

WHITE PAPER

NEXT GEN ADVICE: FUTURE-PROOFING YOUR BUSINESS FOR 2030

Plan for success

Strategi
Group

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Foreword

Globally, the manner and style in which personal financial advice is delivered to consumers is evolving. The rise of direct-to-consumer fintech solutions being introduced by non-traditional competitions, the rapid emergence of sophisticated AI models that will revolutionise all aspects of the advice process, and higher consumer expectations, underpinned by a resultant increase in regulatory obligations are redefining the successful attributes of the modern financial adviser.

The insights provided in the report offer a roadmap for New Zealand modern advice practices on how they can positively respond to these environmental shifts and position their advice offering for 2030 and beyond. The findings of the report were presented at the 2025 National Adviser Conference – *Shaping the Future of Advice* – as part of a modern advice practice workshop series that traced the business cycle of advice businesses from emerging start-up to innovation for growth, to maturity. The challenges and opportunities faced by financial advisers are fundamentally different through each of these stages.

I would like to thank Strategi for applying the findings of global research to our New Zealand advice market and painting a picture of what a NexGen advice business may look like. I encourage all new and emerging advisers to delve into this report and use its findings to inform their advice proposition and business strategy.

Together, we can shape the future of advice.

Nick Hakes
Chief Executive Officer
Financial Advice New Zealand





Introduction

This white paper expands on insights shared by David Greenslade (Founder and Executive Director of Strategi Group) at the Financial Advice New Zealand Conference in April 2025.

The financial advice industry is evolving rapidly, and the firms that thrive in 2030 will look very different from those operating today. This paper explores what a "Next Gen" advice business will look like and provides practical steps to help you future-proof your firm.

Your business model should align with your vision, resources, and strengths—there's no single right way to operate. However, global trends indicate that thriving advice firms will likely have key traits in common, such as:

- The ability to adapt quickly to industry shifts and seize opportunities.
- Reduced reliance on a single key person (e.g., the founder).
- A scalable, high-value business model that can be sold or passed on.
- The ability to generate both a market salary and strong returns for owners.

2030 is less than five years away, and most businesses already have a strategic plan covering three to ten years. Now is the time to ensure that plan includes the key attributes of a Next Gen advice business.



What defines a next generation advice business?

A “Next Gen” advice business is designed for the future. It understands changing client needs, operates through preferred digital channels, and delivers services efficiently and affordably. It doesn’t just react to industry changes—it anticipates them.

Predicting the future with absolute certainty is always challenging. While events will inevitably shape the landscape, businesses must be agile enough to adapt quickly to these changes. The good news is that trends within the financial advice industry have been consistent for several years, and a wealth of research is available to give us a strong sense of what the future holds. We can reasonably predict the key characteristics that will define a successful “Next Gen” advice business by 2030.

It’s also important to note that not all businesses will need to change drastically to thrive in the future. Many established firms are well-positioned to continue successfully as they are. However, the market they serve and their profitability relative to turnover may gradually face challenges if they don’t evolve alongside industry trends.

Key characteristics of a Next Gen advice business in 2030

The diagram below outlines the common attributes of what a 2030 Next Gen advice business might look like.





Much of the research on future trends in the financial advice industry and the ideal structure of a financial advisory business comes from overseas markets. While this research is valuable, it can sometimes paint a skewed picture of what a "Next Gen" advice business might look like in 2030. This is because international markets often have characteristics that differ significantly from New Zealand's, such as:

A word about the research



- Larger market sizes: Overseas markets tend to have a larger overall size, which makes niche markets more viable. In contrast, New Zealand's smaller population means that focusing on a specific demographic can limit growth, as there simply aren't enough clients to scale effectively.
- More complex and prescriptive regulatory environments: Stricter regulations abroad can hinder innovation and slow down a firm's ability to adapt quickly to shifting consumer demands. Additionally, in highly regulated markets, clients often need more help navigating the regulatory landscape, creating greater demand for advisers to guide them through complex investment and compliance issues.
- Increased complexity in tax, asset protection, and ownership structures: More complex financial and tax environments in overseas markets often allow advisory businesses to charge higher fees because they provide more detailed, specialised advice. In contrast, New Zealand's simpler structures often result in less complexity, which can mean fewer opportunities for financial advisers to add high-value services.

Given these differences, it's important not to take research from overseas sources and assume it applies directly to the New Zealand market. While the trends identified in global research are useful, they need to be adapted to reflect the unique nature of our market.

For this white paper and in preparation for the Financial Advice New Zealand 2025 conference, we have taken a more nuanced approach. Instead of relying on a single piece of research, we've drawn insights from seven reputable sources, identified common trends, and then tailored these findings to the New Zealand context. This ensures our predictions are realistic and applicable to the way financial advice is delivered in New Zealand.

