BreakfastBriefing

SCALING WITHOUT BREAKING: DRIVING ORGANIC GROWTH WHILE BUILDING A RESILIENT WEALTH BUSINESS

Wednesday 22nd April (0800-1000) at the SEI Alphabeta Building, 14-18 Finsbury Square, London EC2A 1BR

Introduction:

This Breakfast Briefing brought together senior wealth management leaders to explore one of the industry's most pressing challenges: how to deliver sustainable, scalable growth in an environment of margin pressure, regulatory complexity and rising client expectations.

Across both sessions the following theme was clear: Growth is not the issue - how firms generate and structure it is.

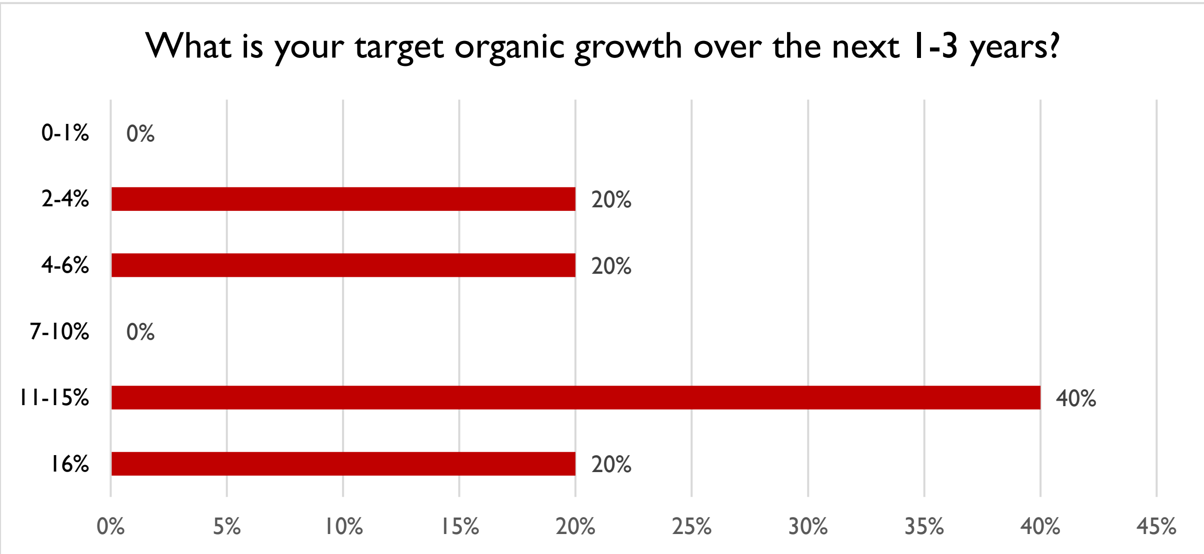
While AUM remains the primary driver of revenue growth, the industry is heavily reliant on market movement, accumulation and inorganic levers. True organic growth - the most valuable and sustainable form - remains rare and poorly understood.

The discussion focused on the structural, cultural and operational barriers preventing firms from achieving this, and what differentiates those that are successfully scaling.

The Findings of these two sessions, along with the polling results are presented below:

<u>Polling Questions – Results</u>

1) (15 votes)



1. Organic Growth – From strategic priority to measurable performance

Experts: Alex Marshall, Partner and James Leonard, Director, Financial Services, at CIL Strategy Consultants

Overview:

Organic growth has rapidly moved to the top of the agenda for wealth management leadership teams, driven by margin pressure, slower markets and increasing scrutiny on capital efficiency.

However, while most firms recognise its importance, there remains a lack of clarity on where growth is actually coming from - and how to measure it effectively.

This session explored the reality that much of what is perceived as growth is driven by external factors, and that true organic growth - the most valuable and sustainable form - remains rare across the industry.

Headlines:

1. Most firms are overestimating their organic growth:
   A significant proportion of growth is driven by market movement and existing client accumulation, rather than new client acquisition.
2. True organic growth is rare - and a key differentiator of high-value firms:
   Based on CIL's comprehensive market modelling analysis, a baseline of c.5–6% organic growth represents the hurdle rate, with only a minority of firms exceeding this.
3. The industry relies heavily on lower-value growth levers:
   Acquired, portable and captured growth dominate, while true organic growth remains limited.
4. Growth ownership is unclear across most firms:
   Many organisations lack defined accountability for delivering growth across advisers, distribution and leadership.
5. The industry is structurally not set up to deliver organic growth:
   Operating models, incentives and culture are focused on servicing and retention, not new client acquisition.

