only need to think about artificial intelligence and other advanced analytic techniques that are slowly replacing human administrative activities across some, if not all sectors. However, that doesn't mean we should shy away from embracing what data and analytics can do for financial planners today, taking small but important steps to understand your clients better, and enabling your focus to remain on servicing your clients and growing your business to the best of your capability.

This paper has sought to identify the biggest challenges that financial planners currently face, and how data and analytics can help to solve them. We have demonstrated to you the art of possible, showing real-life examples of the types of insights that can be achieved when we harness data and analytics. But the opportunities are endless! Data and analytics is an area that, with the right guidance and data strategy, can help you to drive your business forward, finding new insights to complement your professional experience. Most importantly, you can make progress today by making minor changes to your way of working that will deliver you major benefits in the future, and Pentify has the capability and tools that simply integrate with Xplan to get you started today.

If you have any questions about any of the above, want to find out how the Pentify Client Value Tool can assist you, or simply want to know more about how data and analytics can assist you and your business, contact Pentify Insights today.

Want to find out about other services that can help your small-to-medium business? Let us introduce Data-as-a-Service (DaaS). DaaS gives you performance and customer insights as you need them, without the heavy costs required to invest in data storage or data professionals in-house. In brief, DaaS collects, transforms, stores, and analyses your company data in our secure cloud-based storage and dashboard solution. DaaS with Pentify gives you a secure, simple and scalable solution to start to make smarter business decisions today. Get in touch today!

W: pentifyinsights.com　　**E:** tom@pentifyinsights.com

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Appendices

1. Notes on the dataset

The dataset we have used for this white paper is mock data. That is to say that whilst the names and numbers are artificially created, the dataset is built in a way that imitates data that can be extracted from your Client Management Tool. All 50 mock clients in this dataset follow a service-package pricing model. Put simply, the mock data utilises a fixed-fee per client rather than an activity-based pricing structure (or any other popular pricing structure). Figures, names and occupations are all fictitious, with the sole purpose of highlighting Xplan functionality and showing how our Client

Value Tool can integrate with your Xplan software. Derived insights used in the paper are examples only, and are for illustration to fuel imagination of the possible, rather than validation.

In our research, Xplan was the CMT that the majority of our respondents used, and as such, we built our dataset within Xplan, and can simply recreate the data extractions from your Xplan with customisable data to best fit your individual needs.

2. Time-taken in Xplan

Within your Xplan login, follow these steps to start time-tracking your tasks (screenshots for each stage at the bottom with numbers aligned to each step — Yellow highlights show you how to navigate through the steps).

1. Navigate to your task list (Admin -> Site -> Tasks)
2. Your tasks will appear in the to-do panel. If the status of the task is not completed, select the task you want to perform. You can click on the down-arrow and select Time Taken Ticker.
3. A new window will open, and it will start timing straightaway.
4. Perform your task as normal in Xplan, and when you've completed the task, navigate back to the time taken ticker box and press Stop in the top-left corner.
5. This action will automatically generate a time-taken for this task and save it for you within the task, under the Comments list.

💡 Getting into the habit of performing this operation will ensure you are accurately capturing your time spent by task. Alternatively, you can edit the time taken after the fact should you forget to set the timer. To do so, Navigate to your task list (as per screenshot #1).

6. Select Edit from the list of actions
7. Navigate to the comments tab within the task
8. Manually enter the time taken for the task in the Time Taken box (hh:mm) and press save (top right corner).

This will save your time taken within the task and will therefore start to build-out your dataset of tasks completed by time and enable you to work with Pentify's Client Value Tool.

3. Key Statistics

As part of the research of this piece, Pentify Insights interviewed 12 financial advisors from 9th February to 21st March 2024. Information gathered pertained to use of technology, pricing strategies, key challenges, and future opportunities.
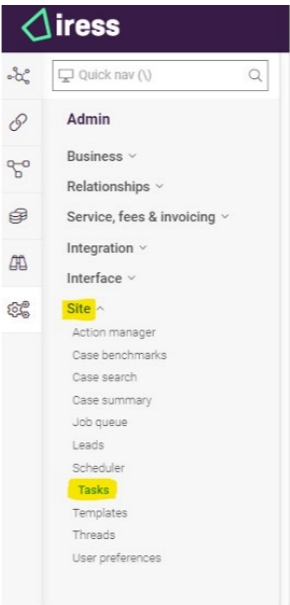
The statistics used in this piece are output directly from these interviews. Some advisors did not share complete information which lowers the sample size for certain statistics.
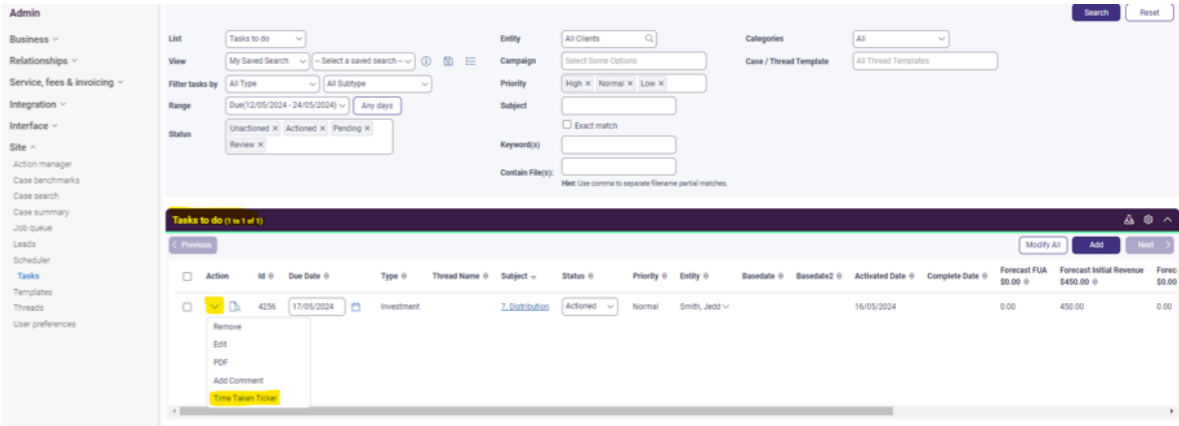
4. Data Generation

