



A big step forward

Impact Report 2022–2023

Our story

“Every day is a journey,
and the journey itself
is home.”

Matsuo Bashō



Leaping ahead

Barry Horner, CEO



Welcome to our 2022-2023 Impact Report. Once again, we have lots of exciting news to share with you about how we are redefining the financial planning landscape.

This year we undertook our recertification as a B Corp organisation. It's fair to say we are thrilled with our new score of 148 – a 62-point jump from 2019! This achievement is entirely down to the dedication of our partners, who live and breathe the B Corp mindset of purpose beyond profit and being a force for good.

While we celebrate this achievement, it's important to note that we never set out to just “get the B Corp badge”. For us, it's all about our ongoing commitment to doing business better, by doing what's right. We worked on the assumption that if we did what we believed to be important, the assessment and score would reflect that. We didn't think we'd make such giant steps forward – some of the challenges we face are complex and take time – but we gave it our best shot.

People
matter

Actions
speak louder

Setting the
bar high

Building for
the future

Leaping ahead (continued)

Key highlights this year have included a real focus on making responsible investing the default, nurturing a supportive culture, minimising our environmental impact, the establishment of our risk committee, and redefining what excellent client service looks like. We share the detail of this and more within this report.

Looking to our future as an employee-owned business, we've spent a lot of time developing our long-term strategy for future success. We've engaged partners in this new strategy and really drilled into what it means to have

true, sustainable impact. Alongside our other three values, our value of 'building for the future' has been central to the thinking of the Board over the last 12 months.

Our ambitious vision remains clear. We are on a mission to redefine and broaden the definition of financial planning. We plan to create a highly trusted and well-respected financial planning brand within the next seven years, serving 3,000 client families.

You can contact me at
bhorner@pnfp.co.uk

Our report card

Our 2023 B Corp score

We've made it our vision to profoundly impact the lives of clients. We want to redefine what great financial planning means. Our 2023 B Corp score shows the progress we're making.

Here's how we put people, planet, profit at the heart of what we do:



*Average score 50.9 (Dec. 2023), Pass score 80, PN 2019 score 85.7, PN 2023 score 148

Headlines

The biggest improvement of any UK B Corp company recertified in 2023, with a 72% increase.

Our 62-point increase is triple the recommendation!
(B Corp recommend a 20 point increase every three years)

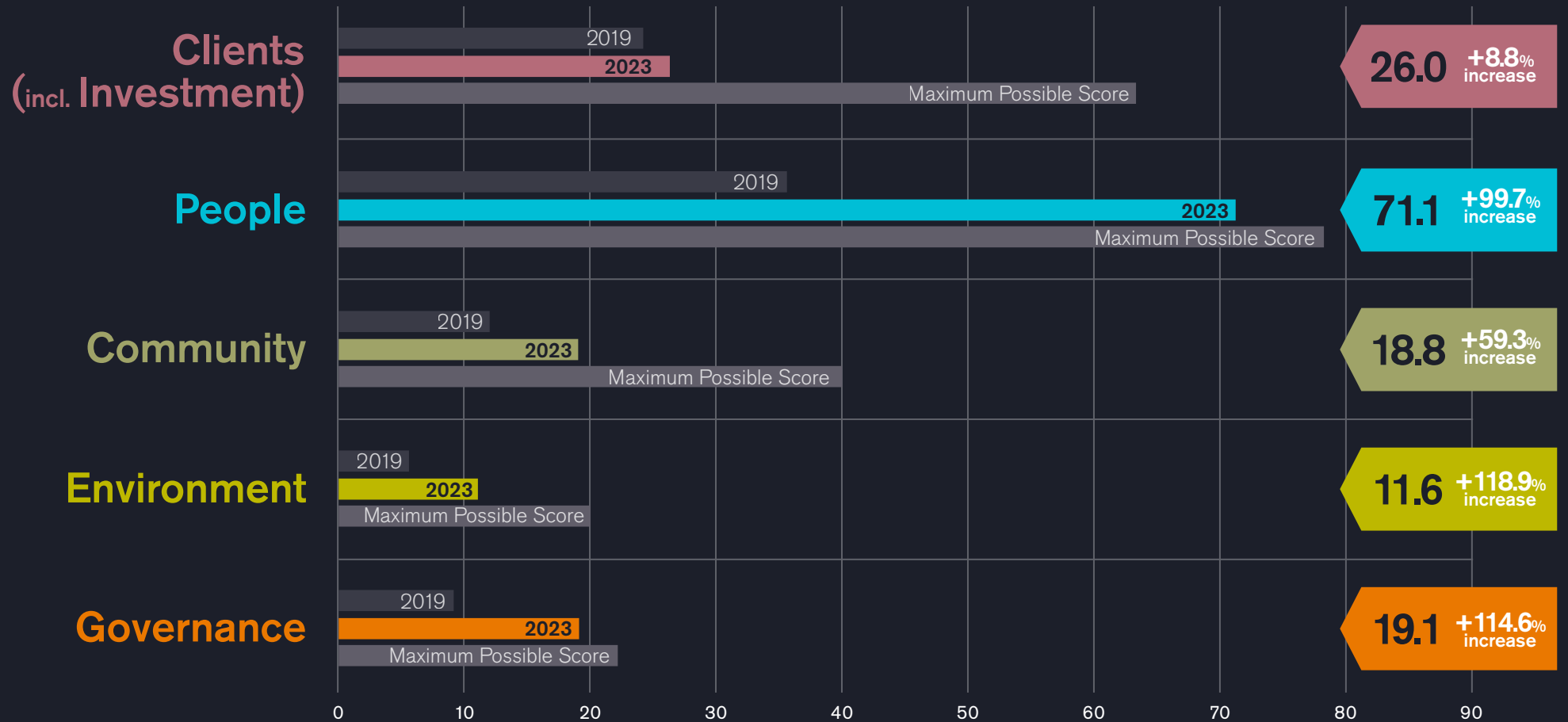
One of the highest scoring B Corps in the UK.
(top score: 166)*

