


 Dimensional

Understanding Your Clients: The Investor and Benchmark Survey



Stephen de Man, Senior Associate
Advisor Practice Management
Dimensional Fund Advisors

This information is provided for institutional investors and registered investment advisors and is not intended for public use. Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.


0

 Dimensional


A Vision for a Capital City




1

 Dimensional


A Vision for a Capital City




2



A Vision for a Capital City



3




Agenda

1. 2018 Benchmark Study: Understanding Your Business

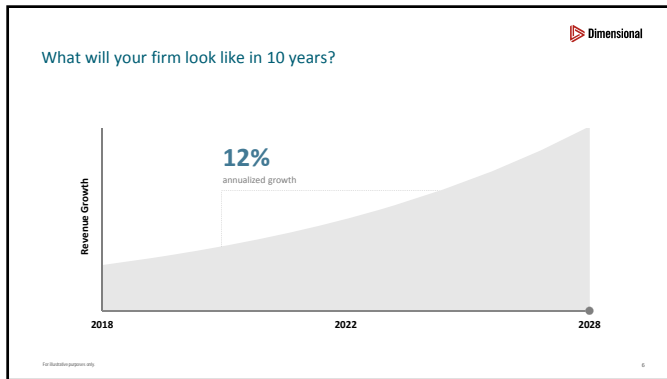
2. 2017 Investor Survey: Understanding Your Clients

4

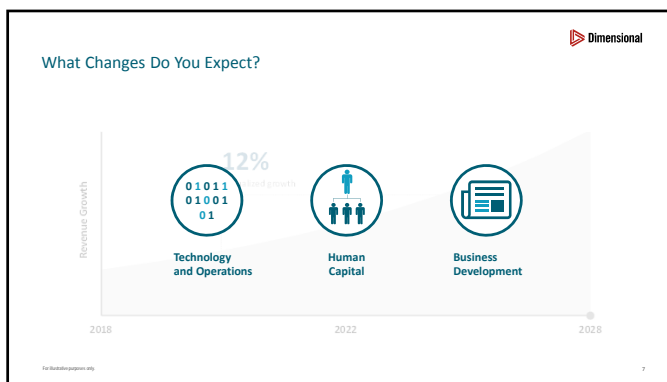


What is your expected annualized revenue growth rate, including market like returns?

5



6



7

Lessons from Abraham Wald

How the information we collect influences the decisions we make.

Look beyond obvious metrics.

Where are the missing bullet holes?

Diagram of the bombers which returned

8



What are the keys to running a successful advisory firm?

9



2018 Benchmark Study Takeaways

10



2018 Benchmark Study

1150
Firms

\$362B
Total Assets
Managed

269K
Households



PEER GROUPS (REVENUE)	
	% of Firms
<\$250K	23%
\$250K-\$500K	18%
\$500K-\$1MM	20%
\$1MM-\$3MM	25%
\$3MM-\$5MM	7%
\$5MM-\$10MM	4%
>\$10MM	3%

Source: Data: Dimensional 2018 Major Advisory Study

11

11

Top Challenges

What are the top three challenges that you are either currently facing or expect to face in the next three years?

Technology and Operations:	Human Capital:	Business Development:
Implementing new technology	Recruiting and hiring employees	Converting prospects to clients
Systematizing workflow processes	Developing a succession plan	Implementing a business development strategy
Managing compliance and regulatory changes	Developing employees	Differentiating firm from competitors

Results from Dimensional 2018 Midsize Benchmark Study
12

12

Where Would You Spend More Money?

Where would you spend an extra dollar in your business if you could?

