Building a Digital First Business

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Disclaimer

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Agenda

- Who is Centric?
- What are the statistics saying?
- Is the advice industry embracing technology?
- Creating a digital first business
- What are the profit indicators of getting it right?

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Centric Program: Background / History

The problem

The cost of providing advice was increasing faster than platforms were utilizing digital process to reduce cost

The process

Engagement and fact-finding workshops were held with advisers and clients to understand the challenges that are faced and solutions that are required

Solution

Objectives

- Price needs to reflect platform as a utility that is highly scalable
- Adaptability by design, centralise traditionally dispersed services
- Implement a new, best-in-class financial services platform
- Implement a solution which is appropriate for digital savvy, self directed clients, in addition to our traditional advised clients.
- The platform is to provide a potent client engagement tool through User Experience
- Construct open-sourced technology capable of handling the next-phase innovation.

About Centric

Centric was established in 2020 and we are growing quickly, with over 15,000 accounts and $9 billion in funds under administration.

The Centric platform enables the provision of wealth management services, providing a single view of assets, liabilities, transactions and reports in one place.

It is designed to support both investors as well as their financial advisers, accountants and other representatives.

Using a Digital First methodology, both at a business and product level, we engage with our partners and platform users to remove unnecessary administration friction and provide easy access to all the tools you would expect from a leading digital platform.

Established 2020

15,000 accounts

$9billion FUA

What are the digital statistics saying?

92% of the world's currency is digital

Only 20% of Millennials prefer face to face communication

In 2022 smart phones made up 50% of internet traffic

In 2020 nearly 99% of Australians accessed the internet

Average person spends 4 hours a day on their mobile

Only 3% of Australians aged 16-64 don't have a smart phone

58% of customers want online Banking solutions

Approximately 90% of all the data in the world has been created in the last two years.

Sources: Rantracker / Tech Magic / Economic Times / acma / DataReportal

How does the advice industry embrace technology?

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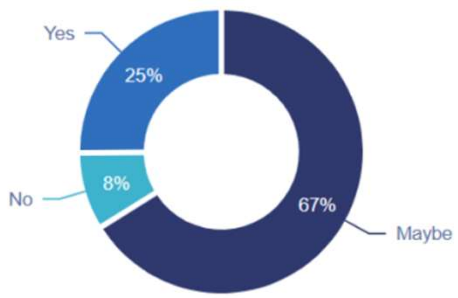
Advice Tech is crowded and not well integrated

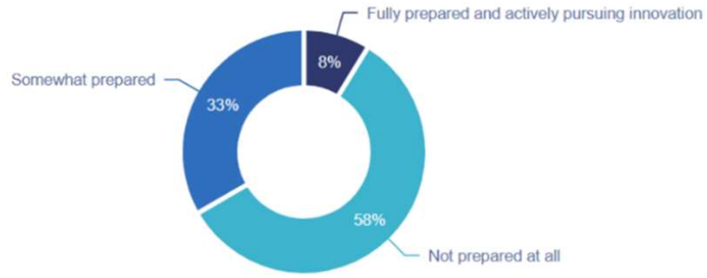
PRACTICE MANAGEMENT	FACT FINDING	DISCOVERY & ENGAGEMENT	STRATEGY, PRODUCT RESEARCH & MODELLING	ADVICE GENERARTION	ADVICE IMPLEMENTATION	STAYING ON TRACK / REVIEW	REVENUE MANAGEMENT & FEE CONSENT
iress	Word	iress	iress	Word	HUB24	iress	iress
adviserlogic	Jotform	myprosperity	ProductRex	Excel	DocuSign	myprosperity	Excel
midwinter	FinaMetrica	intelliflo office	PLUTOSOFT	PowerPoint	Class	PowerPoint	REVEX®
intelliflo office	intelliflo office	ASTUTE WHEEL	FE fundinfo	iress	bgl	Microsoft Teams	paylogic
HUB CONNECT	zoom	salesforce	MORNINGSTAR	PLUTOSOFT	netwealth	Word	intelliflo office
salesforce	Microsoft Teams	voyant	adviserlogic	intelliflo office	Colonial First State	worksorted	worksorted
DASH	adviserlogic	adviserlogic	Omnium Risk	midwinter	MACQUARIE	adviserlogic	
Dynamics 365	midwinter	DocuSign	Lonsec	DASH	intelliflo office	pipedrive	
Xeppo	iress	PowerPoint	Excel	adviserlogic	adviserlogic	PLUTOSOFT	
	salesforce	PLUTOSOFT	Chant West	advice intelligence	iress	salesforce	
	DASH	DASH	advice intelligence		DASH	Excel	
	Typeform	Advice Revolution	midwinter			intelliflo office	
	Advice Revolution	LUMIANT	ASTUTE WHEEL			MONEYSOFT	
			DASH			DASH	

Is the advice industry embracing technology?

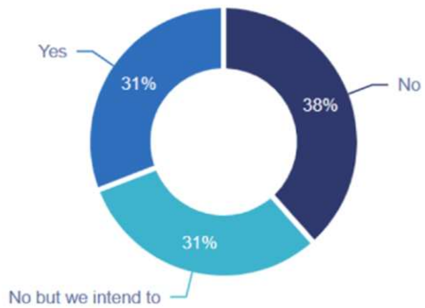
Are you considering using AI in your Advice Business?