We used research from the following sources:

- MDRT 2024
- FPA 2024
- Michael Kitces
- Dimensional Fund Advisors (Managing Your Practice)
- Dimensional Global Adviser Study 2024
- Deloitte's 7 Mega Trends
- Deloitte's "Advice 2030: The Big Shift"

This research was then adapted to the New Zealand environment, ensuring that the findings are not only relevant but also reflective of the unique challenges and opportunities in our local market.

Technology: AI and automation in financial advice

The use of technology in New Zealand FAPs is already expanding rapidly.

Velis Ltd, a Strategi Group company, is working with FAPs to roll out AI bots, agents, and automated processes.

For more information on Velis click on the logo below.

Velis





The following technologies are already possible today and will be even more widespread and refined by 2030:

- AI agents handle inbound calls, schedule appointments, and answer client queries.
- AI agents make outbound calls to prospect clients, send promotional material, and schedule appointments.
- Meetings are primarily conducted via video, with client information pulled directly from sources like banks and insurance companies, eliminating the need for clients to provide and advisers to enter data.
- Client preferences are automatically updated into your AI-driven CRM.
- Calls are recorded, transcribed, summarised, and sent back to the client as an abbreviated summary, which also serves as the adviser's file notes.
- AI-driven research and product selection are integrated into your system. These agents provide options, pros and cons, and even draft the SOA (Statement of Advice) for adviser review.
- SOAs are increasingly delivered as video presentations with advisers talking through diagrams, bullet points, and pictures. Many include interactive, scenario-based calculators so clients can explore 'what if' scenarios. Written documents for SOAs are becoming less common.
- Email is rarely used; most communication happens via a secure app where both FAPs and clients interact. This app also stores important client records such as wills, insurance policies, and budgeting information.
- Client updates happen in real-time, with AI sourcing data from public records to keep client profiles current.
- Wet signatures are obsolete for all but the most outdated product providers.
- AI sifts through client data to identify when a client review is needed, flagging life changes or other events, and simultaneously suggesting possible solutions for the adviser.
- Advisers and staff communicate via video with past video calls stored for easy retrieval by clients through the app.

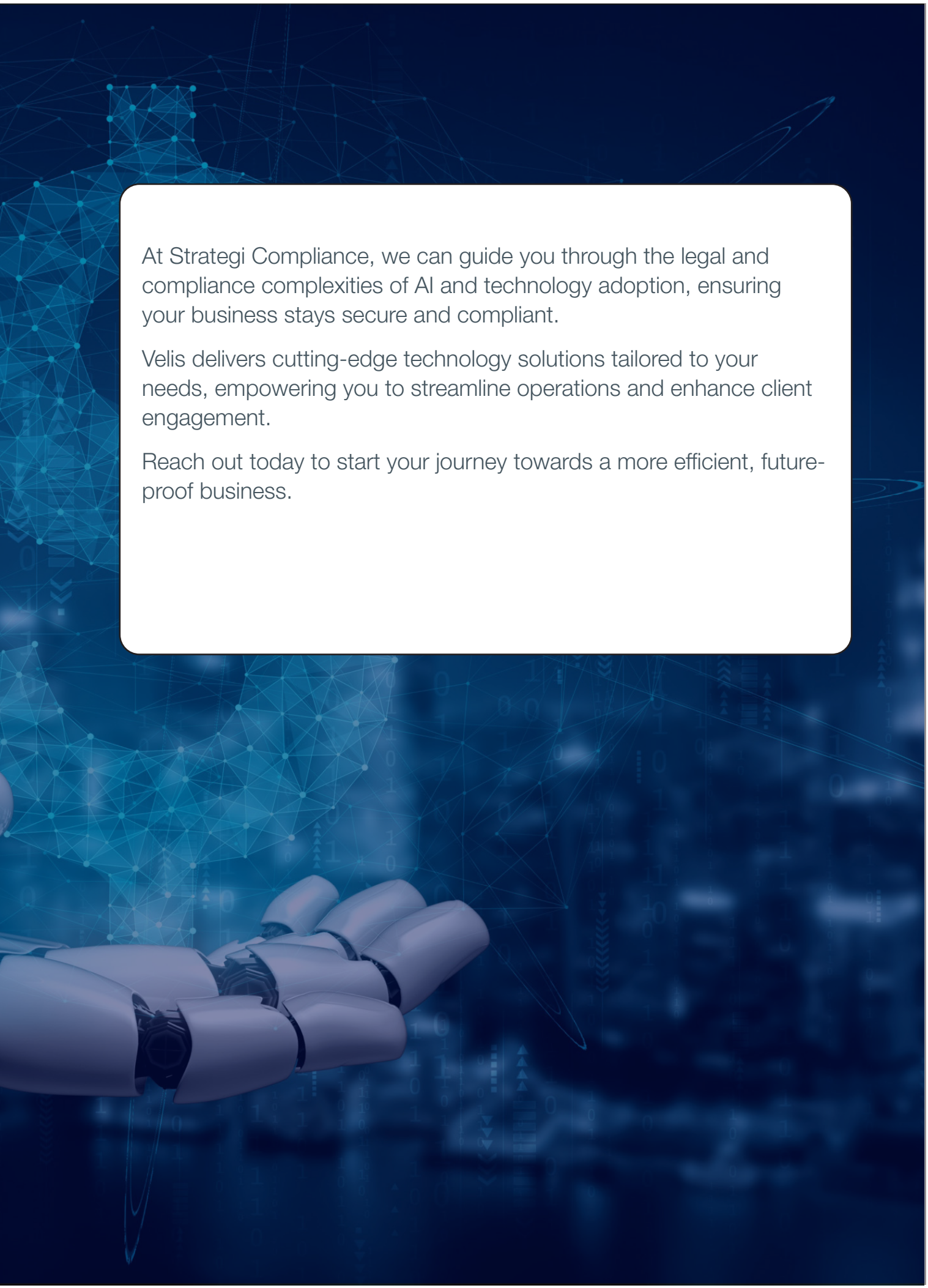
Technology will enable hyper-personalised advice by leveraging data analytics and AI to provide tailored recommendations that align with each client's goals and life stages.