Technology and Operations	Human Capital	Business Development

Results from Dimensional 2018 Midsize Benchmark Study
13

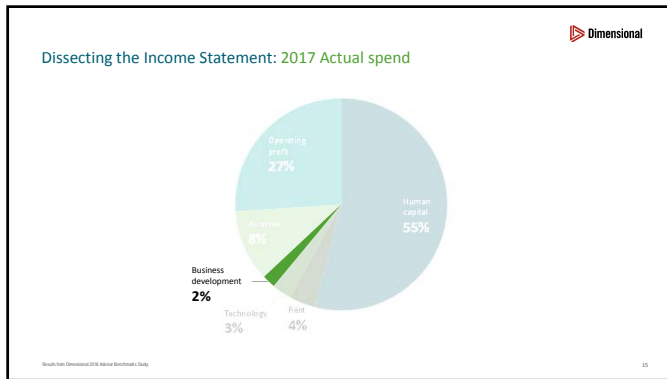
13

Dissecting the Income Statement: 2017 Actual spend

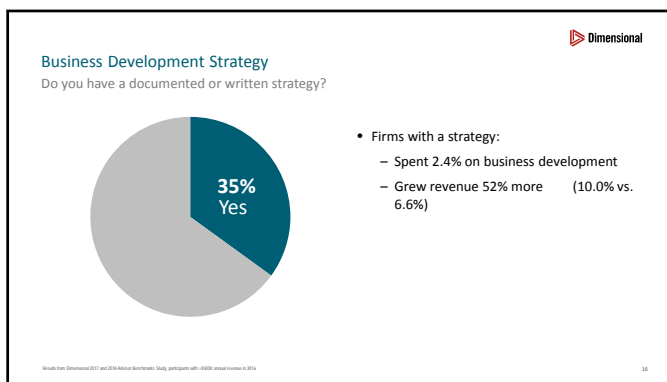
Category	Percentage
Human capital	55%
Operating profit	27%
All other	8%
Rent	4%
Technology	3%
Business development	2%

