Cracking the Client Code

Data-Driven Financial Advisor Prioritization

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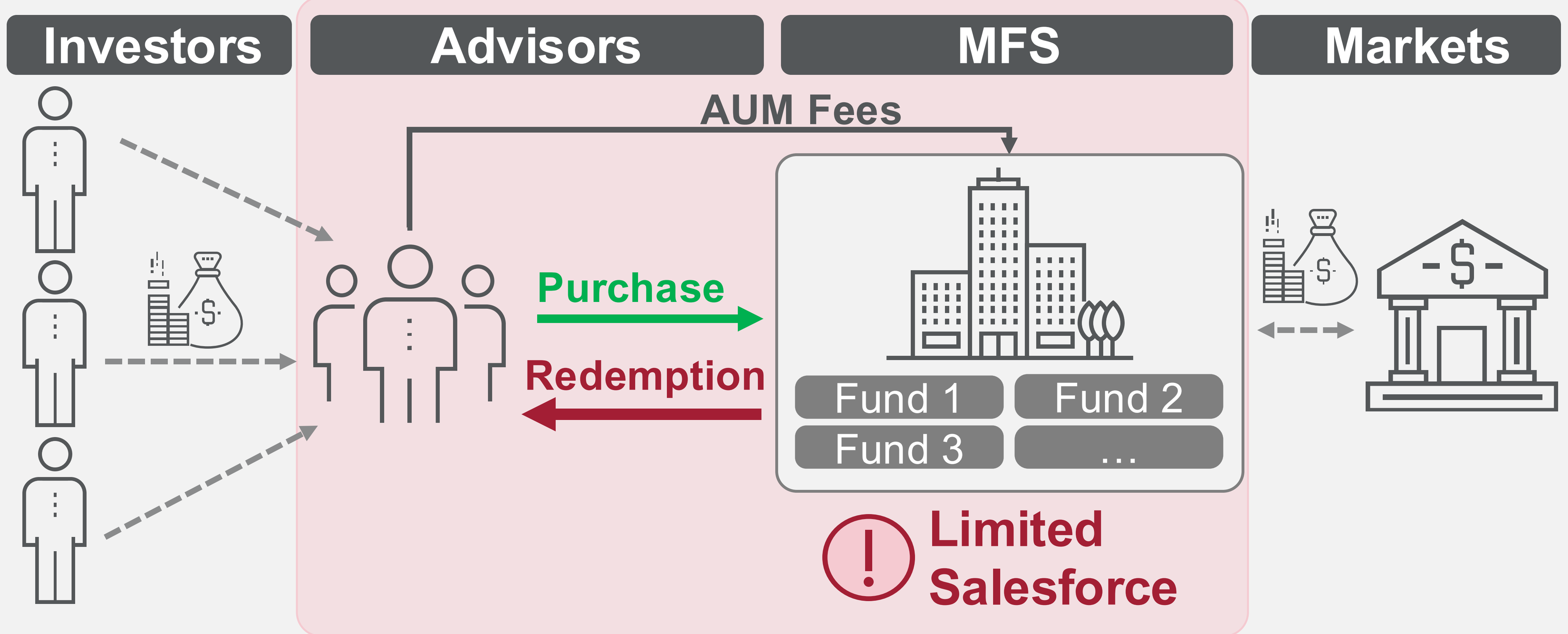
Problem Statement

