



Meet the Disruptors

**Online and Call Center Advice
Marketplace Observations and Implications**

MMI PRISM Executive Roundtable Agenda

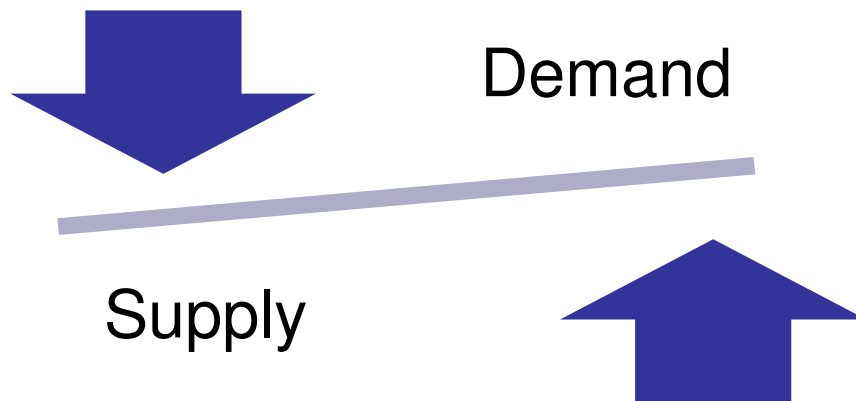
October 14, 2013

GDC Research



The Imbalance in Advice Delivery

- **Shifting from an investment to an advice oriented marketplace**
- **Fee-based pricing is a catalyst for advice**
- **RI is the accelerant**
- **The economics of supply and demand are not aligned**
- **An increasing number of consumers are being underserved**
- **The demand for advice is rising**
- **But supply is shrinking as skilled advisors retire and are not replaced**



*Rise of the Online and
Call Center Advice
Platforms to Bolster
Supply*



Who are the Players?

Plan & Act

Personal
Capital

Covestor

Wealthfront

TD Ameritrade

**Bloomberg
Black**

Jemstep

Merrill Edge

FutureAdvisor

Fidelity

Ric Edelman

LearnVest

Blackfish

“Edelman Online”

Betterment

United Capital

**FirstPoint
Financial**

NestWise

Charles Schwab

Traditional Players

- Legacy DIY base
- Strong brand recognition
- Large base of existing mass market and mass-affluent clients
- Leverage 401k/qualified participant base

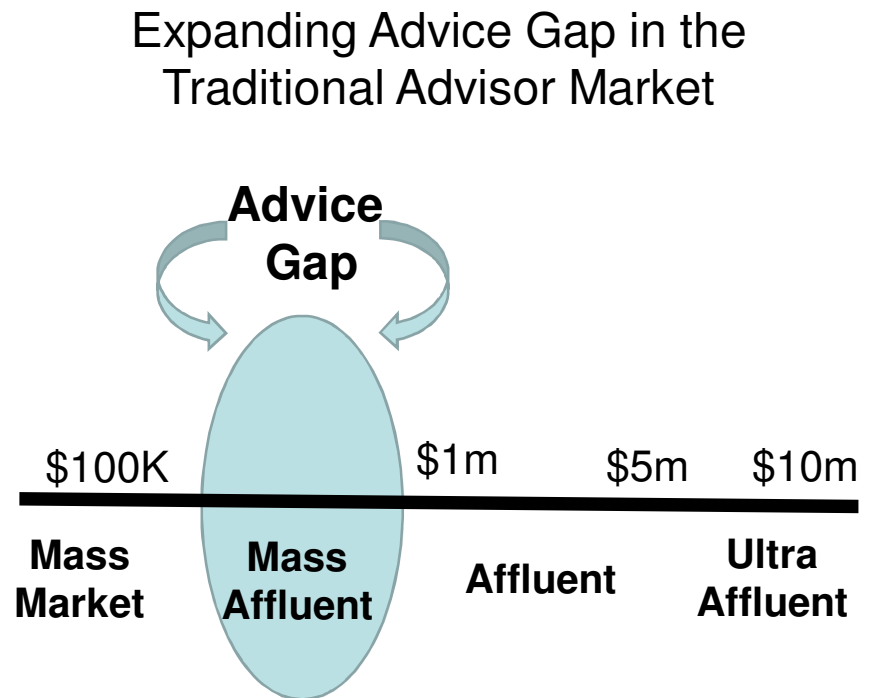
Newer Entrants

- Limited or local recognition
- Leverage platform and capabilities develop in the advisor and B/D marketplace
- Focus on planning and advice
- Advisory services are core