'People' score exceeds the highest UK company honoured as **'Best for the World' in 2022.**
(71.1 > 68.5)

Proud to be one of over 1,500 UK B Corps.

* Acacia Training score as of November 2023

Breakdown of our 148 B Corp Score



Our 62.3 point increase (+72%) at a glance

Clients and Investment



Clients

A radical approach to client service that surprises and delights.

We scored 9.5 on average when clients were asked if they would recommend Paradigm Norton to friends and family (where 10 is 'strongly agree').*



Investment

Responsible portfolios are the default, with a focus on fund manager engagement for real-world change.

40% of AUM is now in our responsible or impact portfolios (a 12% jump since our last report).

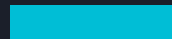


People



An employee-owned business that enables partners to flourish in a friendly, collaborative environment where people truly belong.

B Corp People score increased by 99.7% since 2019.



Community



Working with like-minded suppliers and supporting fellow B Corps. Donating to local and global charities.

Donated £60,000 towards improving child welfare, education, and poverty relief.



Environment



Calculating and offsetting our carbon emissions, reducing energy usage, and making changes that count.

Invested £18,500 in energy efficiency measures. B Corp environment score up 118.9%.



Governance



Fully implementing planned improvements. Building a collaborative relationship between our employee ownership trust and our board.

B Corp governance score increased by 114.6%.



* Feedback from new clients over last year.

Clients
(+8.8% increase)

“Intention means every decision, from the most obviously significant to the seemingly mundane, matters. To do something with intentionality means to do it thoughtfully, with clear purpose and an eye on the desired result.”

Will Guidara



Becoming “unreasonable”

We’ve found tremendous inspiration this year in the book, *Unreasonable Hospitality: The remarkable power of giving people more than they expect*, by Will Guidara. The book tells the story of radical invention and how you can transform any transaction into a memorable experience. Guidara shares his story as former co-owner of legendary restaurant, Eleven Madison Park, but the thinking can be applied universally. Many partners have read it and are enjoying bringing this to life.

Becoming “unreasonable” means thinking about the whole experience and how to surprise and delight to go beyond expectations. We’re not talking lavish gestures:

- We sent an avid Lego fan a Lego Flower Bouquet instead of a traditional floral gift to celebrate an office move, which meant so much more to them
- We bought colouring books to entertain a client’s five-year old while we talked
- And, when a client requested elderflower cordial on a hot day, we popped out quickly to buy some.

What we have found is that it’s the little details that make the big difference.

Of course, some clients appreciate our high-end proactive services and that’s enough – our client managers use their knowledge to make a judgement on what’s appropriate. Embodying “unreasonable” thinking is playing a pivotal role in changing the way we approach client service.

Money
matters but
life matters
more

Coaching – it’s all about asking great questions

“The most important thing to us is the individual sitting opposite us. The skill is being able to understand the client, walk in their shoes, and to adapt to each client’s needs.”

Sally Matthews, Client Manager



As financial planners, we are increasingly recognising the value of coaching for clients, and over the course of the last year, this has led to some wider and deeper life-focused conversations. In 2021, we reported that several of our team had completed their Financial Wellbeing Certificate, and we continue to polish our coaching capabilities. It’s a real skill to be able to have better client conversations.

As Sally Matthews, one of our client managers says:

“Financial wellbeing balances meeting needs today and saving for tomorrow. It requires covering essentials while making room for the fun stuff too.”

Achieving this involves setting clear goals, planning for emergencies, controlling spending, and maximising options across the five pillars of:

- A clear path to identifiable objectives
- Ability to cope with financial shocks
- Clarity and security for those we leave behind
- Control of daily finances
- Having financial options.

Coaching is important because we know that great financial planning is so much more than setting up a pension, arranging a life assurance policy, or helping a client gift money to charity. It’s vital to understand money at a deeper level. This includes challenging deep-rooted beliefs and behaviours around money and attaching financial wellbeing to personal wellbeing. We help to

tease this out and create a better level of self-awareness about clients’ relationship with money and the decisions they make.

When we talk to new clients about what makes them tick and what makes them happy, they often say – “Well, I wasn’t expecting that conversation today!”

It’s so much more than bar charts and investment performance.

