Things to consider.

Delivering value through your service model.

Why use service models?

According to a 2023 report by Cerulli Associates, financial advisors who implemented structured service models saw a 25% increase in revenue per client and a 20% improvement in client retention rates.[1]

Service models are foundational for financial advisors seeking to enhance client engagement while optimizing firm efficiency and profitability.

Uncover your fee methodology

When delivering value, fees matter. Use the **Pricing Guide** for fee trends and determine if you're charging appropriately, and if not, how to adjust.

Pricing Models and examples:

AUM-Based	e.g., 1% on $1M portfolio is typical	Scales with client asset growth but revenue fluctuates with market conditions.
Flat	e.g., $5,000 annual retainer	Provides stable, predictable revenue but may limit growth if not reviewed regularly.
Hourly	e.g., $________/hour, median is $300/hour for senior advisors	Great for flexibility but harder to scale as you're trading time for money.
Subscription	e.g., $250/month for ongoing planning	Ensures recurring revenue but requires clear service deliverables each period.
Combination of the above		

Tip: Start with a combination of models if unsure—AUM for investment management, flat fees for planning, and hourly for any project work.

Additionally, consider target clients within segments. High-net-worth clients often prefer AUM-based fees for simplicity. Younger or emerging clients may prefer subscription fees for affordability and predictability. Business owners or specialized clients might need a hybrid model to accommodate various services and asset liquidity.[2]

Once finalized, share fees on your website and develop a **communication plan** for fee changes.

Identify opportunities to add (or rationalize) value

Use the **Service Model Scorecard** to evaluate your current approach and identify any opportunities to improve what you do for clients.

The best practice is to use **client segmentation**. Treating all clients the same can be a huge drain on capacity and profitability. Our tip? Keep segments simple by having two: **top clients** and **everyone else**. Many firms' segments will look something like this →

Client segment 1
Top clients and/or Ideal client

Client segment 2
Commonality and Pattern
(e.g. HENRYs, Next gen)
or Remainder of clients

Client segment 3
None or Remainder of clients

Name segments so everyone feels included such as "Grow, Achieve, Concierge" or "A, AA, AAA" regardless of if they know their segment or not.

Build your service model

Create your comprehensive, tiered service model using the **Service Model Builder.**
An important first step is to **define objectives** for each client segment.

Is your intention to:

- Acquire and grow?
- Be consistent and scale?
- Transition the client segment to another advisor?

Next, consider the people resources for each segment. You can use a **RACI chart**, a **team-based approach**, or assign specific individuals to various servicing roles.

Finally, build out the core offering for each tier to support objective(s). Use the options provided below, or use our **High Net Worth Client Checklist** to get started or for inspiration.

What you do:

These are the services and experience you deliver. How does this change by segment? Who on your team needs to be involved in the delivery of these services and experience? How much time is required? Is it profitable? If not, are you under charging or over delivering? How will you adjust?

How you do it:

Each service offering must be operationalized. Use selections from page one of the Service Model Builder as your hit list to complete the chart on page two. Our tip? Start documenting processes for each service item, **create your workflows**, THEN figure out where technology and partnership can add value or help gain additional capacity.

Example → "AAA Segment"

What you do:

→ Retirement Income Planning

How you do it:

→ **Workflow**: "Annual plan update for AAA clients"
→ **Keywords:** "Planning client" or "Pre-retiree client"
→ **Template:** "Annual plan invite email", "Planning follow-up"
→ **Technology**: Trust & Will, and Jump*

Processes	**Workflows:** • High-touch workflow (specify) • Low-touch workflow (specify) Did you know? SEI offers over 40 customizable workflows to help get started	**Keywords:** • Planning client • Tax client • Tax & planning client • Financially literate • Financially novice • Heir **Templates:** • Welcome letter email • Service complete email • Meeting note template • Annual achievements	**Automations/Other:** • Meeting reminders • Milestone reminders (e.g., birthdays) • COI status tracking • Dedicated service emails • Concierge service emails • Inheritance tracking • "Who matters" tags • Net Worth Report • Automated statuses • Automated emails
Technology	• Planning software • Risk software • Data gathering software • Investor access • Mobile app • Task reminders • To-do lists • Secure messaging	• Client cyber protection • AI budgeting • Business valuations • Name change portal • Elder care portal • Name change portal	• Data gathering • Online scheduling • Online chat • AI notetaking • Check out **SEI's Strategic Partnerships** for technology vendor options and discounts
Partnerships	• CPA and tax partner • Legal partner	• Full-service banking • Personal trust services	• Estate attorney

Optimize the client experience

A compelling service model must deliver a consistent, positive experience **from the client's perspective.**

Audit and refine your service model(s) by:

1. Mapping your **Client Journey** to continuously improve.
2. Creating **visuals**, such as a Service List or Client Experience Overview, that showcase your services and demystify the offering and experience for clients and prospects:
   - Use to set expectations, cross sell, or provide prospective
   - Take it to the next level, by working with expert copywriters and marketers to add your brand, value proposition, and language your ideal clients resonate with

Investments & Wealth Institute's 2022 Client Research reports that approximately 33% of clients have considered changing advisors, despite high satisfaction rates. Developing and honing a service model can cultivate engaged clients over satisfied clients and benefit the business – long term.[3]

The most successful service models balance the consistency and personalization client expect with scale, set appropriate expectations, and support business objectives.

Revisit your service model, fees, and client journey **at least annually** to evolve with your business and client needs.

You don't have to go it alone. Learn how our experts can help you, schedule a consultation.

Information provided by Independent Advisor Solutions by SEI, a strategic business unit of SEI Investments Company (SEI).

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[1]Cerulli Associates 2023 Report, December 2023
[2]2024 Inside Information Fee Survey Report, September 2024
[3]Investments & Wealth Institute 2022 Client Research, May 2022

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