



RIIA Webinar Series

Attracting and Engaging Retirement Income Clients

April 17, 2013

Presented by GDC Research and Practical Perspectives



Our Retirement Income Services and Support



Customized Research and Consulting

We provide customized consulting, research and competitive intelligence support to the financial services industry. Clients include retail broker-dealers, asset managers, banks, insurance firms, clearing firms and custodians, and third party service and technology providers with assignments across a wide range of issues. Areas of support include:

- Qualitative and quantitative research studies and analyses
- Content for customized sales and marketing materials including
- Whitepapers and advisor handouts
- In-depth advisor, client, and executive interviewing
- Competitive review and analysis
- New business and product assessments
- Market segmentation and opportunity identification
- Product analysis and market testing
- Strategic planning and market trends

All support is customized and provided by senior executive level professionals who understand the advisor marketplace and challenges related to retirement income and other wealth

Research Reports

We have published multiple in-depth research reports covering key issues in retirement income delivery and support including our new study released in Q1 2013. Reports include:

- Retirement Income Insight 2013—Attracting and Engaging Retirement Income Clients (Q1 2013)
- Key Trends and Best Practices in Retirement Income Delivery(Q1 2013)
- Retirement Income Sales Support – 360 Degree View (Q2 2012)
- Trends in Advisor Delivery of Retirement Income (Q1 2012)
- Trends in Retirement Income Delivery: Advisor Portfolio Construction, Product Usage, and Sales Support (Q2 2011)
- Advisor The Continued Evolution of Retirement Income Delivery: An Analysis of Leading Practices in Advisor Support (Q2 2010)
- Update: Advisor Best Practices in Retirement Income (Q4 2009)
- Examining Best Practices in Constructing Retirement Income Portfolios (Q2 2009)
- Best Practices in Delivering Retirement Income & Transition Support (Q3 2008)

Presentations and Training

We deliver customized presentations and conduct training sessions on retirement income for Advisor Conferences, Webinars, Wholesaler Training, and Executive Meetings. Our presentations cover the following retirement income topics or we can customize a session to meet your specific needs:

- Understanding and developing an effective approach to retirement income delivery
- Positioning retirement income to attract new clients and assets
- Wholesaling retirement income solutions
- Portfolio construction and product usage
- Creating a firm-wide retirement income strategy
- Transitioning advisors to retirement income adoption
- Advisor needs and key segments in retirement income
- Best practices in engaging retirement income clients

Retirement Income Strategic Assessment

Our Retirement Income Strategic Assessment is a cost efficient way to tap into our insights and understanding of the retirement income opportunity. It can help asset managers, insurance companies, broker dealers, and service providers jump start efforts to build a more effective retirement income business model. The Retirement Income Strategic Assessment offers:

- An objective assessment of your current retirement income strategy
- Specific observations and recommendations applicable to key functions including marketing, sales, product development, advisory distribution, training/education, etc.
- Outcomes tailored to your specific goals

The Assessment combines interviews with your senior executives, a review of your current strategic and tactical approaches, and the proprietary research and insights we have developed to provide an assessment of approaches you should consider.