Some clients are very receptive to a broader conversation, while others are understandably more reticent. From our experience, it can often take several meetings to see a shift in their thinking. Coaching makes a real difference to families; through game-changing approaches to things like fast-tracking money to the next generation or making home alterations that can improve clients’ quality of life today. We continue to encourage clients to have a philanthropic mindset too.

Caring from the inside out

As mentioned on our report card, clients recognise the high standard of service that we offer. Where 10 is 'strongly agree', clients scored us 9.5 on average when asked if they would recommend Paradigm Norton to friends and family, and 9.33 on average when asked if they were satisfied with the services they have received.

Our culture survey found that

75%
of partners:

- **feel recognised for going the extra mile to satisfy clients**
- **are committed to providing the best possible standards of service**
- **and have the resources to do so.**

Although there's still work to do here, this signifies the importance of creating a culture around superb client relationships – we care about people, and we get great satisfaction from helping them.

All of this goes towards enabling clients to fulfil their life plans and make an impact. Our strategy highlights the need to measure our success, not by the financial returns delivered, but by how well we have coached our clients in making wise life and money decisions. To build on our regular client surveys, our next challenge is to find the right metrics to measure this.

Investment
(+8.8% increase)



Making responsible investment the default

“Throughout 2023, we’ve significantly increased the proportion of our default PNr portfolio that’s subject to environmental, social and governance screening.”

Farida Hassanali,
Client Manager,
and
Vice-Chair of
our Investment
Committee



In our last report, we shared our intention to increase the proportion of clients choosing our Responsible (PNr) and Impact (PNi) portfolios and include more responsible and impact funds.

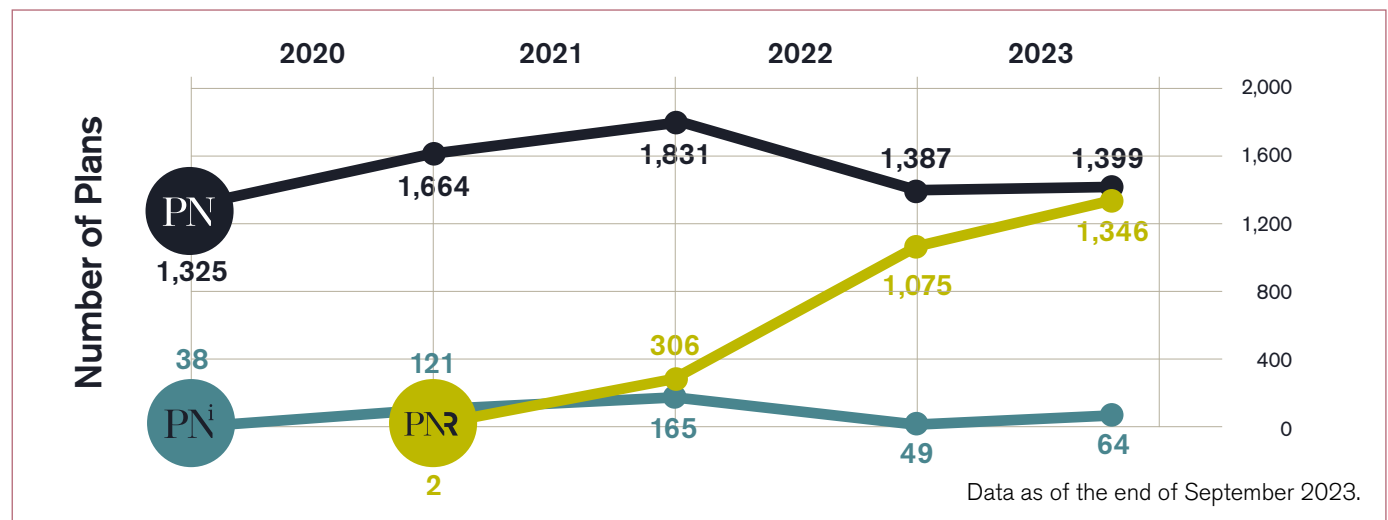
We’re pleased to report some significant progress in this area, with our responsible portfolios now the default for new clients and 40% of assets under management (AUM) in PNr or PNi. This is a big leap since the portfolios were launched and represents a 12% increase since our last report.

The graphic (below) shows the increase in the number of clients investing plans in PNr, with a

corresponding reduction in the number of client investing plans in PNt (traditional). We’ve also reviewed our responsible investment funds.

We are continually making enhancements to our investment offering and now provide a managed portfolio service. This provides the portfolios with greater risk oversight and allows clients to immediately access the latest thinking if changes are required.

Find out more about our work to create client reports on the carbon intensity of our portfolios.



Seeking real world change

There are two ways to approach responsible investing. One is divesting – avoiding investments in companies that controversially add to humanity’s challenges. Many people are reassured to know they’re not investing in these companies. While this is the right choice for some, and divesting may send a signal, it’s debatable whether this leads to significant real-world changes; these companies can still access capital from other investors.

Engagement means fund managers proactively seeking to influence companies to improve their environmental, social and governance (ESG) performance, potentially resulting in positive changes in the real world. For example, a company may agree to start reducing carbon emissions towards a net-zero target, or improve labour standards in their supply chain, and shareholders can hold them accountable to these plans or use their voting powers to challenge company decisions.