Results from Dimensional 2018 Midsize Benchmark Study
14

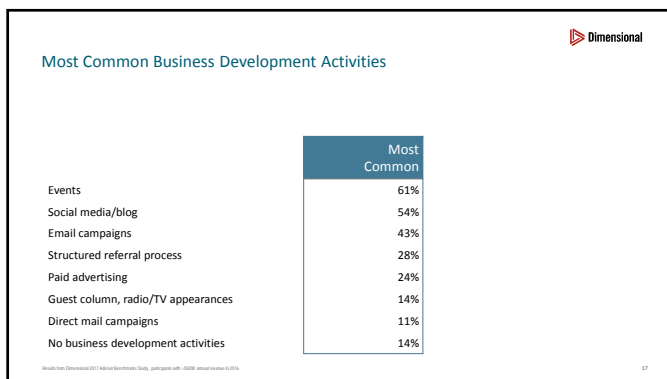
14



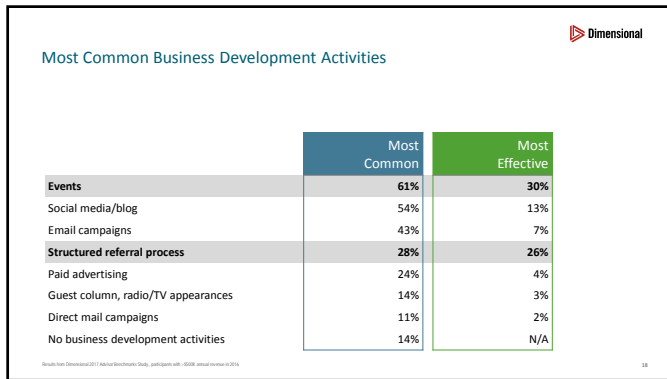
15



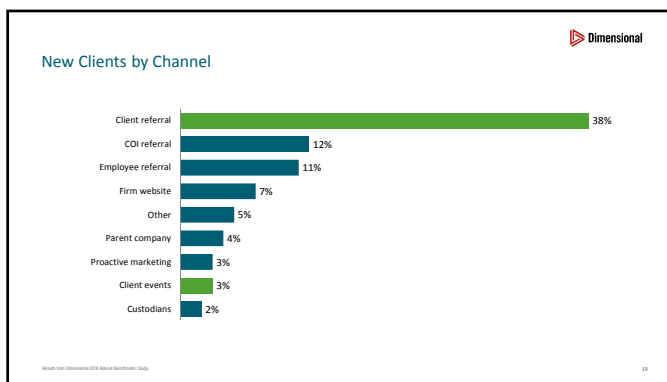
16



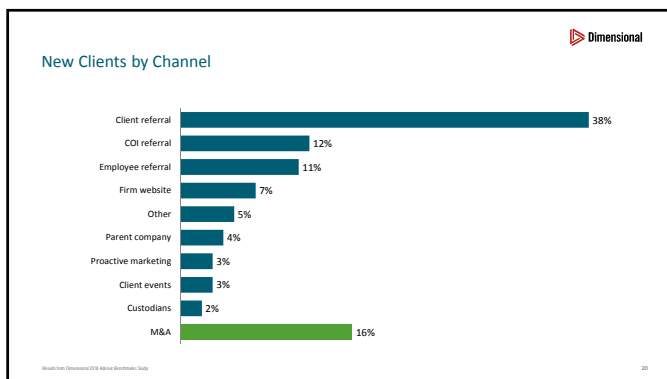
17



18



19



20



On average, how many new clients do you expect a senior advisor to bring on each year?

21

21



Prospect to Client

20

Prospects met with
per advisor

58%

Conversion
rate

Results from Dimensional 2017 Advisor Benchmark Study, participants with < \$50M annual revenue in 2016

22

22



Agenda

1. 2018 Benchmark Study: Understanding Your Business
2. 2017 Investor Survey: Understanding Your Clients

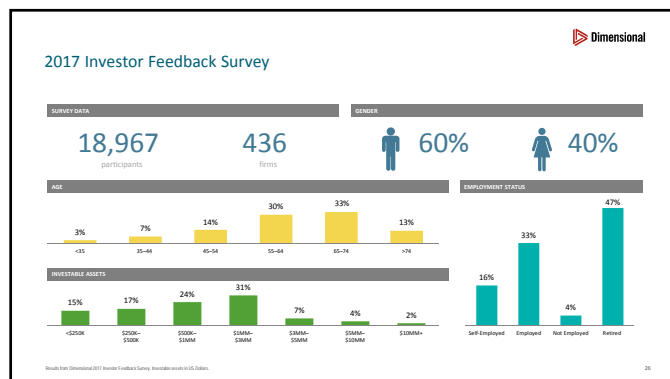
23

What is the one thing you would change about your overall experience with your advisor?

24

"I would not change a thing. I have been with my advisor for 21 years. Over that time I have developed a warm and trusting relationship with them. It is most comforting to work with people who really care about their clients."