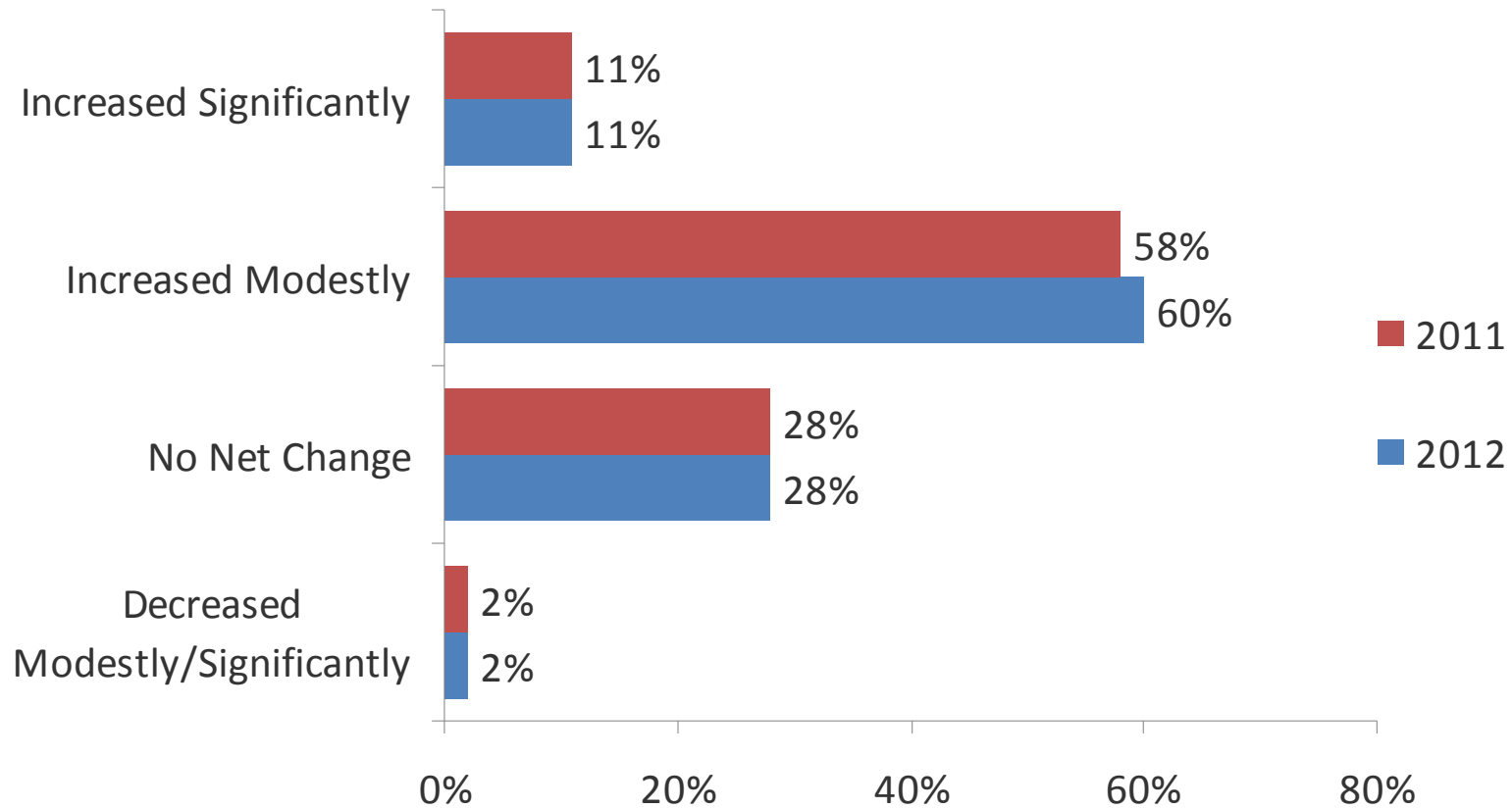
More in-depth strategic consulting support is also available



The Wave is Here



Net Change in Retirement Income Clients Served





Our Discussion



-
- Industry Still Lacks Consensus
 - The Advisor Paradox in Retirement Income
 - Advisor Support Needs
 - Summary and Final Thoughts



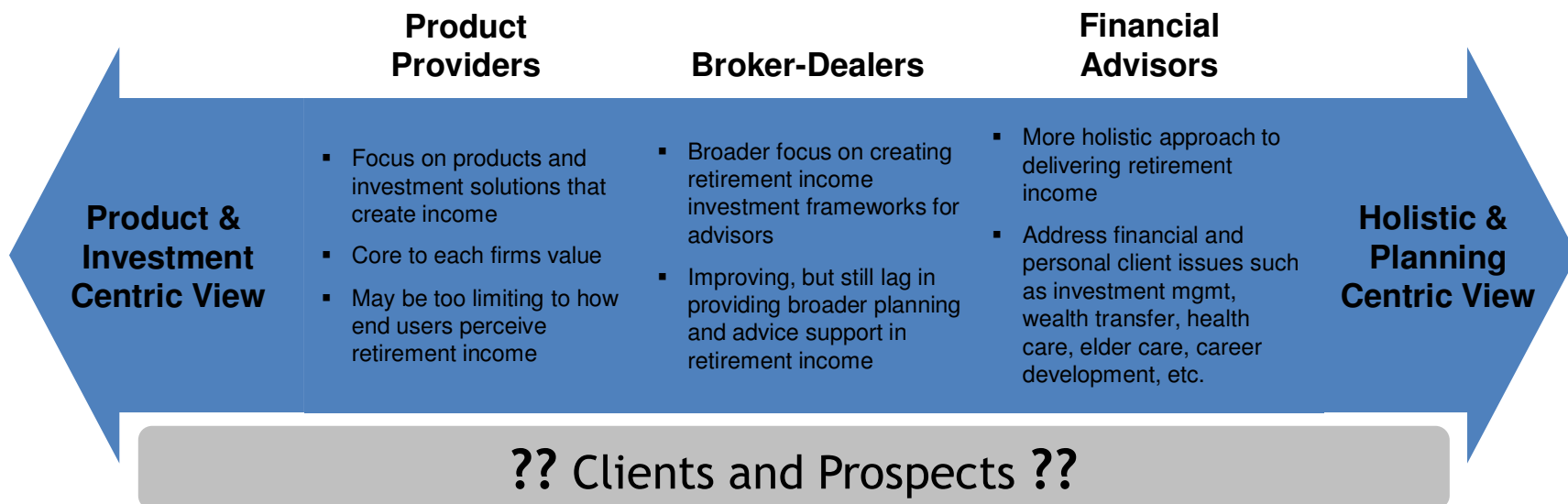
Industry Still Lacks Consensus



Defining Retirement Income?



