BECOME A BEST-MANAGED FIRM

Best-Managed Firms* take a disciplined approach to identifying their strengths and opportunities before carefully charting a path. Participating in the 2012 RIA Benchmarking Study from Charles Schwab can be an important step on your own path to success.

The 2012 RIA Benchmarking Study opens February 7. By participating, you can gain insight to help you manage all aspects of your business.

Schwab’s RIA Benchmarking Study, the leading benchmarking study in the industry, covers key practice management areas. Survey results tell you how your firm compares with others that are similar in size and approach, so that results are relevant to each participant’s situation.

WHY PARTICIPATE IN THE 2012 STUDY?

- Receive a Peer Benchmarking Report customized for your firm.
- Gain a perspective on the drivers of RIA industry growth, profitability, and productivity—and where the industry is headed.
- Understand your firm’s experience, directly compared with peers’ and top-performing firms’ experiences.
- Identify and capitalize on your firm’s one or two top issues to help you achieve your goals.

A STREAMLINED SURVEY

We’ve reduced the number of survey questions for 2012 to enable your firm to complete the study more efficiently. Of course, you will still get robust and valuable data to help you better run your practice. And if you’ve participated in the past three years, selected fields will be pre-populated for you. For recent participants, completing the study could take only half the time this year as it did previously.

*Best-Managed Firms are the top 20% of qualifying firms ranked by profitability, revenue growth, and productivity in the annual RIA Benchmarking Study from Charles Schwab, which comprises self-reported data from advisory firms that custody their assets with Charles Schwab. The top 20% is calculated after removing those with less than $1 million in revenue.
YOUR PEER BENCHMARKING REPORT: A ROAD MAP TO HELP YOU SUCCEED

After participating in the study, you will receive your results as part of a comprehensive 40-page Peer Benchmarking Report that includes:

- **A personalized summary of results**
  See your firm’s key data points beside peer and top-performers’ benchmarks, enabling you to identify current and future trends quickly.

- **Key growth metrics**
  Track your firm’s growth year over year, including assets, revenues, and new clients. Identify key sources of growth and marketing channels.

- **Strategy and planning**
  Explore your team’s approach to strategic planning, succession planning, and client segmentation.

- **Pricing analysis**
  Gain a better understanding of industry pricing practices.

- **Technology and operations best practices**
  Gauge your firm’s performance on key operational efficiency benchmarks.

- **Staff time reporting**
  Compare your investment of staff time with that of other firms so you can better manage resources.

- **Financial performance**
  Get an in-depth look at your firm’s financial performance so you can focus on specific areas of opportunity.

> The benchmarking study helped our firm focus on where we need to go with our strategic planning—areas of strength, but also areas of weakness and areas that just needed a little help
> —Suanne Ramar, Nelson Capital Management
CASE STUDY: HERITAGE FINANCIAL SERVICES, INC.

In the face of ongoing economic challenges and volatility, benchmarking can be critical to growth. Working with their relationship manager and Schwab’s Business Consulting tools, the team at Heritage Financial Services, Inc. used the information from their Peer Benchmarking Report to craft a strategy to help transform their practice going forward.

HERITAGE FINANCIAL SERVICES, INC.
Wealth manager
Norwood, MA
$650 million AUM
600+ clients
17 employees

Firm goals supported by RIA Benchmarking participation:

- Maintain historical annual growth rate of 15% to 20% without significant increases in staff size and workload.
- Identify factors that could be limiting staff productivity and firm profitability.
- Test the hypothesis that the firm was serving too many clients with smaller assets.

Customized Peer Benchmarking Report revealed:

- The firm served more clients than most firms its size: 70th percentile in number of clients.
- The firm served a greater number of smaller clients than its peer firms: 20th percentile in terms of assets per client.
- Number of clients per staff was above the median, yet AUM per staff was below.
- Addressing productivity and profitability issues will help the firm achieve future growth rate objectives.

Heritage takes action:

- Firm leadership worked with their Schwab relationship manager on client profitability analysis and development of a segmentation strategy.
- Heritage restructured the way it serves smaller relationships, increasing profitability and productivity while delivering time savings so principals can focus on attracting larger clients.

“

The RIA Benchmarking Study allowed us to compare ourselves to many peers in our industry, opening our eyes to areas of strengths and weaknesses. The data and insight informed our new strategic initiatives to add capacity and improve profitability.

—Chuck Bean, Heritage Financial Services, Inc.

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HELPING YOU TAKE ACTION

As a participating firm, you get much more than a customized Peer Benchmarking Report. You can get the assistance of our relationship managers or business consultants to help you put your results into action. We can work with you to identify opportunities, gain insights at year-round knowledge-sharing events, and access dynamic online resources.

LACK OF PLANNING STALLS GROWTH

Four in five firms identified one or more growth barriers, yet more than half have no written plan. And in fact, 25% consider planning itself to be an obstacle.

NAVIGATING A CHANGING MARKETPLACE

Nearly 9 in 10 firms plan to grow—and 38% want to grow aggressively. But two-thirds said marketing and business development pose a challenge to future growth.

Schwab's 2011 RIA Benchmarking Study showed that RIAs have a clear interest in growth and feel that planning is difficult but extremely important in achieving their goals.

LEARN MORE

To learn more and participate in Schwab's RIA Benchmarking Study in February 2012, please visit schwabadvisorcenter.com/benchmarking.

The RIA Benchmarking Study is part of Schwab’s Business Consulting Services, a practice management offering for registered investment advisors. Based on years of observing what works in successful advisory firms and the knowledge gained from hundreds of business consulting engagements, Business Consulting Services provides insight, tools, and resources to help advisors strategically manage and grow their firms.