“We believe the best chance of positive change is working with fund managers whose shareholder engagement meets the highest standards”

Steve Watters, Head of Impact



Raising standards

We want to encourage change and accountability for fund managers. To facilitate this, we've developed a comprehensive engagement questionnaire, which asks fund managers about their ESG methodology, personnel, accountability, net-zero commitments, voting, transparency, reporting and engagement programmes. We'll continue to sharpen this and use the insights we gather to better define best practice. For us, this also means helping to educate clients and other advisers so that, together, we can advocate for higher standards of engagement by fund managers.

We are working with ESG experts to make sure our approach is aligned with upcoming disclosure laws, which aim to prevent greenwashing. As was already planned, we will review our PNi portfolio in 2024 and will ensure that we communicate clearly what this portfolio seeks to achieve. Additionally, we continue to work to achieve our non-financial aims. For example, our partners play an active role in influential groups, such as the Dimensional EMEA Sustainability Council and VirtuVest.

Investing places your capital at risk and the value of investments can go down as well as up. Past performance is no guarantee for future results.

[Find out more about shareholder engagement.](#)

“If we want the rewards of being loved we have to submit to the mortifying ordeal of being known.”

Tim Kreider

Our impact

Our PNi portfolio includes funds which invest in companies that have a net positive contribution to advancing the UN 17 Sustainable Development Goals. Here are two examples:



Find out more about [impact investing](#).

10 REDUCED INEQUALITIES



Yorkshire Building Society (SDG Target 10.2 & 10.3): the third largest UK building society with over 3 million members. Prioritises lending to poorly served groups to help them overcome financial barriers. This includes first-time-buyers, self-employed borrowers, early- and later-life lending, and individuals who require the help of shared ownership and social housing schemes.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Graphic Packaging (SDG Target 12.5): makes paperboard and fibre packaging for food, beverages, and consumer goods. It's replacing plastic packaging with renewable, recyclable materials, including products made with over 50% recycled content. As plastic use declines and packaging consolidates, Graphic Packaging is poised to benefit.

**“Strength lies in differences,
not in similarities.”**

Stephen Covey

People
(+99.7% increase)



Every day we ask ourselves what it means to be a great employer. As an employee-owned business, the core value that ‘people matter’ is one we hold close to our hearts. We’ve shone a bright light on making our employee experience rich and nurturing for partners. This means continuing to build a positive culture and immerse ourselves in what it means to be a B Corp.

In 2023, our B Corp impact assessment in relation to people jumped significantly and we scored 91% in the ‘workers’ category. This score of 71.1 exceeds the highest UK score in 2022, which was 68.5. But we aren’t chasing the numbers. Much of the change has been organic, simply because it’s the right thing to do.

The key drivers behind our momentum

More inclusive practices:

We've introduced mandatory diversity and inclusion training, and unconscious bias training. Our working life policies and parental policies have been updated so that they are aligned for everyone. And we've embedded this thinking into recruitment practices to widen searches and monitor at the application stage. We recognise that true progress isn't achieved after a single workshop. So, we have an ongoing programme of training and diversity, equity, inclusion and belonging initiatives.

Hybrid working review:

We've reviewed our hybrid working practices. We now have a roadmap that outlines a way of working; one that's not contractual but can be flexed to suit requirements. This means full-time partners are in the office around 60% of the working week, allowing for a balance of focused work at home and office-based collaboration. Of course, everyone has a different opinion on this, and this is always under review. We're experiencing the challenges shared by many employers post-Covid, which accelerated us into a hybrid working era, and we're finding our way in a world where one size doesn't fit all.

Excellent internal communications:

We know how essential it is to bring the employee voice to the fore. It's important to maintain open channels of communication. Being employee-owned means that we may be more curious than other employers. What do partners think? How does this affect them? How does this impact our culture? We need to understand this. Our main consultative communication channel is an interactive monthly digest. It's utterly transparent and easy to absorb, ensuring everyone receives the same message and can, importantly, share their views.

Improving engagement:

We've increased our team days and informal activities to encourage partners across our four offices to socialise. Amusingly, the sports day at our summer team day exposed the competitiveness among our team! We care about holidays, hobbies, families, and personal achievements. We collaborate frequently and with purpose, ensuring a continuous stream of learning opportunities and reflection across teams and offices. We've also introduced mentoring to share advice and skills too.

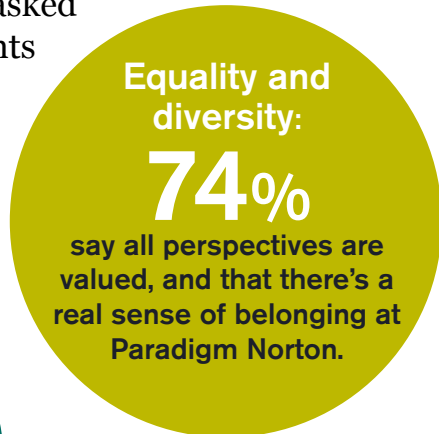
The opportunity to flourish:

Everyone at Paradigm Norton has the opportunity to succeed through our rigorous personal development and progression framework. We recognise the need for balance, so we've also introduced 'partner pause'; a sabbatical for employees who have been with the company for over seven years, which has been a popular policy.