How Various Parties View Retirement Income





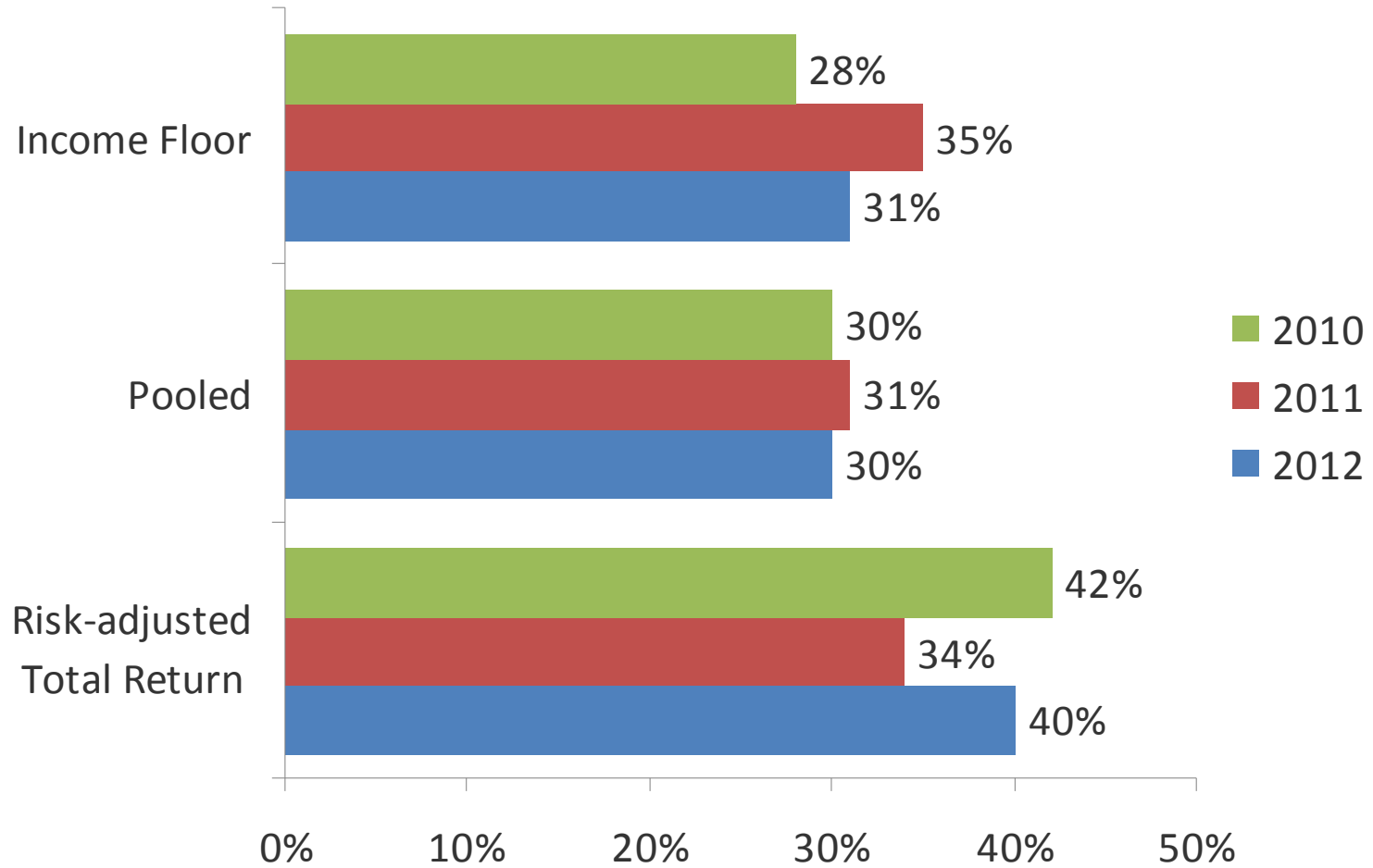
What Services to Offer?