Discussion Points:

The session began by challenging the industry's understanding of growth, highlighting that AUM remains the primary driver of revenue, but the underlying drivers of that growth are often misunderstood.

Participants explored the concept of "layers of growth", ranging from least to most valuable:

- Acquired growth
- Portable growth
- Captured growth
- True organic growth

While most firms are successfully delivering captured growth through share of wallet, there was broad agreement that true organic growth - winning new clients - is both the most valuable and the most difficult to achieve.

The introduction of the CIL Organic Growth Index reinforced this point, demonstrating that a 5–6% baseline growth rate should be expected from existing books and that firms exceeding this threshold are demonstrating something structurally different

A key insight was that many firms have effectively "given up" on organic growth, due to the cost and difficulty of acquisition, capacity constraints and lack of scalable lead generation. Instead, they rely on market performance, vertical integration and adviser-led accumulation.

The discussion also highlighted that private equity-backed firms are outperforming, driven by a greater investment in talent and incentives, stronger focus on business development and more structured growth models.

Culturally, the industry has undergone a significant shift. Post-RDR, the focus on professionalism and advice quality some argued has led to a decline in sales capability, with advisers less incentivised to generate new business, a perception that there could be a tension between "sales" and delivering good advice and second-generation advisers inheriting books without needing to build them.

This has created a structural imbalance where firms are highly effective at retaining and servicing clients but less equipped to win new ones.

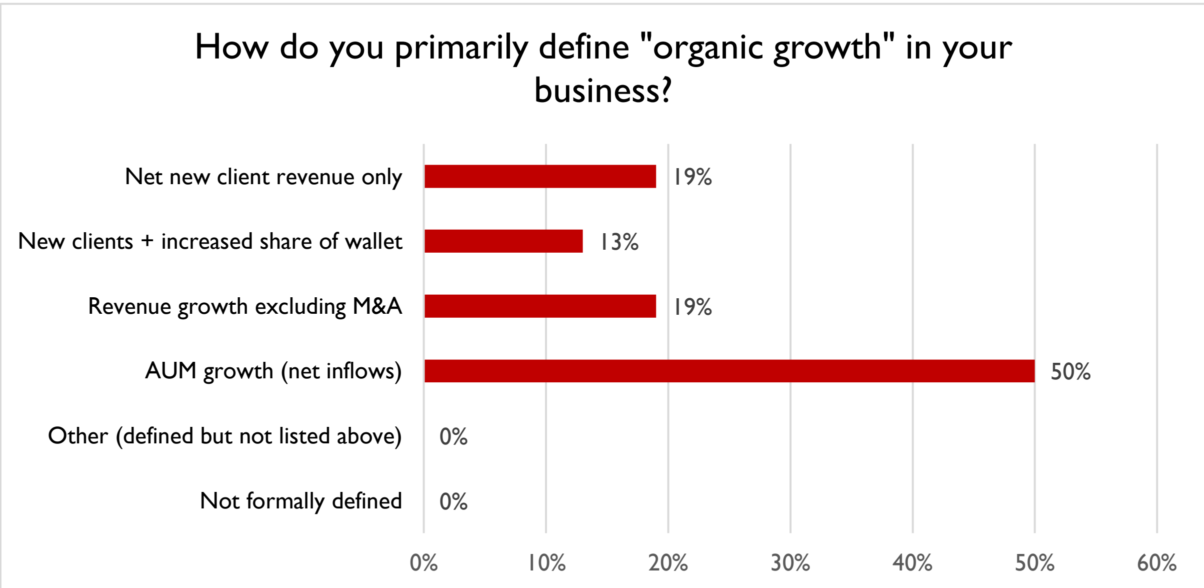
The discussion also raised questions around who owns the client relationship - the adviser or the firm, the role of incentives and remuneration structures and the impact of adviser mobility and client portability.

Ultimately, the session highlighted that growth is not just a strategy issue, but a structural and cultural one.