Creating a dynamic culture

Familiar and friendly. Collaborative and personal. We pride ourselves on the culture we've created, but we wanted to delve a little deeper and see where we can improve. This year we conducted our first culture survey, working with Sewells, via the Global Association of Independent Advisors. We asked partners to rate 50 statements related to culture.

Here are the key findings*:



*Partners who strongly agree or agree to these statements.

Of course, being employee-owned offers some unique upsides for partners and you can find out more about our employee ownership trust in the [Governance](#) section of this report.

Looking ahead, we'll continue to build on this strong foundational work and foster collaboration, innovation, and loyalty.

We'll further embed B Corp thinking into our culture and deepen our commitment to diversity and inclusion. Working groups will focus on each of the areas that we want to improve. This is something we want to do together so we can make real and impactful changes to improve our employee experience.

Watch our team videos to find out more about why our people matter:



[Summer team day](#)



[Impact team day](#)



“We understand that building a strong company culture has immense benefits for partners and clients. At Paradigm Norton, this means a team that’s truly engaged, invested in our success, and understands where the company is going.”

Judith Thorne, Head of People

Environment

(+118.9% increase)

Environment champions

One of our core values is that ‘actions speak louder than words’. When it comes to the environment, it’s what we do that matters most; our B Corp ‘environment’ score jumped 118.9% and that’s largely down to iterative changes we’ve made, including:

Calculating our carbon emissions (see next page):

Our carbon footprint dropped during Covid-19 as we commuted less.

Although emissions have risen again, our 2022-23 footprint is significantly lower than 2019-20 (pre-Covid). We have set science-based targets and are tracking emissions against these, aiming to go further and reach our net-zero 2030 goal. We plan to review our calculation method and report monthly instead of annually to respond faster if emissions rise. One

change in progress is retiring some on-site servers and moving to Microsoft Azure, which is carbon neutral.

Reducing energy use:

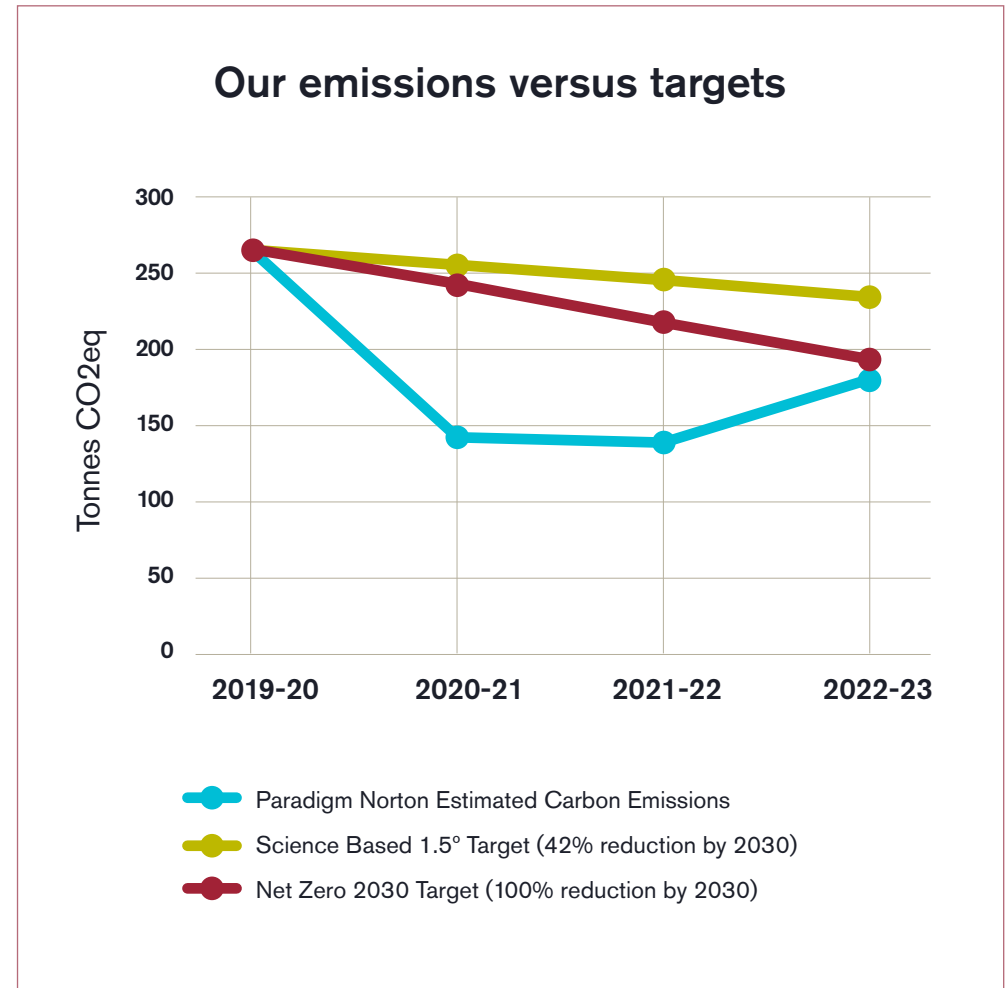
We installed energy monitoring and discovered an issue with hot water heaters, which were operating overnight and at weekends. We sought expert advice about our Bristol office and invested £18,500 on energy efficiency measures (receiving a grant of £7,300). We installed LED lighting, timers for lights in meeting rooms, corridors, stairwells etc, timers on water heaters, and an electric vehicle charger. We hope the installation of the EV-charger at our Bristol office, and our electric company car scheme (available to all) will encourage partners to move to electric vehicles. Clients can also make complimentary use of the charger when they visit. We have recently relocated our London office; building energy efficiency and public transit proximity were priorities in this decision. Going further in our net-zero planning is a focus for the coming year.

