



BITS AND PIECES

TIPS AND IDEAS ABOUT THE FIDUCIARY RULE

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The Economics of BICE

Have you developed a budget for BICE?

In preparing a [BICE budget template](#) DALBAR found thirteen separate activities that the typical advisory firm will have to perform. Each of these activities were examined for the immediate and future effect in three major areas... Resources, Revenue Loss and Strategic Position.

One example of a BICE activity is to demonstrate that recommendations are in client's best interest. This activity will require implementation of a system to discover, interpret, record and act on client's best interest as well as a review process to update and realign investments with client's best interest.

The analysis shows that this activity (1 of 13) will affect:

Resources

Legal and Compliance Expertise, Systems Technology Resources, Communication Expertise, Digital Technology, Training, Marketing, Risk Management, Advisor.

Revenue Loss

Client Attrition, New Business Pricing, Advisor Attrition, Rollover Prohibition.

Strategic Position

Advisor Productivity, Need for Small Account Solution, Reaction to Non-Incentivized Compensation, Increase in Unpleasant Activities.