Key Takeaways:

- Most firms are not measuring organic growth accurately
- True organic growth (new clients) is rare but highly valuable
- The industry is over-reliant on market-driven and inorganic growth
- Growth ownership and accountability are often unclear
- Cultural and structural barriers are limiting new client acquisition
- Firms that outperform invest in talent, incentives and sales capability

2) (16 votes)



2. Scaling Growth – Productivity, propositions and operating leverage

Experts: Caroline Deutsch, Head of EMEA Marketing, and Michael Leach, Head of UK Sales, Private Banking & Wealth Management

Overview:

While winning new clients is critical, sustainable growth depends equally on the ability to scale efficiently without increasing cost or complexity.

This session focused on how firms can unlock operating leverage through proposition design, productivity improvements and operating model simplification, and examined why many firms are struggling to translate investment in technology and efficiency into measurable growth outcomes.

Headlines:

1. Productivity gains are not translating into growth:
   Despite investment in AI and automation, there is limited evidence of increased new client acquisition or revenue uplift.
2. Technology is improving efficiency - but not necessarily effectiveness:
   Gains in "golden time" are often being absorbed into better servicing rather than increased selling.
3. Scaling requires structural change, not incremental improvement:
   Firms need to redesign operating models, not just optimise existing processes.
4. Vertical integration is currently doing most of the heavy lifting:
   Many firms are relying on integrated models to drive growth and margin.
5. There is significant untapped market opportunity - but firms are not structured to access it:
   A large proportion of affluent households remain unadvised, yet firms struggle to engage them at scale.

Discussion Points:

The session explored the relationship between productivity, propositions and growth, questioning whether firms are truly set up to scale.

A key theme was the concept of "operating leverage" - the ability to grow without a corresponding increase in cost. While firms have invested heavily in platforms, automation and AI there was scepticism around whether this is delivering meaningful commercial outcomes.

Participants noted that while AI is improving consistency and efficiency, particularly in areas such as fact-finding, administration and data processing, it is not yet translating into more prospect meetings, increased new client wins and measurable revenue growth

Instead, the benefits are being seen in improved client experience, reduced operational friction and increased profitability.

This raised a critical question: Is productivity being used to drive growth - or simply to improve service?

The discussion also highlighted the importance of proposition design, particularly Centralised Investment Propositions (CIPs), simplified service models and segmentation strategies.

Firms that are scaling effectively are standardising propositions, reducing complexity and enabling more consistent delivery.

However, many firms remain constrained by fragmented systems, legacy processes and inconsistent client journeys.

A recurring theme was the need for centralised lead generation and scalable acquisition models, rather than relying solely on adviser-led growth.

The session also explored the role of digital marketing and lead generation, simplified advice models and targeted support for underserved segments, with recognition that younger clients are increasingly engaging through digital channels rather than traditional advice models.

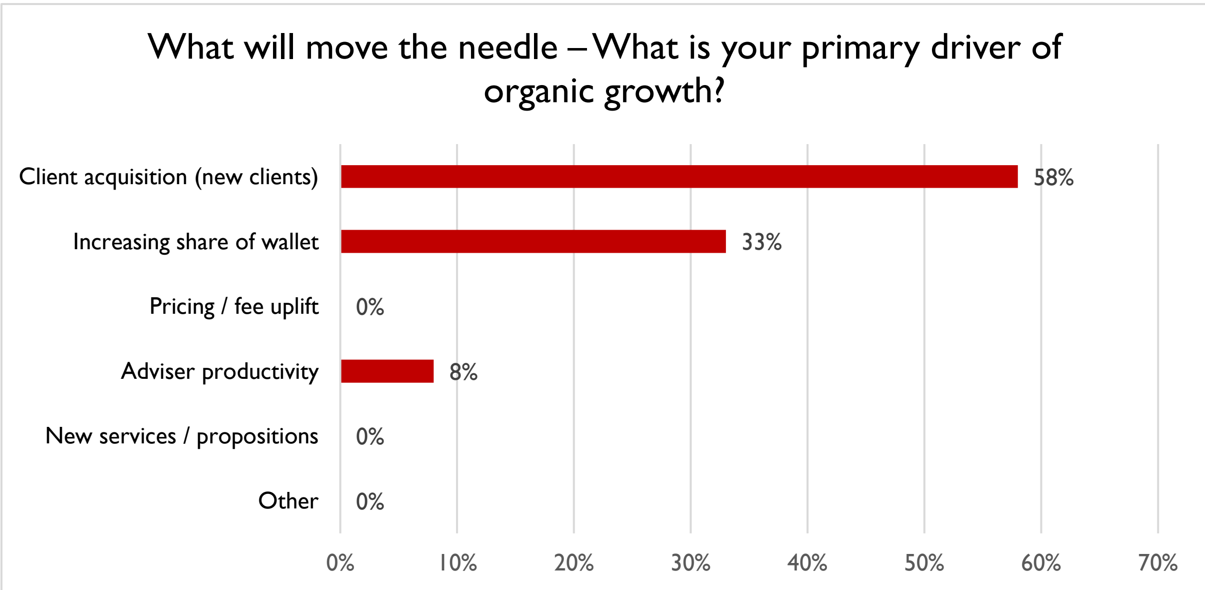
Culturally, there was discussion around adviser productivity and accountability differences between employed and self-employed models and the challenge of incentivising growth within existing structures.