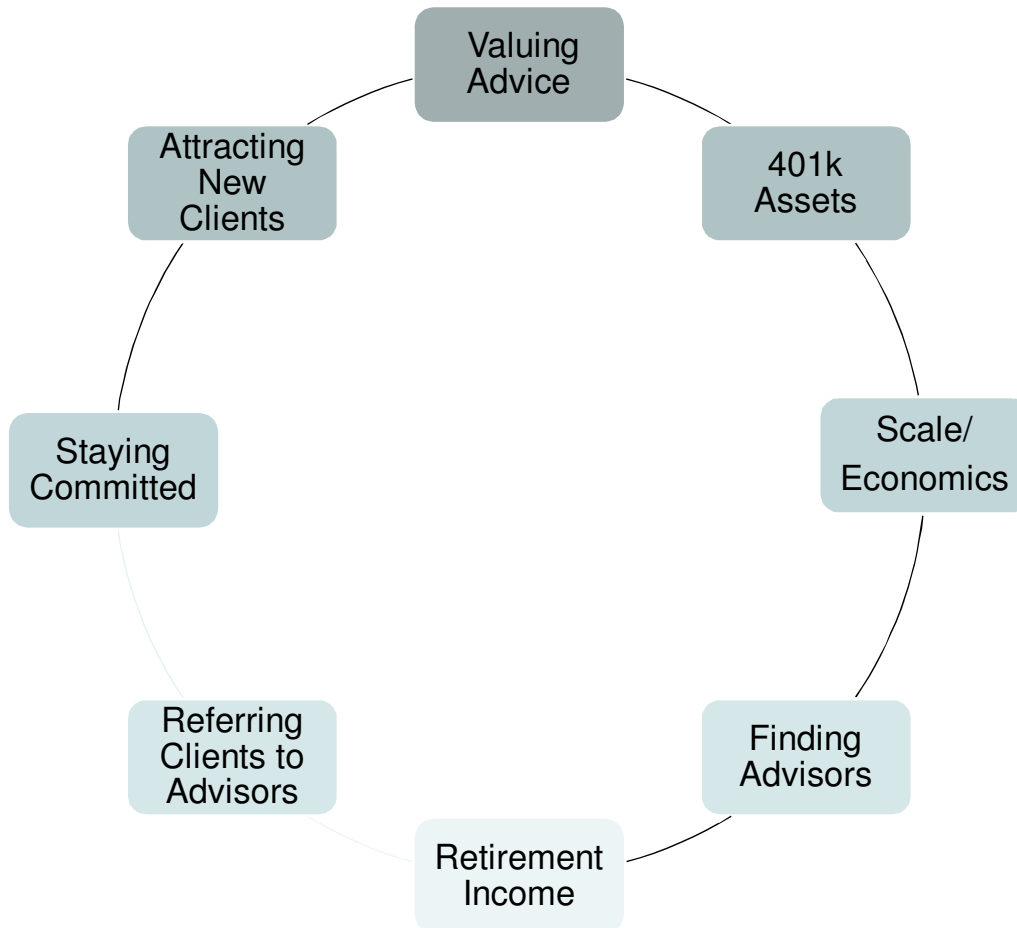
So What's Driving Interest

- Growing demand for advice
- Advisors moving up market
- Shrinking pool of skilled advisors
- Growing advice gap
- Leveraging advice delivery technology, process, and programs
- Advisory services and centrally managed programs
- **Influence of Social Networking**





What are the Challenges?