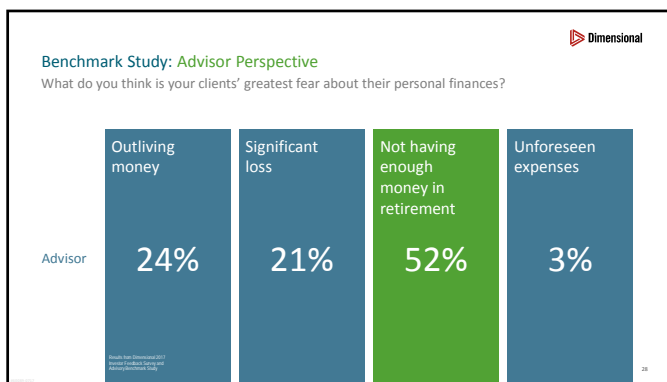
25



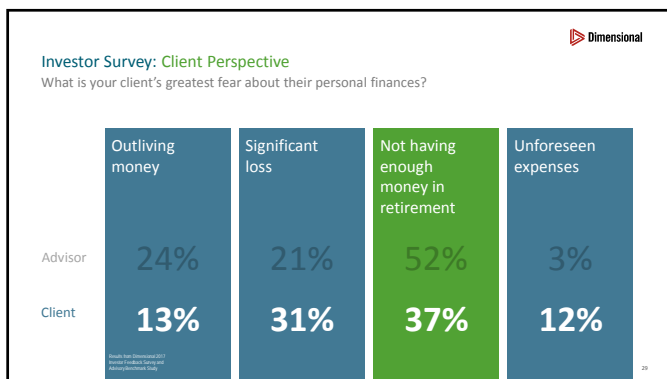
26



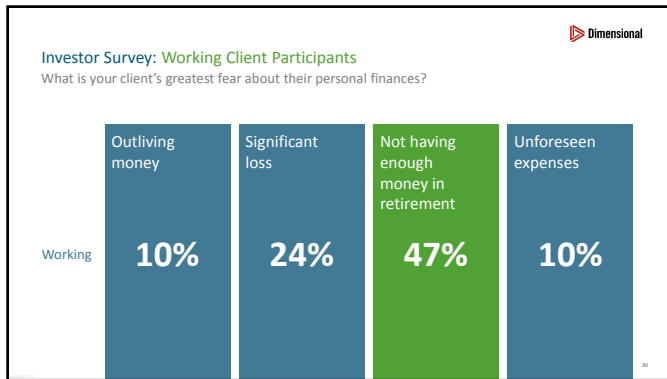
27



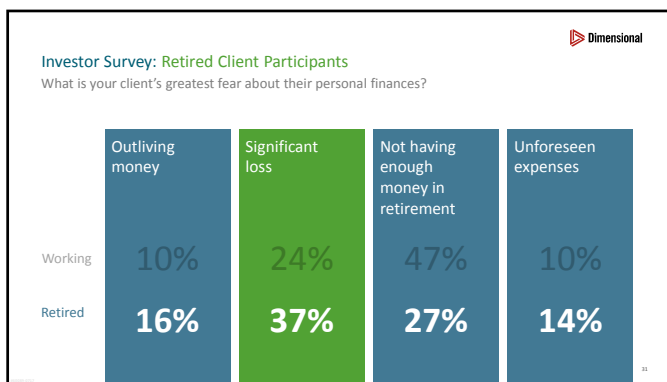
28



29



30



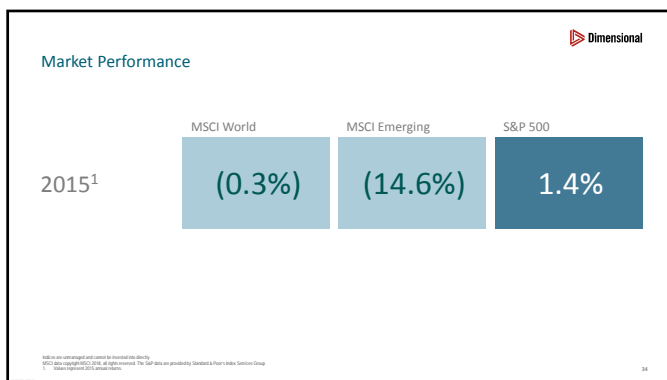
31



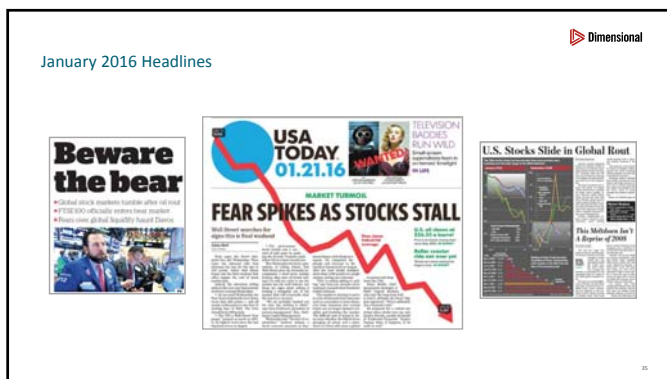
32



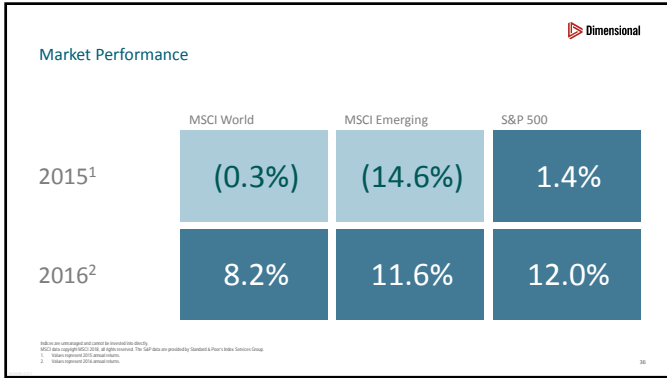
33



34



35




36



37



38



Communicating with Clients

- Frequency
- Content
- Website

39




Frequency of Interaction: Client Perspective

How many times per year
do your clients want to
talk to you?

3.9

Results from Dimensional 2016 Investor Feedback Survey

40



Frequency of Interaction

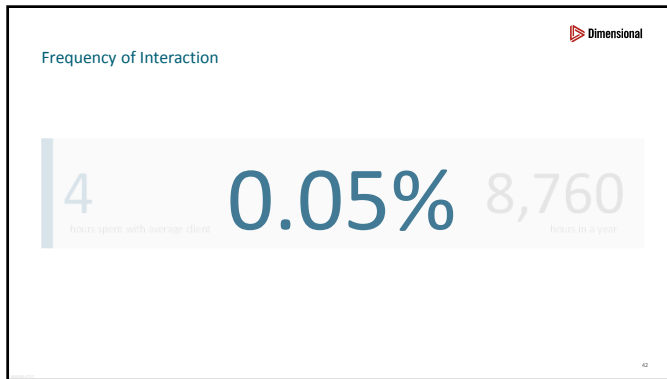
4

hours spent with average client

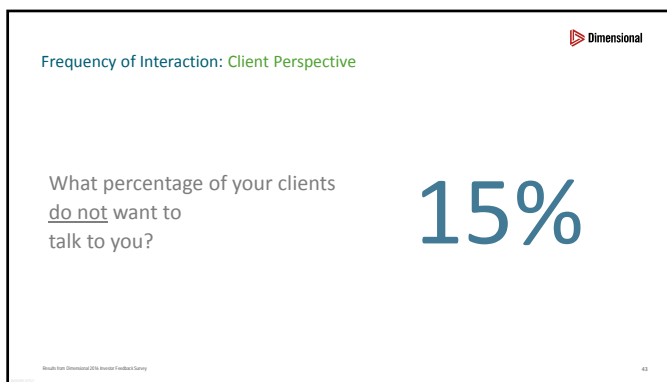
8,760

hours in a year

41



42



43