Finally, the session reinforced that strategy must come first, followed by engagement across teams, clear communication and structured implementation rather than expecting technology alone to drive change.

Key Takeaways:

- Productivity improvements are not yet translating into growth
- AI and automation are improving efficiency but not driving new business
- Scaling requires operating model redesign, not incremental change
- Proposition simplification and standardisation are critical
- Vertical integration remains a key growth driver
- There is significant untapped demand, but firms lack scalable acquisition models
- Growth requires alignment across strategy, structure, incentives and culture

3) (12 votes)



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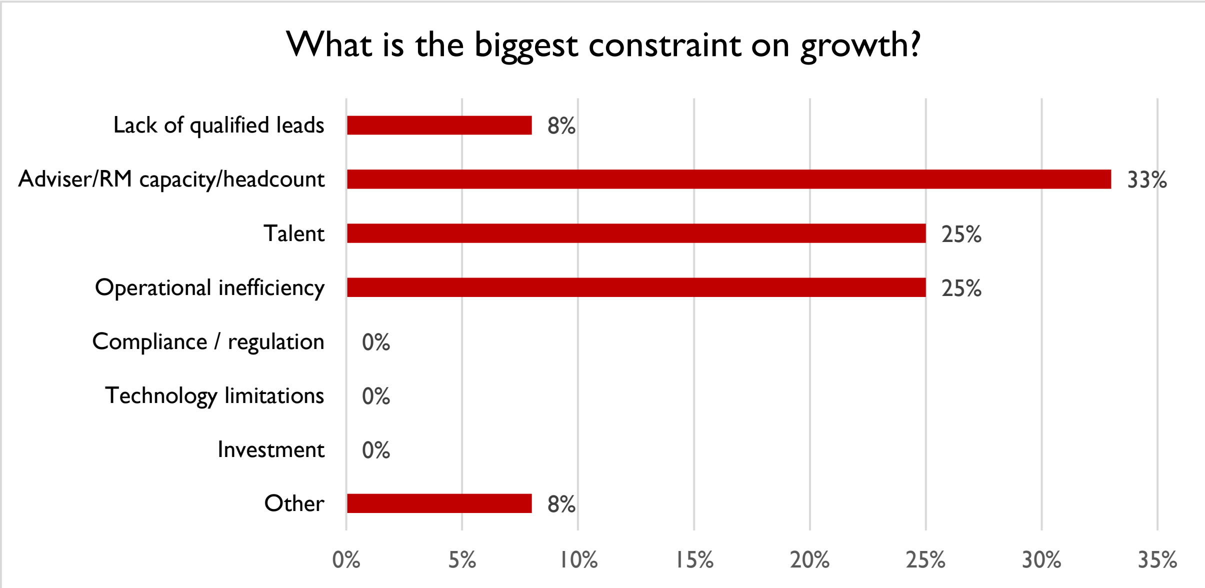

GOING FORWARD

If you have any other areas which you would like to discuss with the group, please see details as follows:
Owen James Group – John Hall johnhall@owenjamesgroup.com James Goad jamesgoad@owenjamesgroup.com