What to think about before using AI

Implementing new technology, especially AI and automation, should never be a knee-jerk reaction to trends or what others are doing. It's important to approach an AI rollout with careful thought and planning.

Consider the following:

- What do your current and future target markets expect? How do they prefer to engage with you?
- How will you integrate AI and automation to ensure it's seamless, scalable, and easily upgradeable?
- How will you protect client information and privacy in line with security best practices?
- What compliance issues need to be addressed, and who will be responsible for sign-off and ongoing accuracy checks?
- What should your generative AI policy include to ensure ethical and legal usage?
- Is your current hardware capable of handling the new AI software, or will upgrades be necessary?
- How will you train and support your staff to maximise the benefits of the new technology?
- In what order should new technologies be implemented to ensure smooth transitions and minimal disruption?



At Strategi Compliance, we can guide you through the legal and compliance complexities of AI and technology adoption, ensuring your business stays secure and compliant.

Velis delivers cutting-edge technology solutions tailored to your needs, empowering you to streamline operations and enhance client engagement.

Reach out today to start your journey towards a more efficient, future-proof business.

Effective marketing in a digital world

By 2030, reaching tech-savvy clients will be tougher. With so much information online, it's important to ensure your marketing cuts through the noise. As people become more selective about what they consume, you'll need to establish yourself as a trusted source of information. Your audience will likely block out everything else, so building credibility quickly will be key.

To stand out, you'll need a marketing plan that targets the right audience in this increasingly narrow digital space. Relationships with trusted referrers will help.

Also, the reputation of your outsourcing partners matters. When you choose reputable partners, you boost your credibility and extend your reach. So, pick outsource providers who align with your values and who can help attract potential clients.

Your marketing strategy needs to be 100% on target so prospects know why they should be dealing with you.

A FAP will either be:

- A specialist: Specialists focus on a single product area, such as mortgages, investments, or personal insurance. To succeed and grow, you must establish yourself as an expert. This can be achieved through certifications like CFP, creating content such as videos or podcasts, participating in expert panels, showcasing client testimonials, and hosting webinars. Your clients need to understand why you're the best expert to solve their specific issues. Your marketing should emphasise how you stand out from other FAPs in terms of professionalism. It's essential for advisers to hold certifications like CFP, belong to a professional association, and have strong industry backgrounds.
- Generalist: The role of a generalist advice business is to save clients time, simplify all the financial aspects of a client's life, be one source of truth and provide referrals to reputable experts. A generalist business is likely to encompass life and wealth coaching to address all aspects of a client's financial well-being.

Regardless of whether your advice business is a specialist or a generalist, a key marketing focus will be the shift towards proactive advice. Instead of just reacting to client problems as they arise, technology will empower businesses to focus on proactive planning. This means helping clients anticipate and prepare for future financial needs, opportunities, and potential challenges—before they even occur. By offering this forward-thinking approach, your business can build stronger, long-term relationships with clients and position itself as a trusted partner in their financial journey.