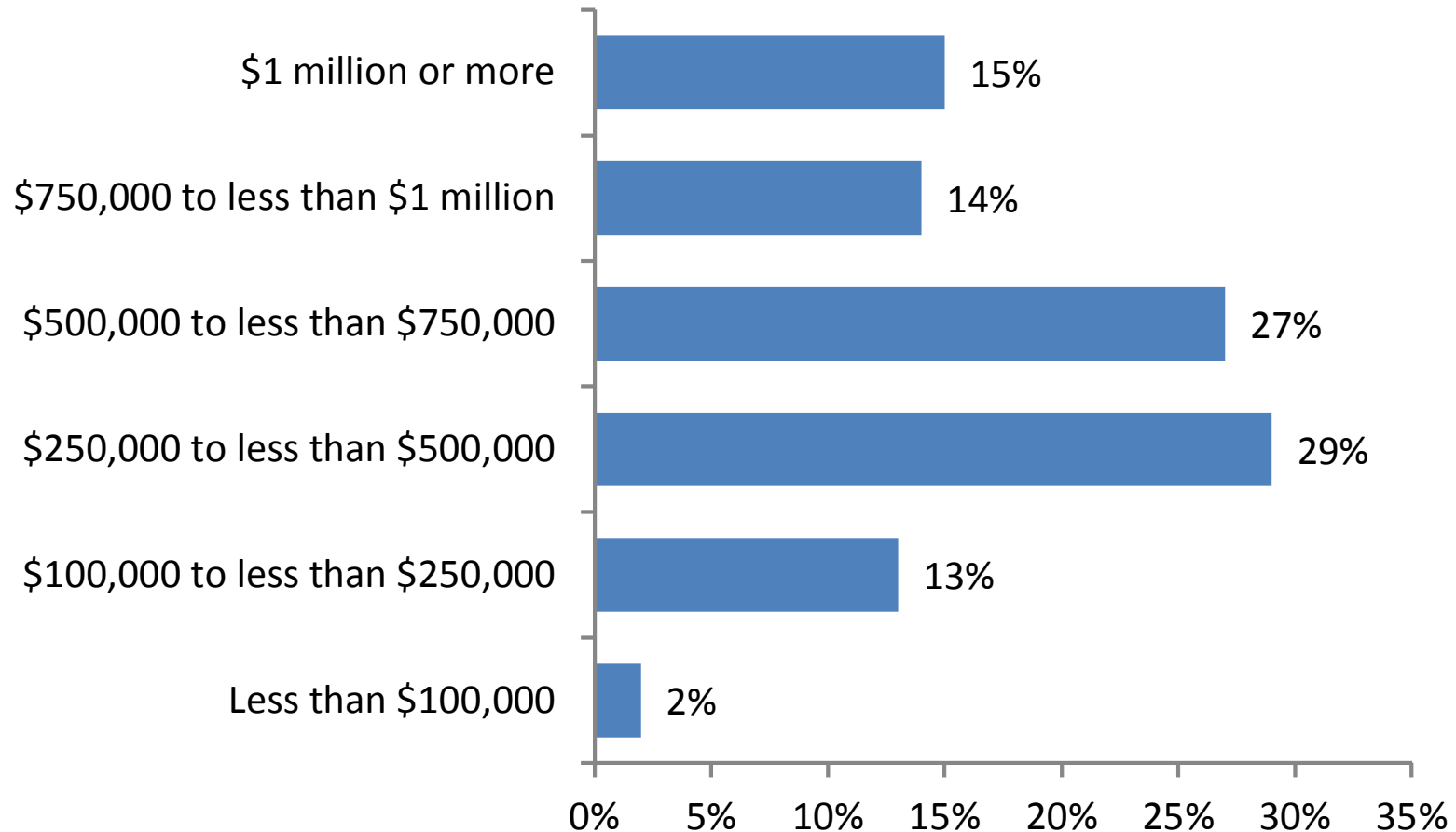
- Who are they targeting?
- Who are they getting?