How prepared is your business for emerging AI trends and advancements?



Do you utilise a Client Portal to engage your customers?



- Less than 50% of Financial Services business in Australia are classified as innovation-active
- Only 31% of SME's introduced a process improvement between 2021 and 2023

Source: ABS: Innovation in Australian Business

Source: Finura Advice Tech Benchmarking 2024

How are you embracing technology?

Creating a Digital First Business

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What is a digital first business?

Add more value and exceed expectations

Digitisation has increased the focus and expectation on access to timely information and the lowering of transaction costs for goods and services

Prioritise digital outcomes

The banking sector has set an example, by capitalising on the use of data and AI to not only improve efficiencies but also provide an enhanced client engagement model to its clients.

Business wide culture

Being digital-first is a mindset, across the whole business, and is not about being an actual technology business.

How do you achieve a digital first business?

Business Vision

Create a clear, documented business vision, that articulates who your customer is and the problem you are solving for them.

Team Development

Cultivate and encourage knowledge growth, celebrate learning and success and turn failures into learning.

Be Curious About Data

Understand your business' data points and implications and use it to deliver better outcomes. Research, review and refine using data.

Employee Engagement

Build an open and non-hierarchal business model, that facilitates and encourages new ideas and ways of delivering your client outcomes.

Client First

The cornerstone of your business is your client. Start with the client, it will always benefit your business. Start with your business and it may not benefit the client.

Benefits of a digital first business

Enhanced Staff Engagement

Companies with highly engaged employees outperform their competitors by 147%. (Microsoft)

Increase Efficiency and Productivity

Digital-first companies are 64% more likely to achieve their business goals than their peers (Forbes)

Optimisation of Resources

Redefining individuals' roles and responsibilities so they align with a transformation's goals leads to a 50% increase in successful transformation. (McKinsey)

Enhanced Client Engagement

70% of buying experiences are based on how the customer feels they are being treated. (McKinsey)

What creates customer loyalty?

Successfully engaged customers represent an average 23% premium in share of wallet, profitability, revenue, and relationship growth compared to average customers. (Source: Gallup)

Customer Engagement

Emotional Connection to a brand, creating loyalty and referrals

Loyal Customers

Customer Experience

Interactions throughout the buyers' journey

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Source: ABS: Innovation in Australian Business

Why should customer loyalty be your number one goal?

- 90% of customers will spend more with companies that personalize the customer service they offer them
- 74% of customers say they will forgive a company for its mistake after receiving excellent service.
- 81% of customers say a positive customer service experience increases the likelihood they'll make another purchase.
- 76% of customers say they would switch to a company's competitor due to multiple bad customer service experiences.
- 64% of business leaders say that customer service has a positive impact on their company's growth through referrals and improved brand reputation.

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Source: Zendesk

What are the profit indicators of getting it right?

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Connecting your business goals with your client's expectations

KEY VALUE DRIVER	% OF BUSINESSES	PROFIT* PER PRINCIPAL	INCREASE IN PROFIT*
BUSINESS PLANNING			
Longer Term Strategic Plan			
No	18%	$195,258	-
Residing in the principal's head or only partially documented	58%	$204,487	5%
Clearly documented	25%	$440,185	125%
12 Month Operational Plan			
No	33%	$165,092	-
Only partially documented	45%	$239,852	45%
Clearly documented	22%	$449,361	172%
Effective implementation	8%	$515,099	161%
Documented strategic & operational plan, reviewed at least 6 monthly, monthly progress to plan monitoring			

KEY VALUE DRIVER	% OF BUSINESSES	PROFIT* PER PRINCIPAL	INCREASE IN PROFIT*
SEEKING CLIENT FEEDBACK			
No	74%	$219,634	-
Yes	26%	$385,459	76%
Effective implementation	2%	$416,410	90%
Formal feedback process, involving external expertise and sharing results with all clients, staff and business partners			

KEY VALUE DRIVER	% OF BUSINESSES	PROFIT* PER PRINCIPAL	INCREASE IN PROFIT*
CLIENT VALUE PROPOSITION			
No	22%	$147,810	-
Yes but only in the principal's head	31%	$268,893	82%
Yes and fully documented	47%	$305,829	107%

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Source: Business Health Future Ready IX (2022)

Connecting your business goals with your client’s expectations

37%

Only 37% of **owners believe their staff would rate ‘culture’ as very good** – a significantly lower assessment than our 2019 results.

54%

Just **one in two** business owners (54%) have shared their **high-level business goals** for the upcoming year with all staff.

29%

of businesses **have not sought feedback from their staff** as to their level of satisfaction over the past two years, and of the **71% that have, only 5% have used an external group** to confidentially conduct and benchmark.

KEY VALUE DRIVER	% OF BUSINESSES	PROFIT* PER PRINCIPAL	INCREASE IN PROFIT*
SEEKING STAFF FEEDBACK			
No	29%	$204,764	-
Yes conducted internally	66%	$255,454	25%
Yes using someone external to the business	5%	$716,942	250%

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Source: Business Health Future Ready IX (2022)

Thank you

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