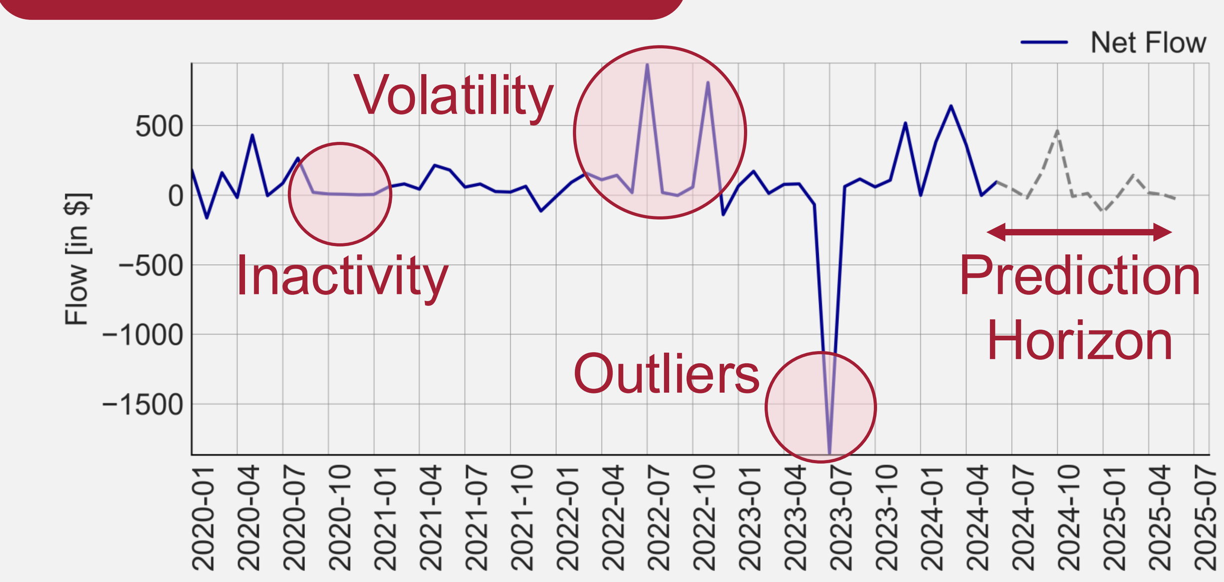


“ **Understanding advisor net flows is critical** for MFS to allocate its limited salesforce effectively and maximize assets under management through **targeted engagement**

Objective

“ Develop a **data-driven framework** to optimize client-mix by **predicting advisor net flows** and ranking advisors to guide **prioritization**

Flow Prediction



Methodology

1 Data

- Trans-actions
- Inter-actions
- Asset Under Mgmt.
- Advisor Data

2 Feature Eng.

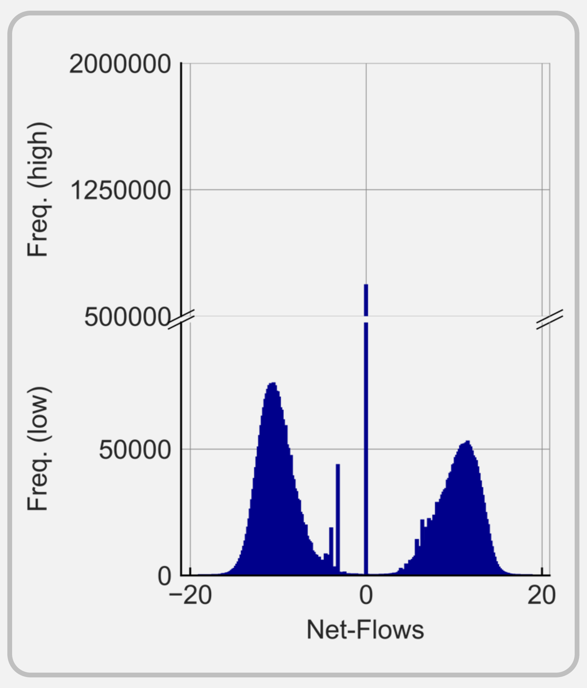
Time-Series
Rolling Stats, Volatility, Momentum, Lags, Trend Regressions

Meta Features
Demographics & other Meta-Data

Natural Language
Sentiment Features & Intent Signals

3 Target Variable

Sign-Log Transformation



4 Modeling Approach

		Input	Modeling	Output
Time Series		Flow Time Series (y)	Time-Series Model (e.g., ARIMA)	Flow Forecast
Cross-Sectional	Direct	Flow Time Series (y) + Explanatory Variable (X)	Cross-Sectional Model (e.g., XGBoost)	Flow Forecast
Cross-Sectional	2-Stage		Stage I: Flow Classifier; Stage II: Redemption Pred. Model, Purchase Pred. Model	Agg. Stage I+II Preds (Weighted, Sum, Argmax)