Wealth Segment	Investable Assets
Ultra Affluent	\$10 million and above
Upper Affluent	\$5 million - \$10 million
Affluent	\$1 million to \$5 million
Mass Affluent – Upper	\$500,000 – \$1 million
Mass Affluent - Middle	\$250,000 – \$500,000
Mass Affluent – Lower	\$100,000 to \$250,000
Mass Market – Upper	\$50,000 to \$100,000
Mass Market – Lower	Less than \$50,000



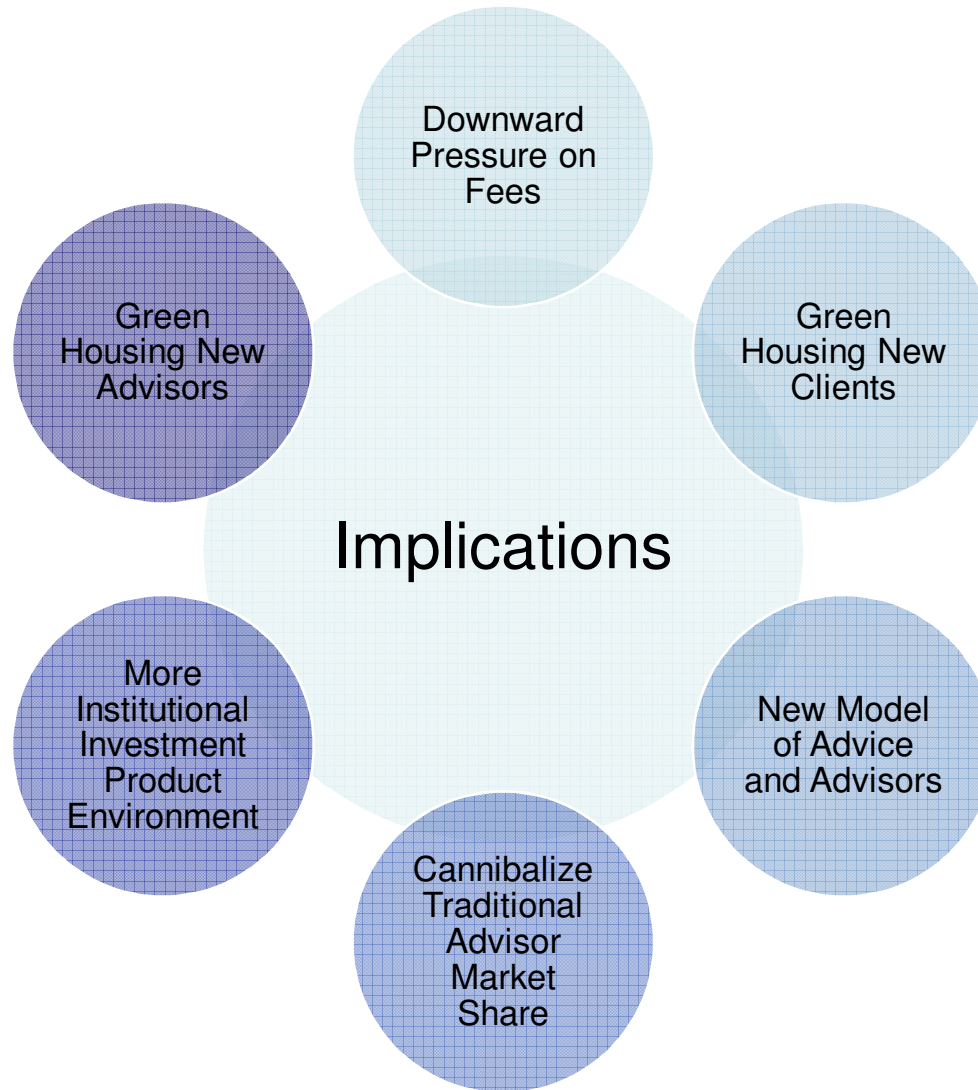
What Wealth Tier Does The Traditional Advisor Currently Serve?

Average Client Account Size for Advisors Across all Channels





What the Implications and Outcomes?





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