Things to consider when shaping your marketing model:

- **Specialist or generalist?** Is your business currently positioned as a specialist or a generalist? Clarifying this will help determine your marketing strategy moving forward.
- **Differentiation in a crowded market:** If you aim to become a specialist, how will you differentiate yourself from other advisers who claim to be experts? What makes you stand out?
- **Upskilling your team:** What training or upskilling will you and your team need to effectively operate as a specialist or generalist?
- **Branding alignment:** Does your branding reflect your chosen model? Whether you're a specialist or generalist, your branding should clearly communicate your value proposition.
- **Sustainability and profitability:** For specialists, how sustainable and profitable is your target market? Assess the long-term viability of the niche you plan to target.
- **Impact of external factors:** Consider the potential impact on your capital value and profitability if your chosen specialisation is negatively affected by government policies or economic downturns.
- **Building a team of specialists:** If you are pursuing a specialist model, where will you source other specialists for your team? How long will it take to upskill them?
- **Generalist model structure:** If you adopt a generalist approach, do your financial advisers hold multiple strands of the New Zealand Certificate in Financial Services (Level 5)? Or will each adviser have a primary and secondary specialisation, with referrals to other team members as needed?

Outsourcing: Running a lean, scalable advice business

By 2030, successful FAPs will be larger in client numbers but will use fewer but more highly skilled staff to manage larger client bases. Core functions like client relationships will remain in-house, while non-core tasks will increasingly be outsourced to specialist providers.

Key functions small to mid-sized FAPs will outsource:

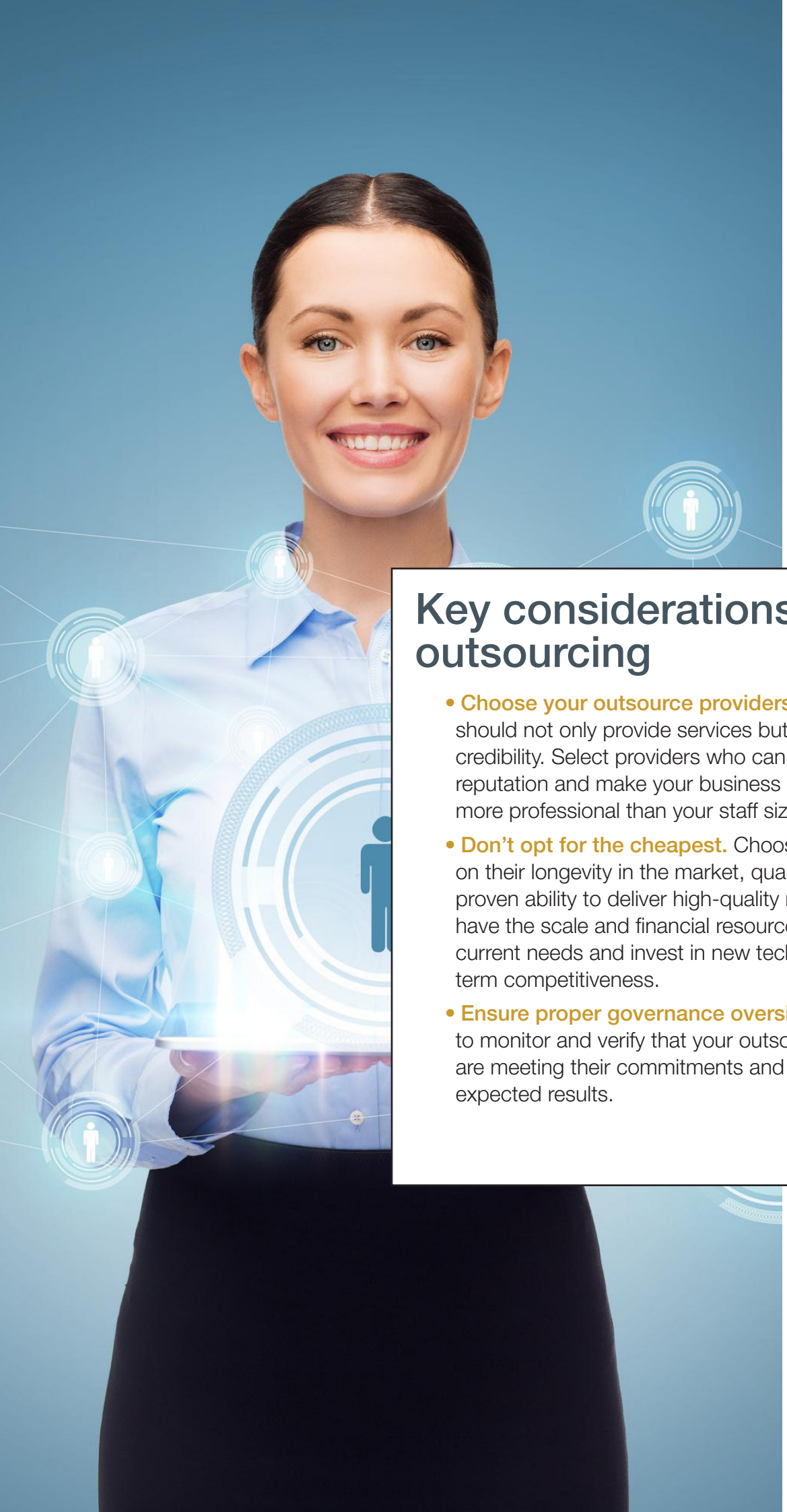
Commonly outsourced by FAPs	Emerging outsourcing
Accounting and Payroll: Many FAPs outsource accounting and payroll functions to streamline financial management. Platforms like Xero and MYOB, along with external accountants, simplify day-to-day financial tasks such as invoicing, payroll, and tax reporting. Outsourcing these functions allows FAPs to focus on core business activities while ensuring accurate, timely financial processing, with expert advice available when needed.	**Compliance:** Virtual compliance officers handle ongoing regulatory requirements, including monitoring, reporting, and ensuring adherence to industry standards. By outsourcing this function, FAPs can significantly reduce compliance costs—Strategi's experience shows savings of over 40%. Virtual compliance officers use specialised tools and expert knowledge to stay up to date with ever-changing regulations, allowing FAPs to focus on their clients while ensuring compliance is consistently maintained.