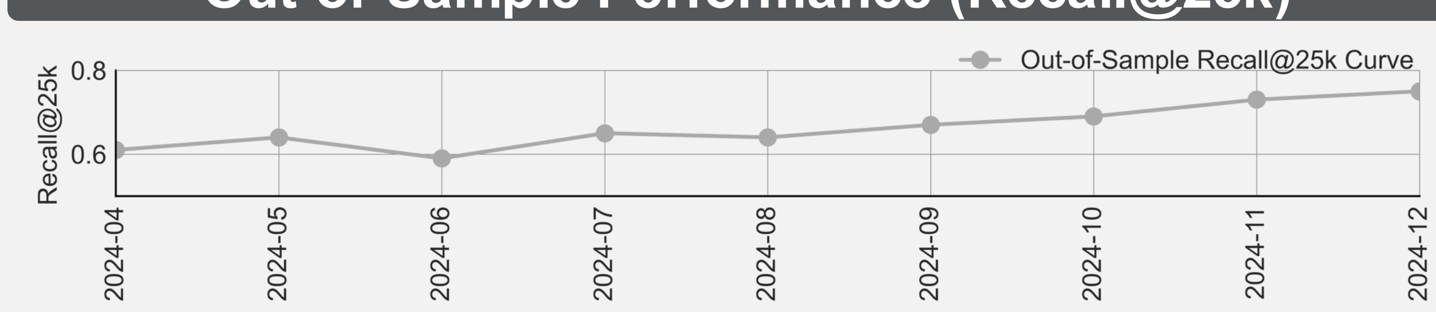
Results

Evaluation Strategy

1. Rank Predictions
2. Consider top *k* Advisors
3. Calculate Recall@*k*

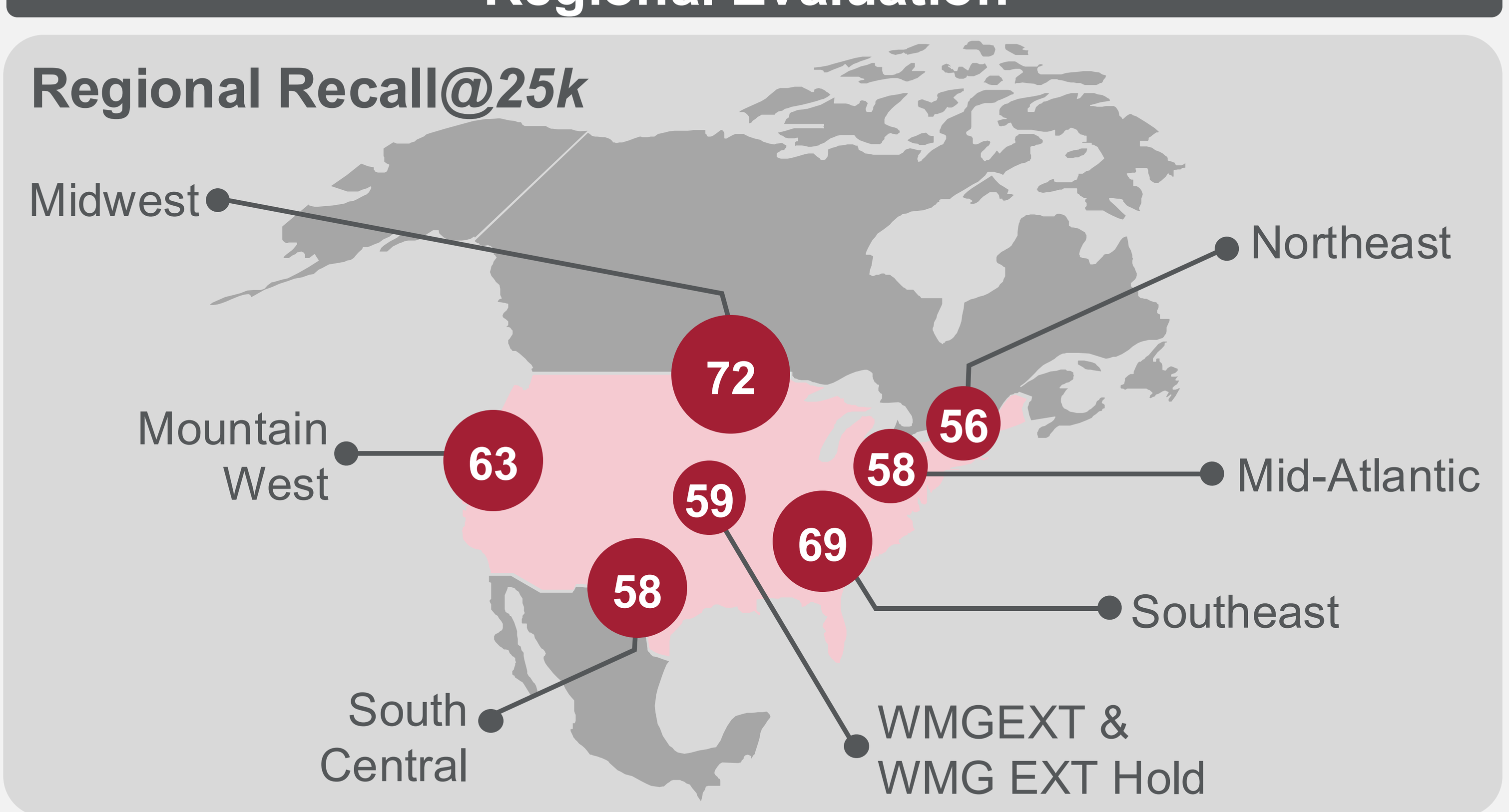
Interpreted as business relevance score

Out-of-Sample Performance (Recall@25k)



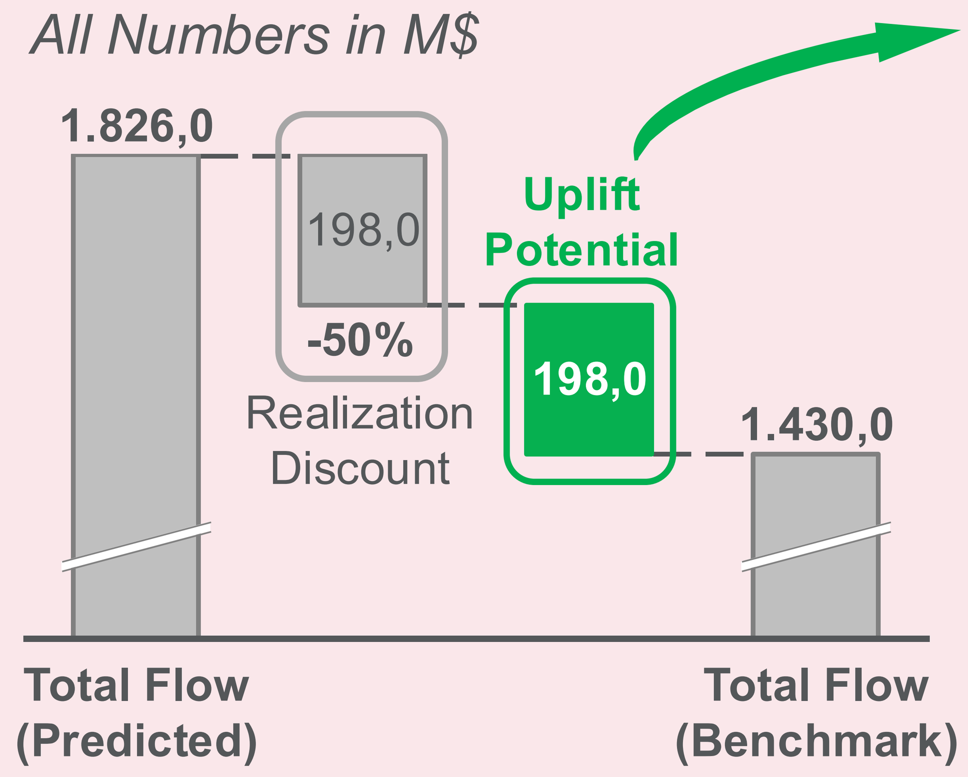
- 65% Avg. Recall
- 59% Min. Recall
- 78% Max. Recall

Regional Evaluation



Business Impact

All Numbers in M$



$198,0M x 1%
Potential AUM Fees

+$2.0M

Gain Through Machine Learning Forecasting

“ Powering **advisor prioritization through predictive intelligence**—to unlock sales potential and drive long-term **AUM growth**.

Outlook

Data Foundation
More data history and variety improve signal-to-noise ratio

Deep Learning
Multi-modal ML hold promise for superior performance

Prescription
Optimization unlocks more flexible decision-making