https://explodingtopics.com/blog/data-generated-per-day

Specifically 64.2zb in 2020 vs 180zb estimated in 2025

Screenshot #1

Screenshot #2

Screenshot #3

Time Taken Ticker|Xplan...

demoau.xplan.iress.com.au/timetaken...

Stop | Pause

Start New

Client:
Smith, Jedd

Short description:
<Click to Edit>

Start Time: | Time Taken:
12:25:52 | 0:00:15

Date:
17/05/2024

Screenshot #4

Time Taken Ticker|Xplan...

demoau.xplan.iress.com.au/timetaken...

Stop | Pause

Start New

Client:
Smith, Jedd

Short description:
<Click to Edit>

Start Time: | Time Taken:
12:25:52 | 0:00:15

Date:
17/05/2024

Screenshot #5

Details Supplementary Comments Attachments Outcomes iTrad Xmerge IPS Notification

Checklist: No

Comment

Time Taken Type: Chargeable
Time Taken:

Comments List

Log Time	Start Time	End Time	Category	Time Taken	Charge Rate	Charge	User	Type	Content
16/05/2024 4:00 pm	16/05/2024 4:00 pm	16/05/2024 4:01 pm	Chargeable	00:01	0.00	0.00	Alumni, Demo	iCan	
16/05/2024 3:36 pm	16/05/2024 3:36 pm	16/05/2024 3:36 pm	System	00:00	0.00	0.00	User4, Demo	iTas	Completed (Completed-Normal)
16/05/2024 3:36 pm	16/05/2024 12:46 pm	16/05/2024 3:36 pm	Chargeable	02:44	0.00	0.00	User4, Demo	iCan	

Total Chargeable Time Taken: 02:45
Total Non-Chargeable Time Taken: 00:00
Total Time Taken: 02:45
Total Charge: 0.00

Screenshot #6

Research

List: Tasks to do
View: My Saved Search
Filter tasks by: All Type / All Subtype
Range: User 17/05/2024 - 04/05/2024 / Days out
Status: Unactioned x / Actioned x / Pending x / Tender x

Entity: All Clients
Campaign: Select Client Campaign
Priority: High x / Normal x / Low x
Subject:
Keyword(s):
Exact match
Contains FileCo:

Priority | Normal
Categories: All
Case / Thread Template:

Tasks to do (n to 1 of 1)

Action	Id	Due Date	Type	Time Taken	Subject	Status	Priority	Entity	Assignable	Assigned By	Active Status	Complete On	Revised FBN	Forecast Initial Revenue	Forecast Ongoing Revenue	Charge Time Taken
	4256	17/05/2024	Investment		7. Distribution	Actioned	Normal	Smith, Jedd				14/05/2024	0.00	450.00	0.00	02:45

Remove
Edit
PDF
Add Comment
Time Taken Timer

Screenshot #7

Details Supplementary Comments Attachments Outcomes Email Xmerge IPS Notification

Checklist: No

Comment

Time Taken Type: Chargeable
Time Taken: hr min

Comments List

Log Time	Start Time	End Time	Category	Time Taken	Charge Rate	Charge
16/05/2024 4:00 pm	16/05/2024 4:00 pm	16/05/2024 4:01 pm	Chargeable	00:01	0.00	0.00
16/05/2024 3:36 pm	16/05/2024 3:36 pm	16/05/2024 3:36 pm	System	00:00	0.00	0.00
16/05/2024 3:36 pm	16/05/2024 12:46 pm	16/05/2024 3:36 pm	Chargeable	02:44	0.00	0.00

Total Chargeable Time Taken: 02:45
Total Non-Chargeable Time Taken: 00:00
Total Time Taken: 02:45
Total Charge: 0.00

Edit Task

Task

Subject: 7. Distribution

Description:

Details Supplementary Comments Attachments Outcomes Email Xmerge IPS Notification

Id: 4256
Assigned By: User4, Demo
Status: Actioned
Type: Investment
Subtype: Transactions
Priority: Normal
Group: <Not Selected>
Assigned To: User / User4, Demo
Entity: Smith, Jedd (User4, Demo, WYNNU...
Permission: Assignee can change due date / Only Assignee can change task status
Case:

Screenshot #8

Edit Task

Save | Cancel

Task

Subject: 7. Distribution

Description:

Details Supplementary Comments Attachments Outcomes Email Xmerge IPS Notification

Checklist: No

Comment

Time Taken Type: Chargeable
Time Taken: hr min

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