Commonly outsourced by FAPs	Emerging outsourcing
IT & Data Security: FAPs often outsource IT and data security to managed service providers. These experts handle software and hardware management, along with cybersecurity, ensuring systems stay secure, up-to-date, and running smoothly. Outsourcing IT reduces the burden on internal staff, mitigates security risks, and allows FAPs to access cutting-edge technology without building an in-house IT team.	**AML/CFT:** Third-party providers manage client due diligence and identity verification to ensure compliance with anti-money laundering (AML) and counter-financing of terrorism (CFT) regulations. By outsourcing these critical tasks, FAPs can reduce the risk of non-compliance, save time, and ensure that the process meets regulatory standards. These providers use advanced technology to perform thorough checks efficiently, allowing businesses to focus on their core operations while staying compliant with evolving legal requirements.

Commonly outsourced by FAPs	Emerging outsourcing
Data Storage and CRM: FAPs are increasingly outsourcing data storage and client relationship management (CRM) to secure, cloud-based platforms. These systems manage client information, automate workflows, and enhance engagement. By 2030, they will be fully integrated with AI, offering real-time insights and streamlining compliance. Outsourcing these functions helps FAPs maintain data security, improve efficiency, and focus on client relationships.	**Technology Integration:** AI-powered tools and automation are increasingly essential for efficient operations. These tools help streamline processes, enhance client experiences, and improve decision-making. As AI technology evolves, FAPs will need specialist providers to build, maintain, and continuously optimise these systems to keep up with the latest advancements. Outsourcing this function ensures that businesses stay ahead of technological trends without having to invest in constant internal upgrades.
Research: FAPs are outsourcing research to independent solutions that provide product comparisons and insights. By 2030, these tools will be seamlessly integrated into advice documents, delivering personalised, data-driven recommendations tailored to each client's needs. This integration streamlines the advice process and enhances the value FAPs provide, ensuring clients receive relevant and well-informed recommendations.	**Training:** Outsourcing training involves leveraging platforms like the Strategi Institute, Financial Advice New Zealand, and other industry partners to deliver relevant, up-to-date training. By 2030, training will be fully integrated into centralised platforms (e.g., Radar), where all internal and external training activities are tracked and recorded. These platforms align with compliance and business plans, helping to automatically populate an adviser's professional development plan, ensuring continuous skill enhancement and regulatory adherence.

Commonly outsourced by FAPs	Emerging outsourcing
Marketing Functions: Currently, many FAPs outsource key marketing tasks such as SEO, website development, and maintenance to specialist providers. By 2030, these functions will be fully integrated with AI agents and your CRM, enabling personalised and automated marketing strategies. Maintaining and updating client apps and secure portals will also be vital for ensuring ongoing client engagement, trust, and a seamless digital experience.	**HR:** Outsourcing HR functions to a virtual HR officer allows FAPs to access specialised support for key tasks such as recruitment and employee management. By 2030, this approach will be even more common, providing businesses with scalable HR solutions while reducing the overhead of an in-house team. Virtual HR officers offer strategic guidance, ensure compliance with employment laws, and help businesses grow by minimising administrative burdens. Most 2030 Next Gen businesses will offshore a number of their staff to countries like the Philippines.
Investment platforms: These digital hubs give advisers access to a broad range of investment products in one place, streamlining portfolio management, reporting, and transactions. By 2030, platforms like those offered by Consilium will be essential, helping FAPs reduce client costs, improve efficiency, and simplify business operations.	**Back-office admin:** Virtual administrators handle essential back-office tasks such as onboarding new clients and tracking product applications. By outsourcing these administrative duties, FAPs can streamline their operations, reduce overhead costs, and free up staff to focus on more strategic, client-facing activities. This approach is becoming more common as businesses seek to improve efficiency and reduce manual workloads, all while maintaining high standards of service.