44

Delivering Content: Client Perspective

Regarding my personal finances, I would like information delivered through the following medium:

	Face-to-face or phone	Hard copy/ mail	Email or website
Performance reports	13%	33%	54%
Market news	6%	7%	87%
Educational materials	4%	11%	85%

Results from Dimensional 2017 Investor Feedback Survey

45

45

Delivering Content: Client Perspective

Regarding my personal finances, I would like information delivered through the following medium:

	Face-to-face or phone	Hard copy/ mail	Email or website
Performance reports	13%	33%	54%
Market news	6%	7%	87%
Educational materials	4%	11%	85%

Results from Dimensional 2017 Investor Feedback Survey

46

46

Advisor Website

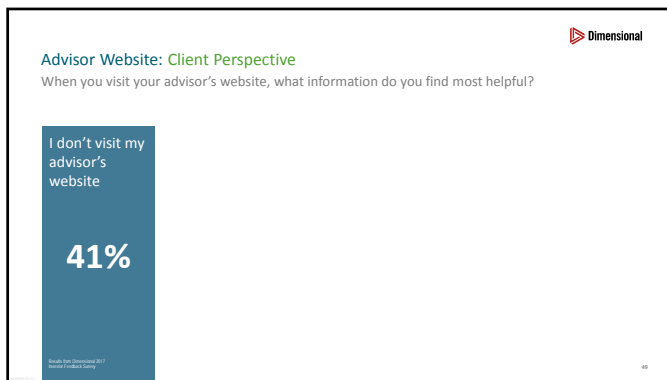
What is the role of your firm's website?