Source: GDC Research and Practical Perspectives



Retirement Income Philosophy





The Advisor Paradox

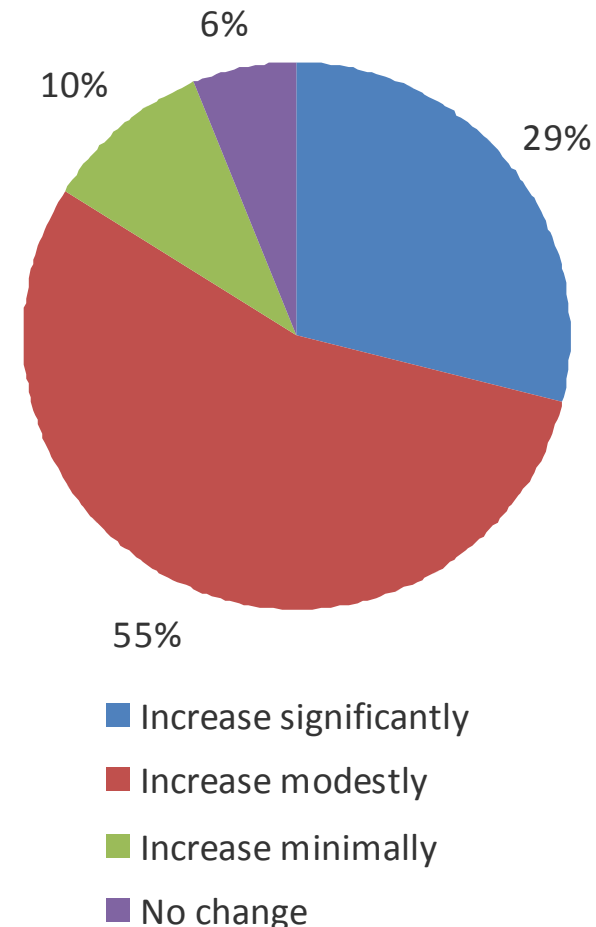


Advisors Say They are Focused on Retirement Income



- Serving retirement income clients is a top priority among advisors
- Two-thirds believe they are currently well positioned to deliver retirement income
- Nearly all advisors are confident in delivering retirement income
- Most address retirement with clients in their initial discussions
- Most clients are receptive