Our B Corp
‘environment’
score jumped
118.9%

Our environmental management system (EMS): we thought carefully about the ways we impact the environment, including – carbon emissions, recycling, and electrical items. Our new EMS details these elements and helps us identify areas of improvement. One example is around the procurement of supplies for our Bristol office. This includes handwashes, dishwasher tablets and cleaning products that are cruelty free and refillable, toilet rolls that are made from sustainable bamboo, and recycling old headed paper into notebooks.

Offsetting: As we attempt to reduce our emissions each year, we continue to purchase high quality offsets for the emissions we haven't been able to avoid. In 2021-22, we offset carbon through the CommuniTree and Hadza Forest Protection projects. We are reviewing offset projects for 2022-23. For our travel emissions, we are piloting a new booking system with COCO+ Travel, a fellow B Corp, that offsets business travel as it's booked.

Our volunteer 'environment champions' are helping to unify these adjustments across the organisation. It's these small everyday changes that can have a big overall impact.



Calculating the carbon footprint of our investment portfolio



[Find out more about PNr – our core investment portfolio.](#)

“Measuring emissions makes it possible to assign a cost to them, incentivising reductions.”

David Burridge,
Investment Committee Chair
& Client Manager



As part of our efforts to inform and educate clients, we shared in our last Impact Report that we are exploring ways to report on the carbon intensity of our investment portfolios.

Just like investors track the financial performance of companies, it is crucial to also track their environmental impact. This includes measuring how much carbon dioxide is released into the atmosphere as a result of their operations.

This information is not yet universally available, but it is essential because it can be used to drive positive change.

By quantifying companies’ emissions, there is the potential to assign a price to them, essentially making companies pay for the environmental damage they cause. This creates an incentive for companies to reduce their emissions, as it will lower their costs.

How your pension or investments are invested can indirectly support significant carbon emissions. For example,

research suggests that the UK pensions industry indirectly finances more CO2 than all UK carbon emissions. This is mainly due to global investments in fossil fuels and high emitting companies. So, investors have both the opportunity and responsibility to influence positive change.

Unfortunately, simply divesting of the highest emitting companies is unlikely to reduce emissions. These companies are likely to continue polluting, whether you hold them in your portfolio or not.

We focus therefore on choosing fund managers who engage robustly with companies on behalf of clients. Fund managers can use investors’ shareholder voice and voting rights to influence company behaviour to be aligned with carbon reductions. This may provide the best chance that Paradigm Norton and our clients have of using our influence as investors to achieve reductions in emissions.

When trying to influence companies, it is important to have the option of targeted divestment as the ultimate sanction, where companies are

wilfully failing to act to reduce emissions, in response to requests by investors. Divesting on this basis can send a strong signal, demonstrating to the companies, as well as governments and regulators, that action needs to be taken.

We see improved reporting on the carbon emissions of companies in portfolios as an important first step in better holding these companies to account.

We are close to being ready to report on our portfolio emissions but are yet to make reporting available to clients because it needs more research. We want to be sure of two things – firstly that it’s useful and we communicate the important nuances of the issue, and secondly, we want to have confidence in the strength of our calculations.

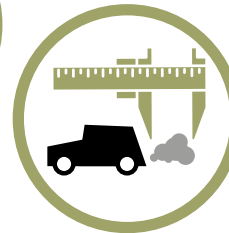
Our aim is to provide clients with rigorous reports that lift the veil on this hidden element of a carbon footprint. Look out for more to come on this and on the responsible nature of our portfolios more generally.

Community
(+59.3% increase)

The ripple effect

We want to positively impact the wider community through our supplier relationships. Every act creates ripples. When it comes to selecting suppliers, we now have a system that empowers our partners to align our purchasing with our values. We want to work with like-minded, responsible companies, who share our belief that business should be a force for good. During our due diligence process to choose a supplier, we ask key questions to prompt new ways of thinking and – ultimately – decisive action.

We aren't just concerned about robust security of data – although that is critical to us. We also ask potential suppliers to complete a form that assesses their approach to creating a positive impact. We ask if their mission statement references social or environmental responsibility, if they're B Corp certified, and whether they'd like to be. We seek to understand how they measure their environmental impact in terms of carbon emissions or material usage. What considerations do they give to the living wage? How many women are on their board? How do they give back to the community? We hope, that by posing these and other questions, we influence suppliers, combat unethical practices, and engage them in setting their own targets to become carbon neutral.