47

47



48



49



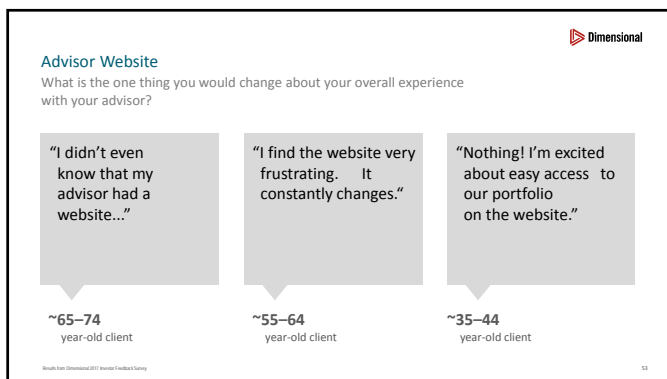
50



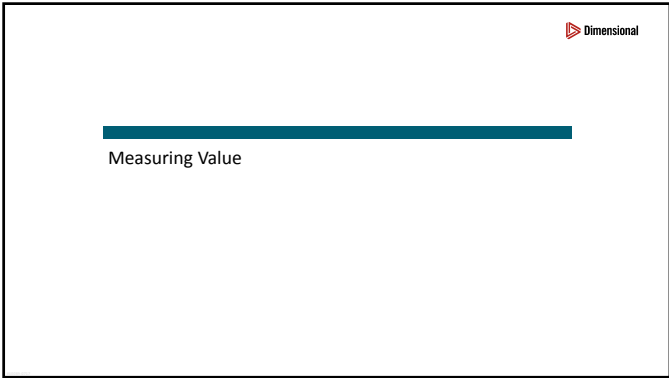
51



52



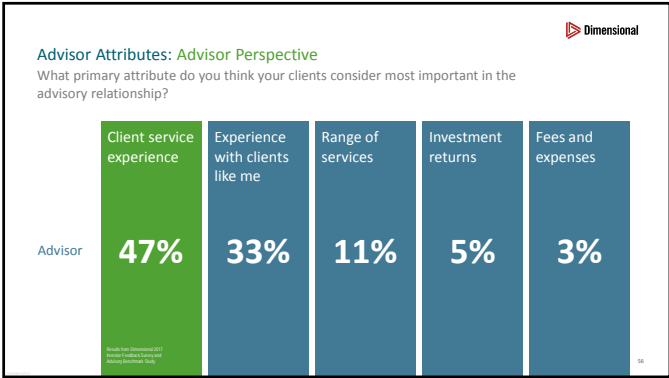
53



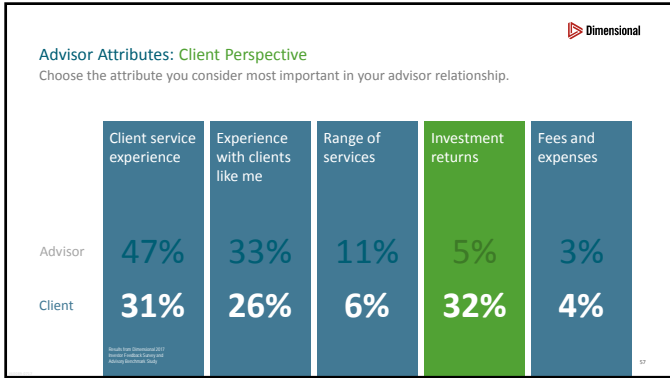
54



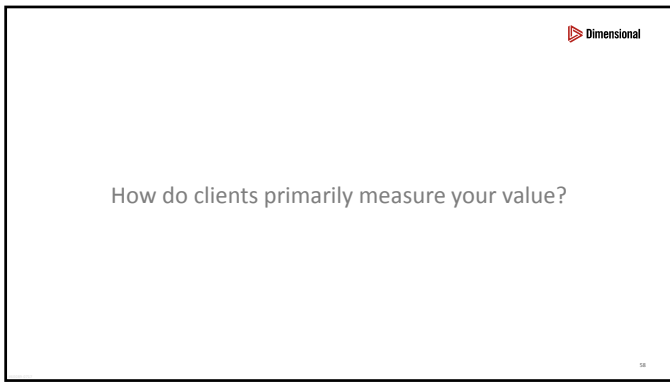
55



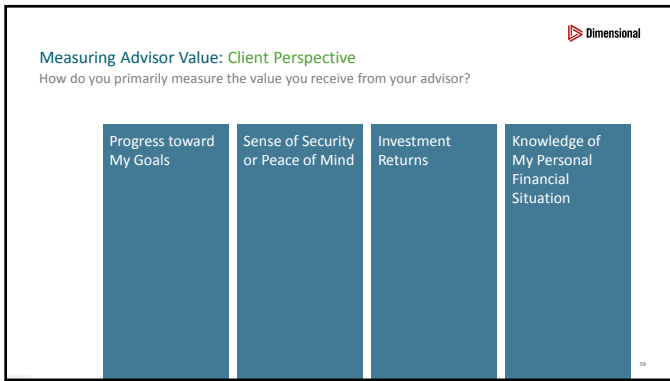