Key considerations for outsourcing

- **Choose your outsource providers carefully.** They should not only provide services but also enhance your credibility. Select providers who can help elevate your reputation and make your business appear larger and more professional than your staff size might suggest.
- **Don't opt for the cheapest.** Choose providers based on their longevity in the market, qualitative ratings, and proven ability to deliver high-quality results. Ensure they have the scale and financial resources to meet your current needs and invest in new technology for long-term competitiveness.
- **Ensure proper governance oversight.** You'll need to monitor and verify that your outsourced providers are meeting their commitments and delivering the expected results.

Governance and compliance: Building a sustainable foundation for the next gen

As we look towards 2030, strong governance and compliance frameworks remain essential for the future-proofing of advice businesses. Effective governance will enable firms to remain adaptable in a rapidly evolving industry, while ensuring that compliance is an integral, value-adding part of the business. As Next Gen advice businesses will likely be more technology-driven and reliant on outsourcing, ensuring governance and compliance are built into your operations will help enhance client trust, drive efficiency, and reduce risks.



Small firm: Trusted professional consultant

For smaller firms, appointing a trusted professional as a consultant to chair regular board meetings is an effective and affordable governance strategy. This individual can help guide you through licensing requirements and regulatory expectations, while also challenging your thinking and providing expert advice on strategic decisions. This option provides valuable oversight without the cost of a management consultant, making it an ideal choice for smaller businesses working towards a more scalable model.

Mid-sized firm: Independent directors

As your firm grows and becomes more complex, independent directors can bring structure and accountability to your governance. Their external perspective will be invaluable in helping you navigate industry changes, mitigate risks, and align your operations with the latest regulatory standards. By 2030, Next Gen advice firms will

need to ensure that governance evolves in parallel with the growth of the business, and independent directors will be a key part of this evolution, helping to scale operations while maintaining compliance and risk management practices.

Compliance: Integrating compliance into operational processes

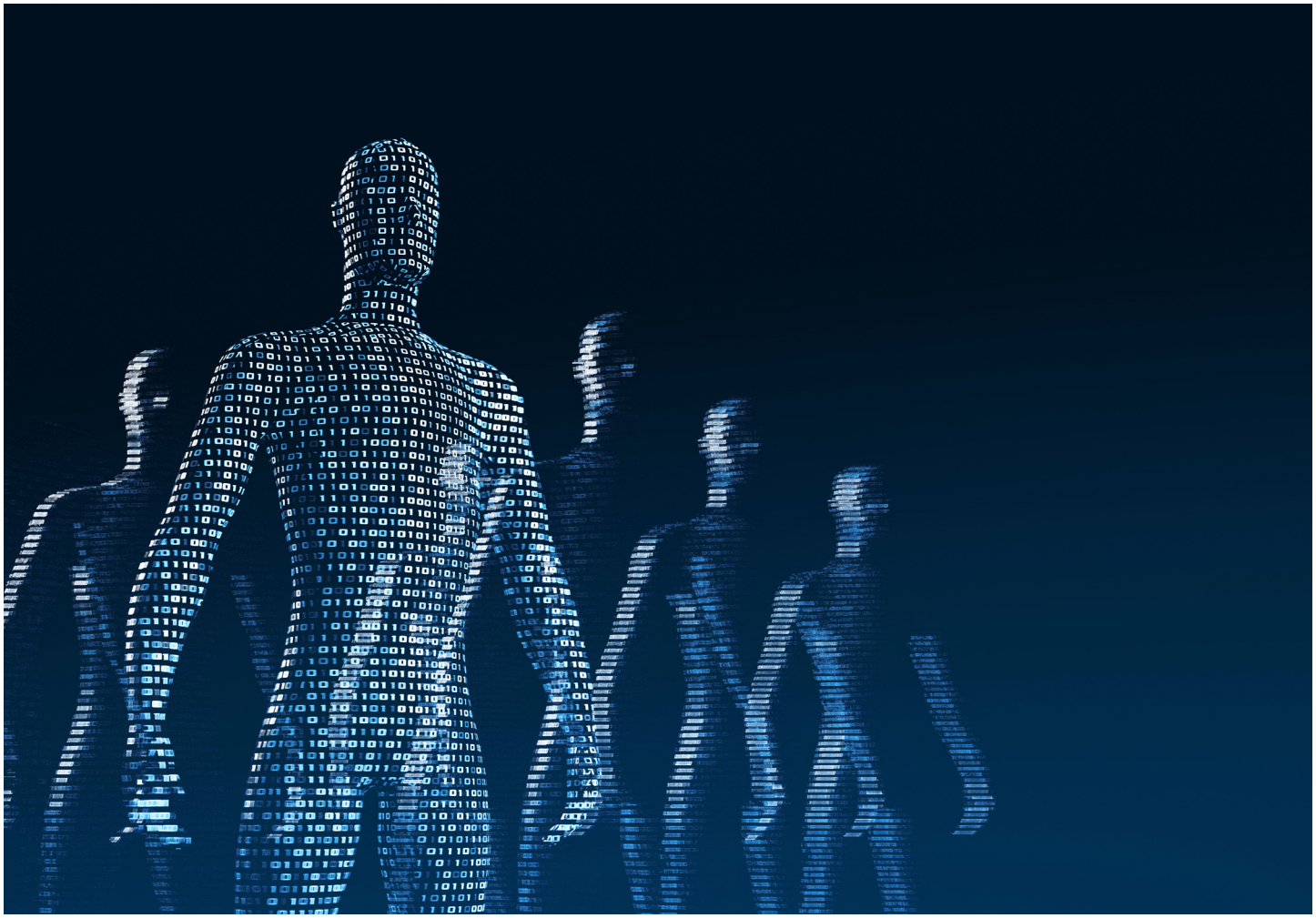
Compliance must be seamlessly integrated into your firm's operational processes, rather than being viewed as a hindrance. For Next Gen advice businesses, where AI, automation, and outsourcing are central to operations, compliance will need to be embedded into technology platforms and workflows. This approach will ensure that compliance supports, rather than obstructs, the advice process.

