

# Actual Profit Margins By Firm



# Profit Breakdown - Yes, There Is A Problem!

100 Firms (all shapes, sizes and revenue mix)	Revenue and Profit Profile	Expense Profile	
Gross Revenue	\$ 190,000,000	100%	
Gross Expense	\$ 150,000,000	79%	
<b>Gross Profit</b>	<b>\$ 40,000,000</b>	<b>21%</b>	
Upfront Non-Recurring Revenue	\$ 19,000,000	10%	
<b>Net Profit on Ongoing Revenue</b>	<b>\$ 21,000,000</b>	<b>11%</b>	<b>YES – THIS IS A PROBLEM</b>
Individual Client Group Profit Range - off the chart	<b>Plus 300% to Negative 200%</b>		<b>YES – THIS IS A BIG PROBLEM</b>

- **No firm has accurately priced more than 15% of the current ongoing clients they advise!**
- **Clients priced accurately was more by accident than by design!**
- **Fixing the Pricing Framework also fixes positioning the value and service clients receive by all advisers within your firm**