56



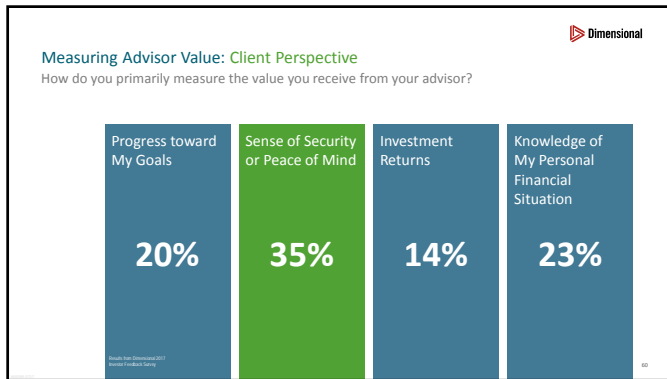
57



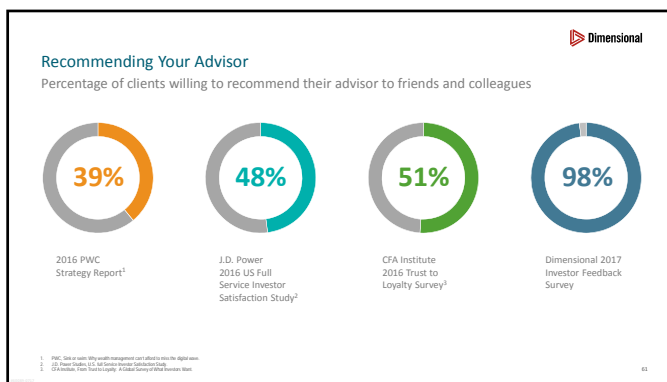
58



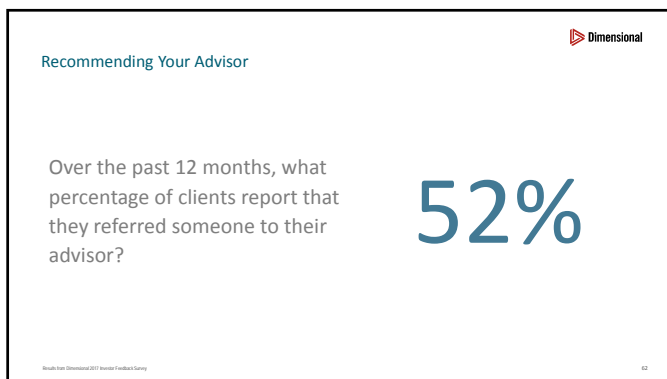
59



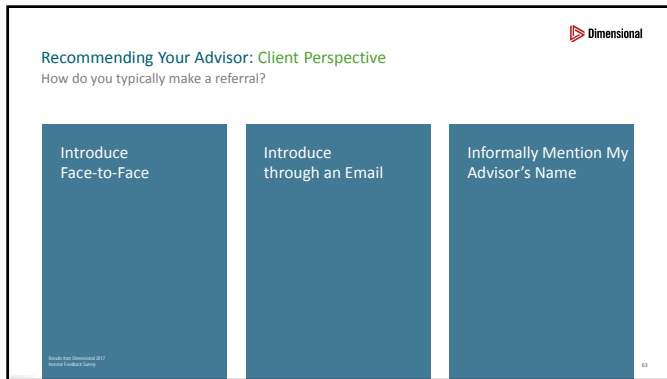
60



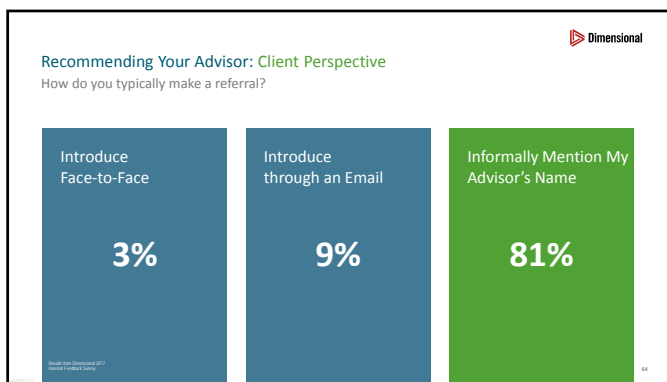
61



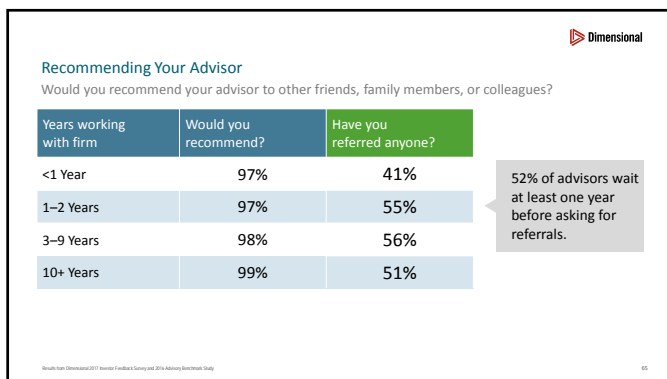
62



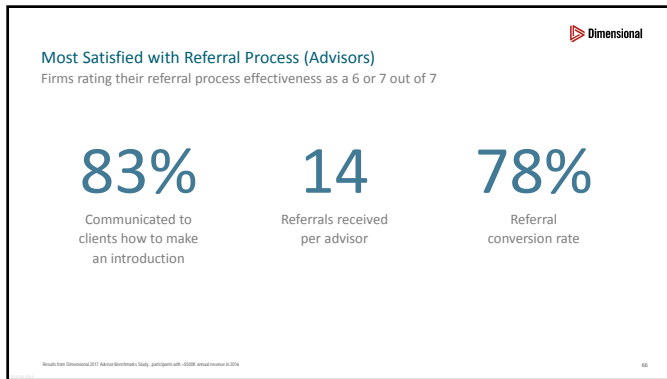
63



64



65



66

Final Thoughts

67

What is the one thing you would change about your overall experience with your advisor?

68

“Nothing comes to mind. If they
could do away with uncertainty, I
would ask for that...”

69