Expected Change in Retirement Income Clients Served in Next 12 to 24 Months

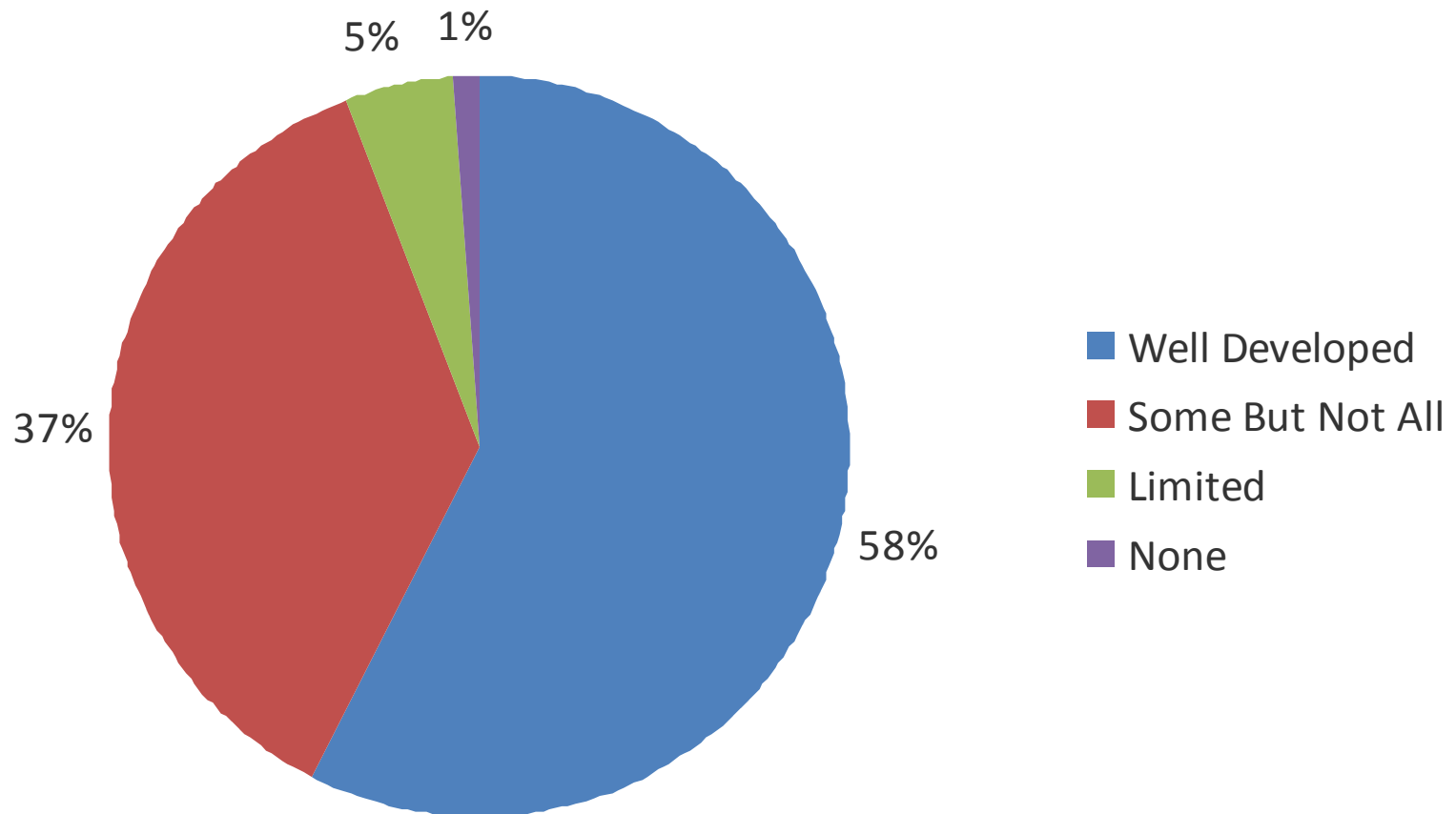




...Believe They Have a Well Developed Process



Presence of Retirement Income Processes and Capabilities





But Advisors Have Challenges With Retirement Income



Practice Management in Serving Retirement Income Clients

1. Attracting new retirement income clients
2. Projecting retirement expenses/income
3. Sufficient capacity
4. Implementing the right mix of solutions
5. Keeping up to date on best practices

Significant Challenges in Growing a Practice from Retirement Income Clients

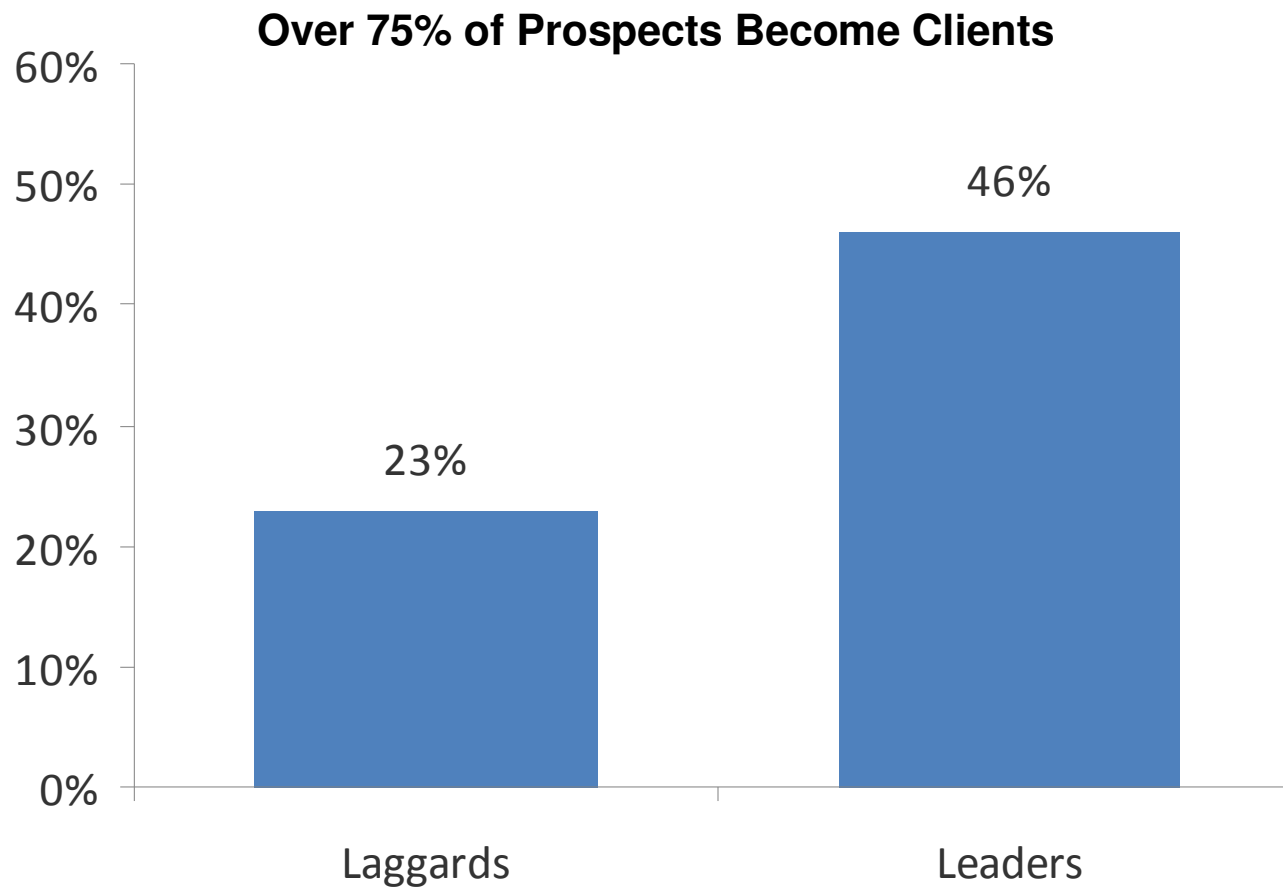
1. Attracting new clients
2. Differentiating my practice
3. Overcoming inertia or the status quo
4. Finding the time and resources given other priorities
5. Developing needed processes or systems



