

IFA Business Transition Plan (sample).

Firm Name:	"Example IFA"		
Business Consultant:	"Example Business Consultant"	Date:	30th June 2011

Business description (first 4 items should be copied into the due diligence document):

Business Model:

Example IFA is an Independent Financial Advice firm offering investment, pension and protection advice to our private clients.

Our business model is one that relies upon lean technology to improve our administration and compliance responsibilities, meaning that more time can be spent working with our clients to improve their wealth.

We want to adopt an investment platform to further increase these efficiencies and supply an even more effective wealth management service to our clients through a thorough understanding of their goals and allaying this to innovative asset growth strategies and instant online access to key personal financial information.

Target market and client segmentation:

Our typical target market are mass-affluent and high net worth clients who will benefit from our clear and consistent approach to wealth creation. Through correctly harnessing technology, this consistent approach is infinitely scaleable and gives our clients the opportunity to access their financial information through the web or their mobile devices.

Because of this consistent and low-impact way of working we have not seen the need to segment our client bank.

Remuneration model:

Example IFA are currently remunerated through a combination of provider commissions and ongoing renewals.

We are actively transitioning toward a model that predominately relies on up-front and trail fees direct from the client as per the RDR charging proposals. Both of these amounts are set at levels that do not erode our client's current or future wealth.

Using a cash account from an investment platform is the most efficient way to help Example IFA achieve this goal.

Existing systems and procedures:

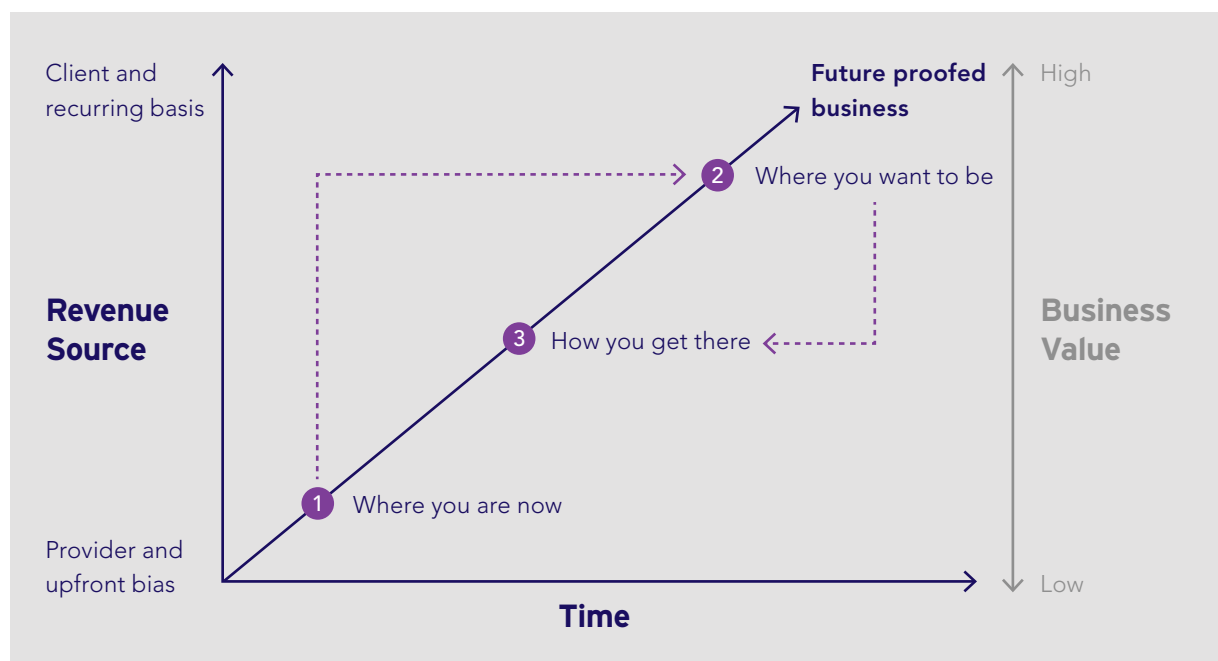
Our backoffice software, administration and financial support is provided by the True Potential IFA Service Strategies platform. This approach means that all aspects of Example IFA are linked through common client and financial data and delivers a high level of business reporting, control and transparency.

Example IFA would like to adopt a wealth platform that extends this linkage through to investment advice, management and growth.

Vision statement:

Example IFA will offer their clients a superior wealth advice service that best suits their investment needs and goals through providing an increase in asset worth and understanding.

The Planning Process.



