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Family Office Exchange Report Reveals How Advisors are Handling the Loss of Pricing Leverage with New Ultra-Wealthy Clients

FOX Identifies Four New Strategies Utilized by Forward-Thinking Wealth Advisors

CHICAGO, December 15, 2016 – A recent report from Family Office Exchange (FOX), a global membership organization of enterprise families and their key advisors, has uncovered new strategies that forward-thinking advisors are beginning to use to better link value and price with their ultra-wealthy clients in the face of increasing price competition.

The findings stem from the recently released **2016 FOX Value Price Study: The Critical Link in Ultra-Wealth Market**, which is available to all FOX members. According to the report, advisors have lost at least some pricing power with prospects, as fees quoted to prospective clients have dropped 17% since 2008 and 15% since 2012. Among current clients, fees have flattened-out—in large part due to the difficulty advisors encounter in articulating value.

In response, some advisors have begun utilizing four strategies to better link value and price:

- 1) **Mastering Underlying Economics:** Achieving sustainable business economics by thoroughly understanding value while making pricing and cost management everyone's job at the firm.
- 2) **Realigning Price and Value:** Making it easier for clients to see how competitor fees line up, and enabling a more effective method to match firm talent against client needs.
- 3) **Adapting Resources to Meet Changing Client Needs:** Making it easier for clients to access the firm's capabilities, and determining more efficient ways of bringing resources to bear on the client's most pressing needs.
- 4) **Managing Perception of Value:** Better connecting client needs to the full value the firm may provide to them, and continually assessing whether their fees are aligned with that value.

"The 2016 FOX Value Price Study reveals that the state of the ultra-wealth business remains quite healthy, even in the face of market volatility and growing competitive intensity. However, we have uncovered mounting evidence that the prevailing pricing model employed by ultra-wealth advisors needs attention," said David Toth, Director of Advisor Research at Family Office Exchange. "The value/price relationship deserves careful thought when considering what changes to make to the pricing model. This report takes a look at how some firms are taking on the challenge of finding better ways to demonstrate value to their clients while refining their pricing models."

The 2016 FOX Value Price Study: The Critical Link in Ultra-Wealth Market offers pricing data, trends in the ultra-wealth market, and insights about strategies advisors are harnessing. The report is available to all FOX members as a benefit of membership. To learn more about FOX Advisor Councils, including the FOX Thought Leaders Council, the FOX Multi-Family Office Council, and FOX Integrated Wealth Advisor Council, please visit <https://www.familyoffice.com/about-fox-council#advcouncils>.

About Family Office Exchange

Family Office Exchange (FOX) is the premier global member network for enterprise families and their advisors who are pursuing best practices for managing their family enterprise and growing their family wealth. The community includes over 8,000 family leaders and sophisticated advisors from 500 organizations in 20 countries who utilize FOX's resources each year for advice, networking, education, and best practices in wealth management.

FOX is headquartered in Chicago with offices in New York, San Francisco, and Sydney. For more information about FOX, email us at info@familyoffice.com or visit www.familyoffice.com.