Retirement Income Client Closure Rates by Leaders vs. Laggards



- Leaders have higher closure rates than Laggards
- Closure rates are well below best practice advisors

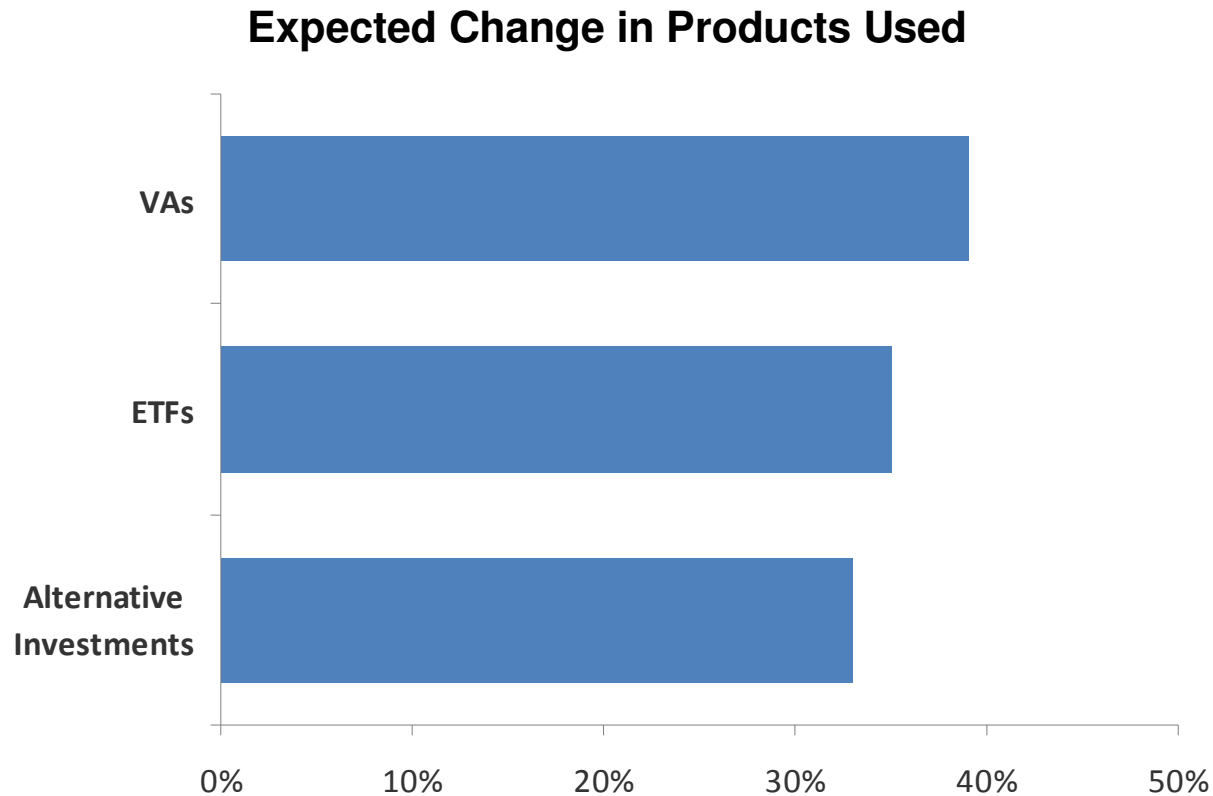




Expected Use of Annuities: What They Say and What They Are Doing



- Variable annuities have consistently topped the list
- Advisor interviews reveal growing advisors concerns with using annuities