By 2030, compliance providers will play a crucial role in helping firms adopt new technologies while ensuring that their advice processes remain compliant with evolving regulations. This includes leveraging generative AI for financial advice, with a compliance partner who can confirm that AI-driven analysis meets the same high standards as advice provided by human advisers with the latest version of the New Zealand Certificate in Financial Services (Level 5).



Key considerations for governance and compliance

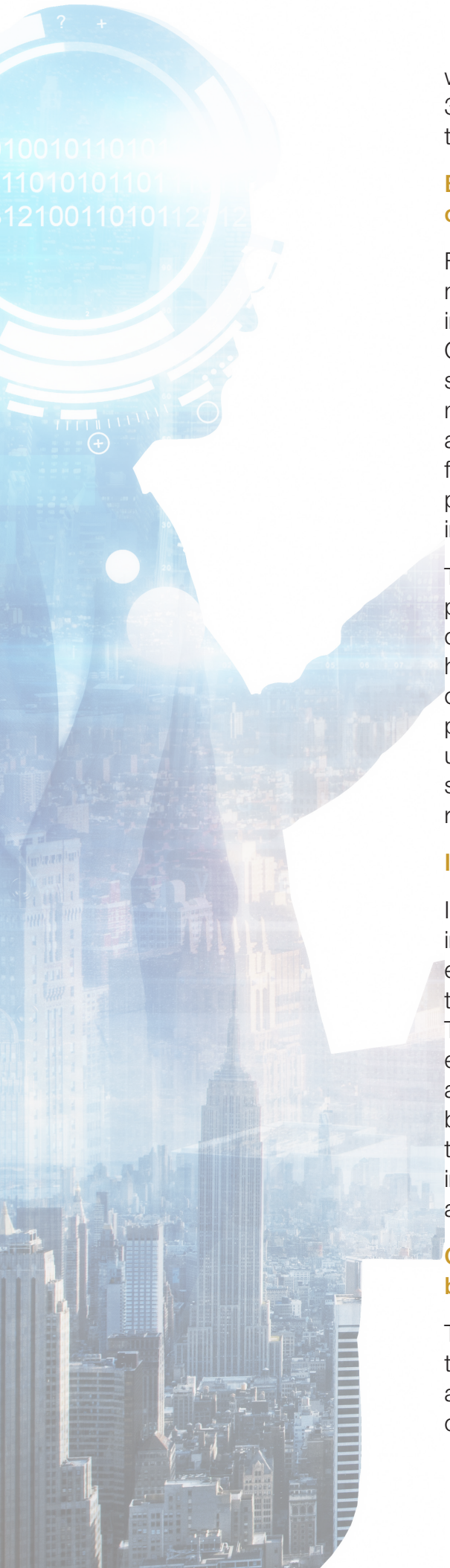
- **Review your governance and compliance operation** against the FAP licensing expectations set by the FMA to ensure your firm remains compliant and future-ready.
- **Increase your governance competence, knowledge, and skill** through continuous professional development, such as completing the governance modules prepared by Strategi Institute, ensuring your firm's governance framework is ready for the demands of a technology-driven future.
- **Plan for governance scalability** as your business grows. Build governance as part of your business strategy to ensure your business adapts to industry changes while staying compliant and competitive.