Questions
for
suppliers:

Partnerships for positive change

Our data* shows:

74% of suppliers either frequently, consistently, or primarily consider the social and environmental impact of their business – in some cases prioritising it even when it may not drive profitability.

68% include social and environmental impact in their mission statement – including environmental conservation, poverty alleviation, reducing waste and targeting specific groups in need.

84.5% say they would consider taking the B Corp assessment.

* Data from suppliers we have been working with since 2020.

Moving forward, we also aim to gather this information from long-standing suppliers too.

It's been refreshing to see several of the companies we work with in the venture capital space become B Corps – including MMC Ventures in 2020, Octopus Group in 2021 and Triple Point in 2022. We celebrate this positive news for the sector. But there's still work to be done and we actively support other financial planning companies in their journey to becoming a B Corp.

“Doing good holds the power to transform us on the inside, and then ripple out in ever-expanding circles that positively impact the world at large.”

Shari Arison

Financial wellbeing education

We have plans to strengthen the relationships we have with our clients, the wider financial community and other organisations through developing a repository of guidance and educational materials to support them. Becoming known as a place of education and learning will complement the regulated advice we provide.

The Paradigm Norton Trust

Giving back has always been important to us. Long before becoming a B Corp, we started The Paradigm Norton Trust to enable our philanthropy. For over 16 years, we’ve proudly supported local and global charities. In the last year we have donated £60,000 to causes we care deeply about. We’ve also strengthened ties with these organisations to further our mission of compassionate service.

Supporting communities in need

Our core causes are child welfare, education, and poverty relief. We decided to support smaller UK and international charities, enabling us to see the direct impact of our donations. As charities finally recover from the disruption of Covid-19, applications have increased to over 150 this year.

The Trust’s three trustees efficiently handle administration, finances and charity relationships. They work with the governing council and the Board to make sure we are deliberate and careful about where the money goes. Whether they are from existing charity partners, new requests, or referrals from partners, we consider applications carefully. We don’t keep big reserves, as we want to squeeze every possible benefit from the funds.

Charity spotlight: Children of the Dump

“Paradigm Norton’s support has helped 200 students attend Cashew Tree early years school. This means they become students in demand, rather than automatic failures in the school system. Students with academic potential are selected for long-term support from the Grapevine Scholarship. Our residential home means over 350 children have a safe home, educational support, food and pride in their achievements.”

Kay Mackay, Chair, Children of the Dump

One of our longest-standing relationships is with Children of the Dump. This is a UK-based charity that delivers essential family support and compassionate care to underprivileged children living in dire conditions near the Payatas and San Isidro rubbish dumps in Manila. People scavenge here daily for food scraps and rubbish that can be sold for recycling. It’s an unforgiving sweltering tropical environment, swarming with flies. The poverty is absolute. Normally children help out on the stinking, poisonous dump from a young age because there’s no money for childcare or schooling.

“Because of Children of the Dump’s support I went to a good school. Now I have two kids and a beautiful wife. I have a good life. I always tell this story to my children. I will never forget Children of the Dump.”

Mauel Reyes

We are actively involved with Children of the Dump and in regular contact. Our contribution helps to bring positive change and uplifts the communities through education and improving child welfare. We invited representatives from the charity to present at our summer team day this year. Our partners were very moved to hear about the charity’s work and the extreme situation facing these children.

The charity needs to raise £225,000 this year.



Other impactful charities we've supported include:

Third Hope
rehabilitates and educates former child soldiers in Uganda.

Circus Starr
funds circus trips for disadvantaged children.

Gympanzees
adaptive exercise opportunities for children and young people with disabilities.

There's also been an uptake in partners engaging in their own fundraising; in the last year the Trust has matched sponsorship raised by partners who've run half marathons, and completed climbs and walks.

Charitable partnerships built to last

Our client relationships are deep and real – they aren't merely transactional. We take this same approach with the charities we support too. It's not just about the money; we've deepened engagement through regular visits and updates, which has proven to be rewarding. We'll donate £60,000 next year as well, with plans to grow our donation levels steadily over the next seven years in line with company growth. We also aim to encourage a philanthropic mindset among our clients to help build the impact of the Trust.

Governance

(+114.6% increase)



When it comes to governance, we want to build for the long term in line with our core value of ‘setting the bar high’. There are three strands to our governance – our executive committee, the operating board and the employee ownership trust board. Our CEO, Barry, acts as a conduit between the three governance structures.

One of the biggest gains in our B Corp score was in ‘governance’ – largely due to the completion of all 25 of the improvements we identified in our 2021 governance review. This included:

- **A clear succession plan:** becoming employee-owned in 2019 resolved our ownership succession challenge, but it did not address leadership succession. Over the last year, led by an excellent independent

succession coach, our future leadership structure is starting to come together. We are reshaping the board, making sure that we have the right team in place to ensure our strategy is appropriately executed. We have also launched our senior leaders’ development plan to equip and nurture our next generation of leaders and ensure we are developing internal pathways to senior leadership. Working with rising talent to create bespoke development plans to support their journey, we’ve already seen one partner promoted to the newly created role of Associate Director in 2023.