Advisor Support Needs

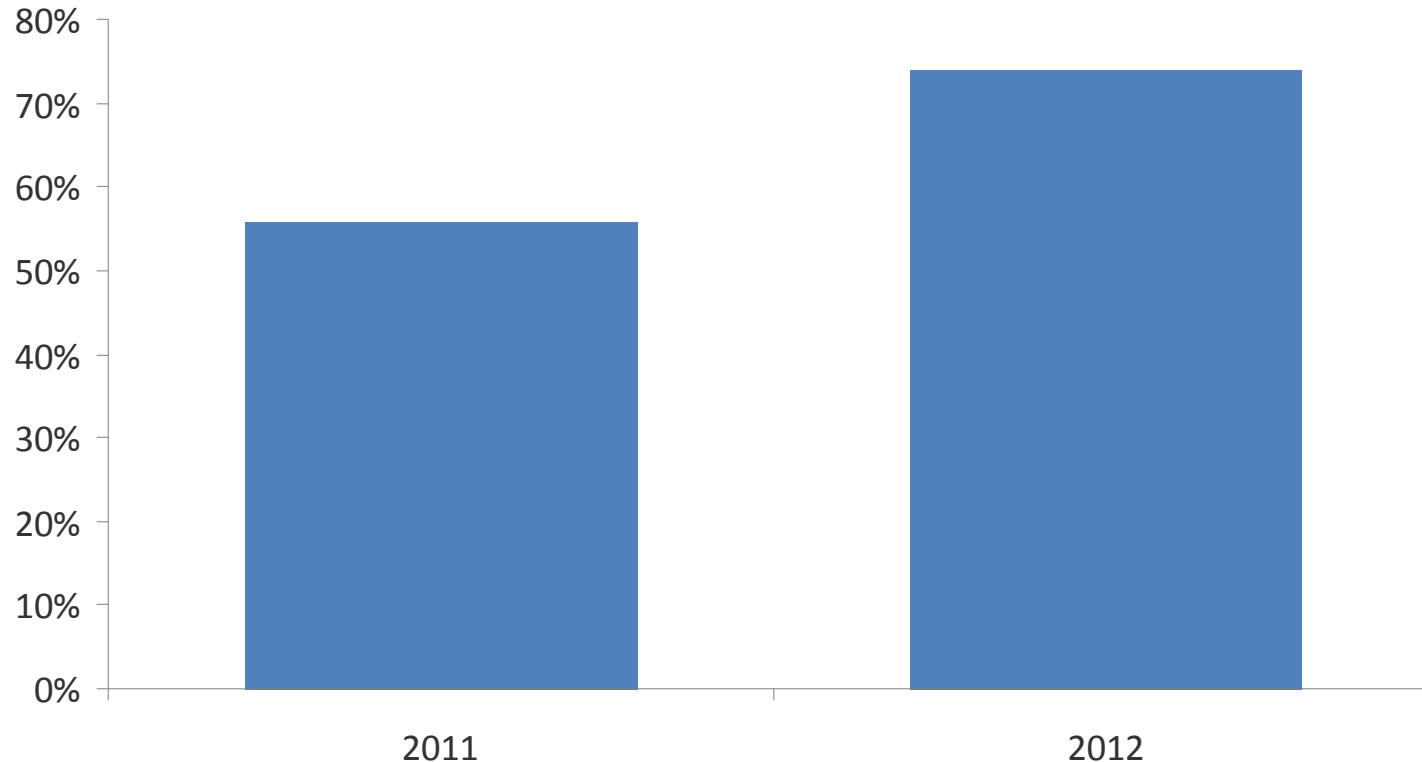


Retirement Income Support is More Difficult



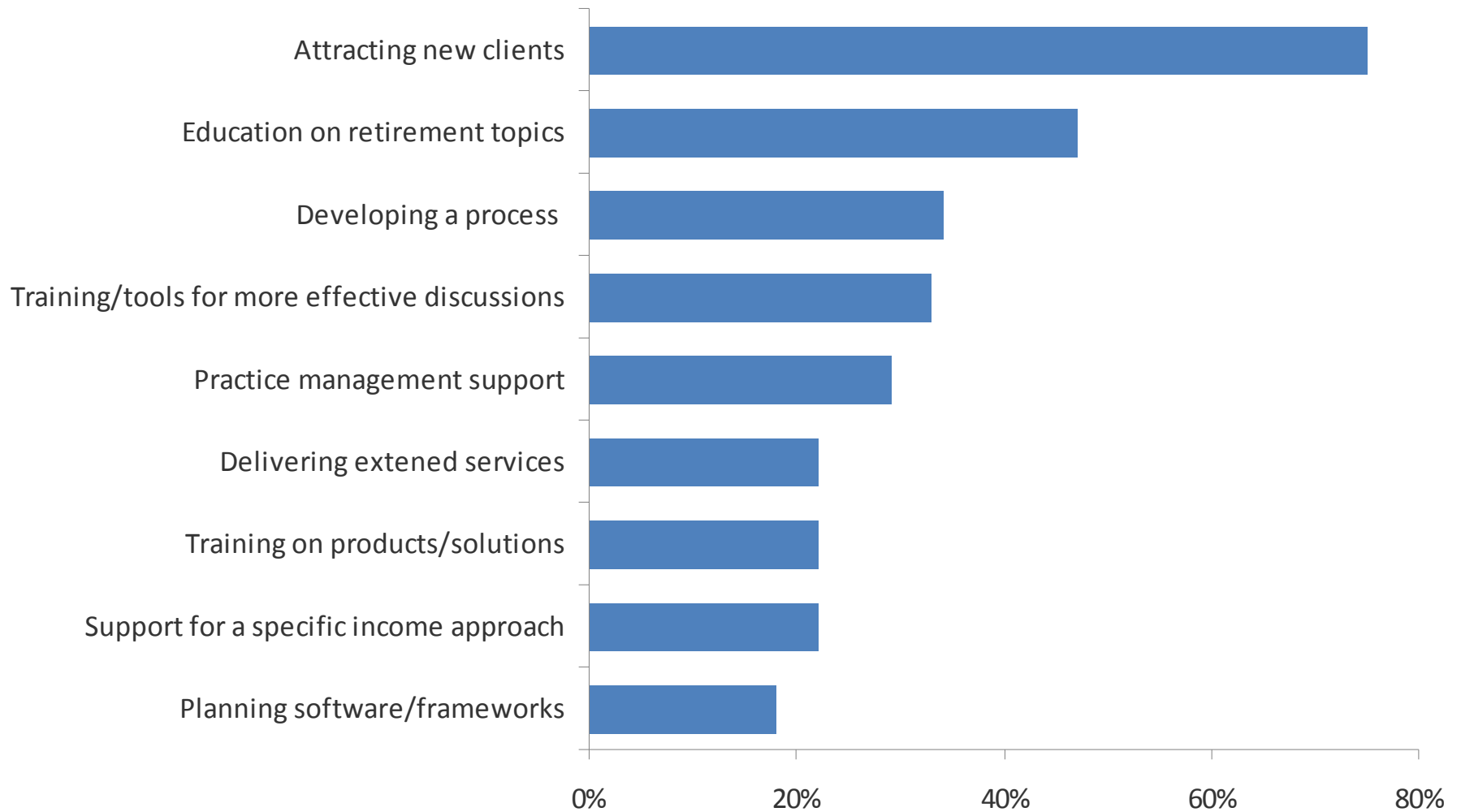
- Most advisors are devoting modest to significant time and resources to evolve/enhance retirement income processes and capabilities

Retirement Income Support More Difficult Today than 5 Years Ago





Most Important Areas Advisors Are Seeking To Position Their Practice in RI





Need Assistance in Articulating Retirement Income With Clients



Degree Advisors Are Capable Discussing Retirement Income Topics

Top 3

1. Retirement Income Overall
2. Inflation
3. Retirement Risk

Bottom 3

1. Medicare/Health Care
2. Social Security
3. Elder Care/LTC



Sources Relied On Most for Retirement Income Support



1. Mutual fund companies/asset management firms
2. Annuity providers/insurance companies
3. Broker-dealer or custodian
4. Other professionals such as attorneys, accountants or elder care specialists
5. Third party education or training organizations
6. Peers or colleagues
7. Other product or solution providers
8. Industry trade groups



Summary and Final Thoughts



Summary and Final Thoughts



- Advisors are attracting a growing number of retirement income clients
- Need to make advisors aware they are falling short on the opportunity and revenue potential
- The research reveals a paradox in advisors delivering retirement income support
- Claim to have a process and are well positioned, but struggle with many aspects of delivering retirement income
- Advisors and the industry overall remain divided among different approaches in managing income portfolios
- Need more prescriptive support including training, materials, and field help to assist in client development and delivering retirement income
- Need assistance in developing and articulating their retirement income process with clients
- Need to leverage and work with the advisors' existing process



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