

Can outside specialists provide value to your wealth management firm?

According to Fidelity research,* advisors are hiring external consultants and specialists to help support various business functions.

43%

of advisors surveyed said their firms **currently hire external consultants, third-party providers, or individual specialists** for some business functions.**

This allows them to:

Focus on their core business

Evolve client experience up the value stack



**This practice is often referred to as outsourcing.

Many surveyed advisors agree that outsourcing is **essential to growing a firm or practice.**

Top 3 functions being outsourced:

Top reason for outsourcing:

Success rate:

48%	IT / Technology	>	Lack of internal expertise	>	69%
40%	Investment Management and Portfolio Construction	>	Create more value for clients	>	64%
37%	Legal and Compliance	>	Lack of internal expertise	>	74%

84%

of advisors indicated that they had a successful experience. The top reasons behind the success were:

- 77% Helped save time
- 66% Helped increase productivity
- 77% Helped optimize efficiency
- 77% Allowed firm to focus on deepening client relationships

Advisors who outsource 2+ of the top 3 functions **are seeing positive business outcomes:**

Individual/Team AUM is directionally higher: **\$145M** vs. \$110M

Significantly greater compensation: **\$365K** vs. \$335K

More advisors report growth over the past year:

In terms of number of clients/households: **81%** vs. 71%

Significantly greater compensation: **95%** vs. 89%

* Source: 2018 Fidelity Financial Advisor Community: Outsourcing Trends study



For more information, contact your Fidelity representative.



*The 2018 Fidelity Financial Advisor Community: Outsourcing Trends study was fielded from May 18 through 31, 2018. Participants included 383 advisors who manage client assets either individually or as a team and work primarily with individual investors. These advisors are from a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses), with findings weighted to reflect industry composition. Fidelity is not identified as the sponsor of the study and all research is conducted by an independent firm not affiliated with Fidelity Investments.

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