

# NAPFA ADVISOR

THE ART AND SCIENCE OF THE FEE-ONLY PRACTICE

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2016

## FUTURE TRENDS

Issues facing  
advisors  
in 2016

Also:

- Future of financial planning education
- Stress testing life insurance
- Work-life balance
- Hiring a CIO



# Prepare for Change



Each year, many of us take some time to think more deliberately about what lies ahead. While financial advisors always have an eye on the future, it's important to set aside time to identify and plan for trends that could affect the way business is done.

In this issue of the NAPFA Advisor, we revisit our annual look ahead at some trends affecting the financial planning profession. For this special section, we've brought together some of the leaders of our profession and the service industries that support us. As you think about 2016 and beyond, their ideas could help you expand your services and make the most of opportunities on behalf of your clients. At the same time, it's helpful to examine some of the broader influences that are helping to drive these trends.

I recently spoke with Mike Byrnes about this topic. Byrnes is a national speaker and owner of Byrnes Consulting, LLC, which provides consulting services to advisors in the areas of business planning, marketing strategy, business development, client service, and management effectiveness. He's spent a great deal of time himself thinking about the future.

Technology is one big area where the pace of change always seems to be increasing, and technology continues to affect how advisors do business while staying relevant in an on-the-go, smartphone world.

"Computers will continue to increase their capacity," Byrnes said, "and someday they will likely surpass human intelligence. Machines have already replaced physical jobs, but what happens when computers replace mental jobs? While it's true that some of the workforce will no longer be needed, technology will bring about the need for new professions that don't exist today."

What does that type of change mean for advisors? It's hard to say, but it is clear that because change in general is increasing at an exponential rate, you'll have to be ready to adapt, both professionally and personally. "It took years for radio to be surpassed by the TV as the preferred way to get information and be entertained," Byrnes said. "Younger generations will have to adapt to more rapid change."

"Organizations that missed opportunities to evolve and didn't see the value of disruption cease to exist over time," Byrnes said. "Many things we thought were just science fiction in the movies that we grew up watching are now a reality."

Longevity, already a topic that advisors increasingly focus on, will be even more of a factor in the future.

"Biotech advancements will vastly increase the average life expectancy," Byrnes said. "With people living longer, it brings about issues and opportunities. Advisors should focus on providing services or products to complement longevity."

Finally, Byrnes points out the need to be in constant communication with the world at large and with individual clients, essentially erasing barriers of time and space that were once a part of doing business.

"The 9-to-5 model of operations for many organizations will be shaken to the core," he said. "We are moving from a private culture to a public one. Traditional communications are getting sucked into what I call the 'communications black hole' and coming out through the internet. Learn how to take advantage of that."

## NAPFA CONTACT INFORMATION

8700 W. Bryn Mawr Ave, Suite 700N

Chicago, IL 60631

800.366.2732 • 847.483.5400

info@napfa.org www.napfa.org

FAX: 847.483.5415

## Staff

CEO

**Geoffrey Brown** | [browng@napfa.org](mailto:browng@napfa.org)

Executive Assistant to CEO

**Mardi Lee** | [leem@napfa.org](mailto:leem@napfa.org)

Senior Manager, Member Services

**Nikki Palluzzi** | [palluzzin@napfa.org](mailto:palluzzin@napfa.org)

Senior Manager, Professional Growth and Education

**Robin Gemeinhardt** | [gemeinhardtr@napfa.org](mailto:gemeinhardtr@napfa.org)

Marketing and Communications Manager

**Jacqueline O'Reilly** | [oreillyj@napfa.org](mailto:oreillyj@napfa.org)

Membership and Education Coordinator

**Heidi Tennant** | [tennanth@napfa.org](mailto:tennanth@napfa.org)

Membership Coordinator

**Cindy Ganze** | [ganzec@napfa.org](mailto:ganzec@napfa.org)

Controller

**Laura Maddalone** | [maddalanel@napfa.org](mailto:maddalanel@napfa.org)

Operations Assistant

**Nida Ashraf** | [ashrafn@napfa.org](mailto:ashrafn@napfa.org)

Operations Assistant

**Dianna Leja** | [lejad@napfa.org](mailto:lejad@napfa.org)

NAPFA Foundation Program Officer

**Jennifer Shimp** | [shimpj@napfa.org](mailto:shimpj@napfa.org)

## Consultants

NAPFA Advisor Editor

**Chris Hale** | 540.354.0755 | [editor@napfa.org](mailto:editor@napfa.org)

Publisher and Director of Magazine Operations

**Eric Haines** | 732.920.4236 | [ric.haines@erhassoc.com](mailto:ric.haines@erhassoc.com)

NAPFA Advisor Production

**Eric Georgevich** | [ericgeorgevich@gmail.com](mailto:ericgeorgevich@gmail.com)

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