BreakfastBriefing

Unbiased Breakfast Briefing

The organic growth divide: Is company culture your biggest obstacle to growth?

Thursday 9th July (0800-1030) Pan Pacific, 80 Houndsditch, London, EC3A 7AB

THE FINDINGS

Overview

This Breakfast Briefing explored the divide at the heart of the modern advisory firm: the tension between the strategic need for growth and the individual desire for stability - and what it takes to align the business around a scalable, modern client acquisition model.

The presentation, and the discussion which followed around the table around why growth is proving so difficult - despite being a priority for all firms - is set out below.

Headlines

- The biggest barriers to organic growth are now inside firms rather than outside them, with capacity, culture and operating models replacing market demand as the primary constraints.
- The traditional adviser model is coming under increasing pressure, with firms questioning whether expecting every adviser to be both relationship manager and business developer remains commercially sustainable.
- Operational efficiency has become the foundation of growth, as firms recognise that AI, automation and technology only create value when they genuinely release adviser capacity.
- Growth is increasingly becoming a leadership challenge rather than a marketing challenge, requiring firms to redesign incentives, roles and behaviours around scalable client acquisition.
- The firms most likely to outperform will be those that build growth into their operating model rather than relying on individual adviser ambition.

Discussion

The meeting opened by examining the changing economics of organic growth, with market data highlighting an increasingly competitive environment. Rising acquisition costs, greater competition for a finite pool of advised clients, continued industry consolidation and the growth of DIY investing are fundamentally changing how firms compete for new business. Benchmarking data demonstrated that while growth remains the industry's primary strategic objective, the available pool of high-value clients is insufficient to support every firm's ambitions simultaneously.

Despite these external pressures, much of the discussion concluded that the greatest obstacles to growth are internal. Capacity emerged as the dominant theme throughout the session, with firms recognising that advisers remain constrained by regulation, administration and operational complexity, leaving limited time for new business development. Delegates questioned whether additional technology alone will solve the problem, noting that productivity gains are often absorbed by growing administrative demands rather than creating additional client-facing capacity.

The conversation explored whether the industry's traditional adviser model remains fit for purpose. Many firms acknowledged that expecting every adviser to act as both a technical planner and an effective business developer may no longer be realistic. Increasingly, firms are differentiating between advisers who excel at acquiring new clients and those whose strengths lie in nurturing existing relationships. This has significant implications for recruitment,

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remuneration, career pathways and organisational design, particularly as firms attempt to balance commercial growth with high-quality client service.

Operational infrastructure was repeatedly identified as the foundation for sustainable growth. Participants agreed that growth ambitions cannot outpace operational capability, with paraplanning capacity, workflow design, CRM effectiveness and data quality all emerging as critical bottlenecks. While AI and automation are expected to play an increasingly important role, firms recognised that technology only delivers value when embedded within well-designed processes and supported by high-quality underlying data.

The discussion also examined the industry's growing talent challenge. With an ageing adviser population and ongoing shortages across advice support functions, firms increasingly recognised the need to develop new talent pipelines, broaden recruitment beyond traditional financial services backgrounds and invest more systematically in adviser development. Several organisations described initiatives focused on attracting individuals from other professions while rebuilding sales capability that has gradually diminished across the sector.

Attention then turned to growth culture and leadership. Delegates reflected on the differing motivations that drive advisers, recognising that not everyone is motivated by business development or financial reward. Building a successful growth culture therefore requires operating models that allow different skill sets to thrive while aligning individual incentives with wider business objectives.

Finally, delegates discussed the significant untapped opportunity within existing client banks. Rather than focusing exclusively on acquiring new clients, firms recognised substantial scope to deepen existing relationships, increase share of wallet and strengthen intergenerational engagement. However, unlocking these opportunities will require better use of client data, stronger adviser behaviours and a clearer organisational focus on growth rather than retention alone.

Key Takeaways

- Organic growth is increasingly constrained by internal operating models rather than market demand alone.
- Capacity remains the industry's greatest bottleneck, with regulation, administration and inefficient processes limiting adviser time for business development.
- Firms are increasingly separating client acquisition and relationship management into distinct roles rather than expecting advisers to excel at both.
- AI and automation will only deliver meaningful growth if they release genuine adviser capacity rather than simply improving administrative efficiency.
- Sustainable growth depends on strengthening operational infrastructure, including CRM systems, workflow design, paraplanning support and data quality.
- Developing the next generation of advisers and support staff has become a strategic priority as succession pressures continue to grow.
- Significant untapped growth opportunities remain within existing client banks through improved data, stronger client engagement and increased share of wallet.
- The highest-performing firms are embedding growth into culture, incentives and operating models rather than relying on individual adviser ambition.