Our people: Empowering human connection in a technology-driven future

A 2030 Next Gen advice business understands that while technology will play an increasingly significant role, it is the people who are at the heart of its success. Financial advice is, above all, a relationship-driven business. In this future-focused landscape, your people must be empowered to focus on what truly matters: building meaningful relationships with clients and prospects.

Technology will enable advisers and support staff to interact with more clients, offering them personalised service in greater detail than ever before. By automating administrative tasks and leveraging AI, the business frees up valuable time for human interactions, ensuring clients receive the best advice and support possible. In fact, advisers and administrators will spend over 50% of their time engaging with clients rather than completing administrative duties,



which could increase gross revenue per staff member by 30% or more. This is a pivotal shift as technology works to support, rather than replace, human-driven service.

Building a multi-skilled, highly capable team to optimise client relationships

For smaller firms, it's important to build a team that is not only technologically competent but also highly skilled in interpersonal relationships. Advisers should hold the Certified Financial Planner (CFP) designation as the gold standard of excellence and regularly complete relevant micro-credentials. This ongoing upskilling ensures advisers and staff are well-versed in the latest technology, financial trends, and client relationship strategies, positioning them as trusted experts in a rapidly evolving industry.

The integration of advanced technology such as AI-driven portals and tools will help advisers gather and analyse client data quickly and efficiently, allowing more time for human interaction. The team's focus will be on guiding clients through the technology, interpreting results, and providing personalised advice. Staff will be trained on using these tools effectively while honing their soft skills, such as empathy and emotional intelligence, which will remain crucial for nurturing long-term client relationships.

Investing in staff: A future-proof approach

In a Next Gen advice business, staff are seen as a critical investment. They should be chosen carefully, with an eye toward not only their technical competence but also their ability to connect with clients on a deeper level. The future workforce will require a mix of life skills, client empathy, and a deep understanding of how financial advice impacts clients' lives. While low-paid staff handling basic tasks may be replaced by outsourcing and AI, the key employees will need to have sophisticated interpersonal skills, along with expertise in technology and the regulatory environment.

Client interactions: Less admin, more relationship-building

The role of the adviser will shift. Rather than spending time inputting data or performing repetitive tasks, advisers will be focused on deepening relationships with clients, discussing personal goals, and guiding them

to resources via the client portal or app. They'll spend more time on value-driven conversations, checking AI outputs for accuracy, and fine-tuning advice strategies. This emphasis on human connection will ensure that clients feel heard, understood, and supported in all aspects of their financial journey.

The rise of user reviews and ratings

By 2030, user ratings and reviews will be more common, offering clients a transparent view of adviser performance. This added transparency will help clients make informed decisions about the advisers they work with and encourage firms to continually elevate the standard of service they provide.

Key considerations for staffing

- **Select staff wisely:** Your team is your most important asset. Invest in individuals who are not only skilled in their role but also excel in client relationships.
- **Leverage outsourcing and automation:** Repetitive administrative tasks can be handled by outsourced providers, AI and automation, allowing your team to focus on more meaningful, client-centred work that drives value by building stronger relationships.
- **Focus on life skills and empathy:** Ensure that the staff you retain have strong interpersonal skills and a deep understanding of how financial advice impacts clients' lives.
- **Invest in training:** Continuously upskill your staff in technology, the regulatory environment, and soft skills to prepare them for the evolving demands of the industry.
- **Owner/manager upskilling:** As the owner/manager, make sure you are equipped to manage a remote workforce and multiple outsource providers effectively.



Summary

The business environment for financial advice firms is evolving at a rapid pace. To stay relevant to both current and future clients, businesses must be agile and proactive in embracing change. The financial advice industry has undergone significant transformation over the past five years, and the pace of change shows no signs of slowing.

Now is the time to define the kind of business you want to be in five years and create a strategic plan to get there. The key traits of a successful “Next Gen” advice business in 2030 are already becoming clear. These include adaptability, a focus on technology-driven efficiency, strong governance, and a commitment to delivering highly personalised, proactive advice.

By embracing these principles and planning ahead, your firm can not only keep up with the changes but thrive in an increasingly competitive and dynamic market.

The team at Strategi Group is here to guide and support you on this journey, helping you build a sustainable, forward-thinking business that stands the test of time.