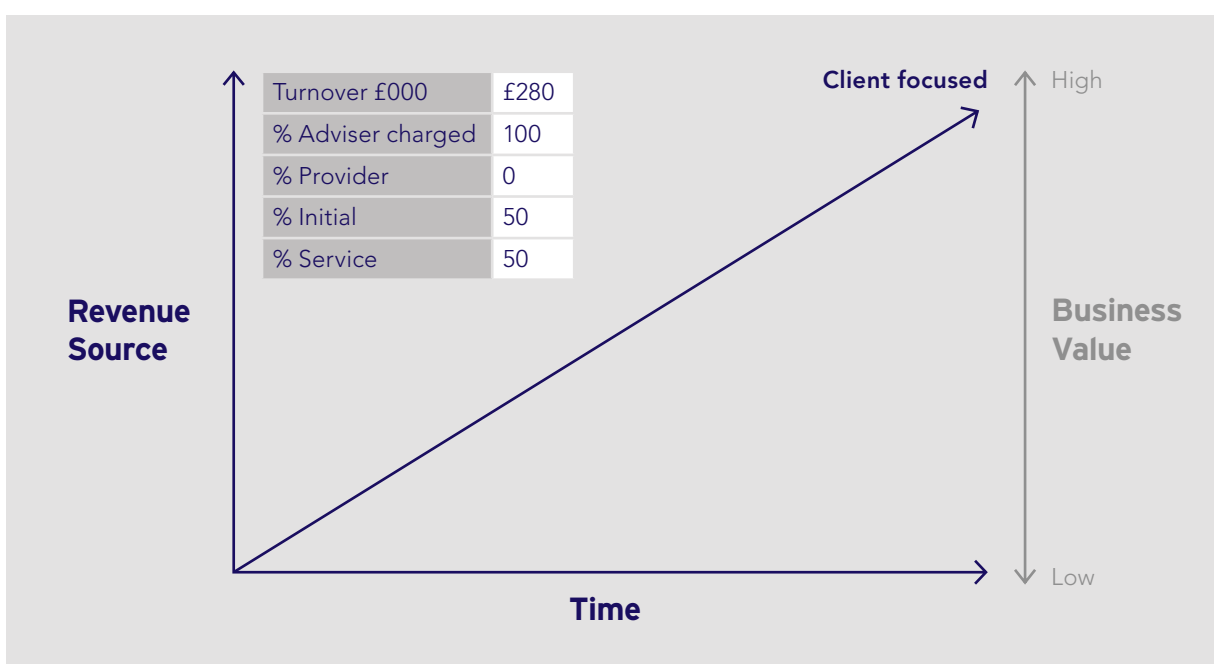
1. Current situation: where you are now

Revenue breakdown		% of total
Total revenue	£216,918	100%
Provider/commission based	£201,713	93%
Client based (adviser charged)	£15,205	7%
Initial (non-recurring)	£136,786	63%
Recurring	£80,132	37%
Estimated Assets under Advice ("AuA"):		
Investment	£22.0m	52%
Pensions	£20.0m	48%
Total	£42.0m	100%
AuA on TP Wealth Platform	£0.2m	1%
Clients on database		
Total clients	1,367	
Clients with policies/plans	880	

2. Future situation: where do you want to be, and by when

Revenue breakdown		% of total
Total revenue	£280,000	100%
Provider/commission based	£0	0%
Client based (adviser charged)	£280,000	100%
Initial (non-recurring)	£140,000	50%
Recurring	£140,000	50%
Estimated Assets under Advice ("AuA"):		
Investment	£22.0m	52%
Pensions	£20.0m	48%
Total	£42.0m	100%
AuA on TP Wealth Platform	£28.0m	67%
Clients on database		
Total clients	1,000	
Clients with policies/plans	1,000	

Plot The Future.



3. Business Transition Plan: How to get there

Principles:

1. Always work to your vision statement
2. Determine the business average hourly rate
3. Use adviser charging on all business transactions
4. Place all new business on the Wealth Platform wherever possible
5. Analyse and segment existing client base for opportunities to add value to clients and the business
6. Work in partnership with the consultant to achieve the business goals

Strategy:

The main business strategy for Example IFA revolves around our client base with particular emphasis on how we help manage their wealth and how we are rewarded for this service.

The thrust of this centres on using the True Potential Wealth Platform to solidify this strategy through controlling both the ownership of clients and moving our remuneration structure away from provider commissions and onto a model where the client pays us directly.

To best apply this strategy we have applied two approaches; one that deals with new money/clients and another that deals with existing investment and pension assets.

For new money and clients Example IFA will be adopting a process that places investment and pension business onto the True Potential Wealth Platform and takes an initial upfront fee from the client, derived from a % of the initial invested amount, and then an ongoing % of the overall investment amount. The former will remunerate us for the initial advice whilst the latter will pay toward us supplying the client with an investment process that builds wealth and provides on demand information to them.

For existing clients, we will be using the True Potential IFA Service Strategies platform to conduct valuations and asset allocation of their current investments and pensions and compare this to a client's current/future needs. Where there is a disparity, or where clients will benefit from a change, we will look to transfer their assets onto the True Potential Wealth Platform. For the majority of cases we will take an ongoing % from the client to pay for our ongoing service. For cases that require detailed analysis, we will look to apply an initial and ongoing % client fee in a similar way to new money/clients.

Although these two approaches differ in our analysis, both have the same foundations – we will look to offer our clients a consistent investment process that offers them asset growth and a service that they value.

This is done through combining the technology of the True Potential Wealth Platform to the expertise of unique and adaptive investment portfolios and then fusing this to an advice process, which fully understands our clients needs and deploys relevant strategies, information and return on investment.

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Strategy (continued):

To follow up:

30th July 2011

Establish the best fee structure to charge our clients for upfront and continued service. Apply this fee structure for all new business placed onto the Wealth Platform.

30th August 2011

Remove clients from our database who own no active policies, or, if relevant, revisit these clients for future business opportunities.

30th September 2011

Perform the first analysis of our current client bank and begin the transfer process onto the True Potential Wealth Platform.

Signed by Business Principal:

Date:

Signed by TP Business Consultant:

Date:



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