



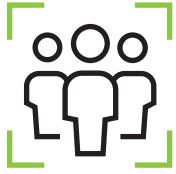
# On a path to business growth.

See how launching a discretionary investment management business helped one financial planning firm grow by enhancing their client experience.



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## Client profile



- Ambitious financial planning firm focused on delivering high-quality service and bringing together like-minded Independent Financial Adviser (IFA) businesses with a shared culture and vision.
- Run by a team of highly experienced industry leaders, the firm provides a leading range of services to financial planners and investors.

## Summary

The financial planning firm launched a strategic partnership with SEI® in 2022. This case study describes the challenges they faced in pursuing new ways to improve their clients' experience while continuing to grow their business. We then discuss how they went about delivering success by launching a discretionary investment management business.

## The challenges

- 1.** The firm recognised that no two clients' needs and circumstances were the same. Yet, the investment products being provided delivered singular, vanilla outcomes to all. This created a disconnect between each client's specific needs and what their investments were working towards, creating a situation that could result in suboptimal advice outcomes.
- 2.** To enhance the client experience, the firm decided to develop a vertically integrated group of advisory, investment management, and platform businesses. Improved client outcomes would come from increased control over these three component parts of their service, enabling closer alignment between a client's specific goals and the implementation of their financial plan. The next challenge was determining how to best allocate capital, answering the question: Should they build out these capabilities in-house, acquire, or outsource?
- 3.** Keeping costs to an acceptable level was a key consideration. Building the capabilities in house would require significant initial and ongoing costs. Acquiring existing investment and platform businesses would also be expensive, and value would be lost if they found they needed to rework the business to implement their philosophy. They had to find a partner with the appropriate capabilities and resources, who also shared their views and values.

**“Our value is in helping our clients more intelligently deploy their capital.”**



Ryan Hicke  
CEO, SEI

# The approach

SEI has been supporting strategic partners in designing, building, and managing their own innovative solutions for over five decades.

## Discovery

That support begins with understanding each partner's unique needs and priorities and then, through a collaborative approach, assisting in co-developing bespoke, flexible solutions to support the partner's strategy.

We initiated an in-depth discovery process to identify and understand the financial planning firm's priorities of adhering to a client-first commitment, maximising return on investment and driving adoption rates through differentiation and excellence.

## Solution

We explored various strategies before focusing on implementing a co-manufactured **discretionary investment management** solution. This would help enable the partner to reduce costs, time, and risk by leveraging our wide range of investment capabilities, time-tested investment philosophy, third-party manager access, and institutional quality risk management.

## Goals-based strategy

Crucially, to enhance outcomes for their clients, the partner opted to implement our goals-based investing approach as it aligned with their long-held planning philosophy. This allowed seamless integration of client goals, advice, and investments.

By integrating behavioural and traditional finance, we constructed a series of portfolios focused on achieving real-world client objectives. Rather than using one-size-fits-all portfolios built along the traditional efficient frontier, the partner selected success and risk metrics for portfolio optimisation that more closely aligned with the different needs and goals of their clients.

To further drive success, the firm chose to leverage our full suite of resources, including compliance, marketing, adviser training, and client service. Our decades of experience, global presence, and financial stability all reinforced the partner's confidence in outsourcing with us.



## The journey

### 2020 – Discover

Launching their business with an investment proposition made up of externally managed solutions, the firm was looking for ways to enhance their proposition to clients and advisers. They began initial discovery discussions with SEI.

### 2021 – Build

The partnership officially began as the firm established their discretionary management business and obtained discretionary permissions. We helped them design and build a series of model portfolios to expand their offering and leverage our goals-based approach.

### 2022 – Launch

Through a series of roadshows, training events, and tools for advisers to demonstrate suitability, the partner launched their model portfolios, reinforcing their investment management business.

### 2023 – Grow

Within a year of launch, the partner's investment management business reached £100m in assets under management.

# The result

Our partner launched a **discretionary investment management business** and mandated SEI as a co-manufacturer.

## This decision enabled them to:

- **Strengthen their client-centric proposition** through a series of goals-based portfolios designed to meet a variety of client needs, from capital protection to wealth accumulation. This should prompt better decision-making for clients, and ultimately improve the likelihood of a better client experience.
- **Reinforce their credibility** by leveraging the resources, skills and expertise of our global team of over 125 investment professionals\* along with their institutional quality asset management capabilities.
- **Expand their offering** with access to our wider universe of third-party managers, helping them eclipse what is typically available to retail investors.
- **Improve adviser experiences** through ongoing engagement and support to help introduce, recommend, and review investments with clients.
- **Successfully transform their business** with new revenue streams, elevated enterprise valuation, and arbitrage on acquisition multiples.

Within a year of launch, the partner's investment management business reached

# £100m

in assets under management.

\* Number of investment professionals as at 30 June 2023.



# Contact us.

What could a strategic partnership with SEI do for you?

Visit [seic.co.uk](https://seic.co.uk) or email us at [sei\\_intermediaries@seic.com](mailto:sei_intermediaries@seic.com) for more information.

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