- **Establishing our risk committee:** now fully functional, the role of the risk committee is to monitor the security of our data and assets. They assess what would happen should an event occur that’s significantly injurious to the business – such as an office fire, damage to the infrastructure, data security or loss of a key person.

- **Appointing a Chair for our independent remuneration committee:** something that’s essential in an employee-owned business so we’re not “marking our own homework”.
- **Recruiting independent non-executive directors:** we more clearly defined the roles of the independent non-executive directors, and we have recruited two high-profile individuals.

We have now set ourselves some further governance goals and we will share these in subsequent reports. Most notably, this will be the creation of a larger executive structure, with clearer roles and responsibilities – ensuring that we deliver on our strategy.

Our employee ownership trust

“We’ve worked hard to build an understanding of the role of the EOT. Essentially, this comes down to asking if something is really the right decision; and we have the power of veto if we don’t think it is. We’ve developed guidelines that outline where the Board should inform, consult, or seek approval from employee ownership trustees, which are regularly reviewed.”

Ian Hiscock, Independent Employee Ownership Trustee

As a business that is employee-owned, we have a trust board that’s made up of six employees, two independent trustees, and our CEO. Their key role is to hold the operating board to account and make sure that the business is acting in the best interests of the wider team. We are pleased to report that they carry out this duty extremely well and collaborate brilliantly with our operating board on significant decisions. Their role is also to help communicate changes to the wider team, which they do on a frequent basis. **Becoming employee-owned has changed us for the better as a business, making sure that the team have the information, influence and reward that they are entitled to.**

To augment the powers enshrined in the trust deed, the operating and trust boards have also agreed to a set of rules by which key decisions are made. The operating board now have a duty to inform and consult the trust board, but also in certain circumstances, seek their approval. The trust board, for example, has the power to appoint and remove directors, approve a decision to dispose of a significant part of the business, or approve an acquisition.

This year, our trust board initiated a partner survey, seeking the feedback of the team on several important matters. One part of the survey sought to assess whether partners understood the extent and limitations of the trust, and the second aspect focused on whether the partners’ voices are being heard by the business and appropriately acted on. The survey identified that the team would like to better understand our wider future vision; an issue we addressed during our October team day (pictured below). During the day, we explored the role of the EOT and how it interacts with other committees at Paradigm Norton. We also shared how each team member can play a key part in delivering our strategy. Further work needs to be done in this area and we are exploring how to best achieve this.



“There is a huge value in simply listening to the EOT and understanding the issues that matter to partners at that time. There’s always the potential to hear things that simply wouldn’t come to light in any other forum.”

Barry Horner, CEO

Our future strategy

Our mission as an employee-owned company is to impact the lives of our clients, our team and our communities for better, for ever.



Chasing the dream

We have always considered ourselves to be an innovative business. We worked with clients on a fee (rather than a commission) basis for over a decade before the competition caught up. We became a B Corp in 2019 and now others in the industry are following suit. We also employ a highly qualified tax team who enhance our financial planning advice, differentiating us from the competition.

Yes, Paradigm Norton is a financial planning company, but we see financial planning differently and it's our advice and counsel that marks us out as unique. For us, advice is all about helping our clients live their best life and facilitating their financial security. Increasingly, our focus is also on clients' overall wellbeing, where our guidance goes beyond the financial.

We help clients align their goals with their values, and then get their money to work in service of that. It's what we are good at. It's what we deliver to

clients. And it's our complete future focus. The transformation continues.

One project that our senior leaders have been working on is developing our future business strategy; unpacking where we see the business in seven years. In building this strategy, we've been mindful of the significant trends in wealth management, the need to embrace technology – particularly artificial intelligence – and other factors, such as the aging population.

We are witnessing exponential growth in the personal wealth held by women and baby boomers, and a growing focus on financial health and general wellbeing. Increasingly, longevity concerns and intergenerational wealth transfer are at the heart of client-adviser conversations too.

Making a **big** impact

Being clear on our longer-term seven-year plan enables us to zoom in and focus on our near-term goals and priorities, where technology no longer underpins what we do, but defines it. We know we need to become even more innovative, particularly when it comes to creating a new technology ecosystem.

We've asked ourselves some tough questions based on our experience over the two decades:

- Are we clear on our future strategy and trajectory?
- What will we stop, start, and continue?
- What does a quality financial planning business need to look like in a decade?
- How might the needs of our clients change and how do we prepare?
- How do we appropriately allocate resource to make sure both the current and future needs of the business are being met?

We seek to address these questions through our new strategy, which has the acronym of IMPACT, which is shown on the next page.

IMPACT

I

Innovation

the ability to conceive, develop, deliver, and scale new services and business structures.

M

Mergers and acquisitions

continuing to acquire other like-minded, purpose-led firms, where it makes strategic sense for us to do so.

P

Philanthropy and impact

helping clients direct their money in pursuit of positive change, through impact investing and philanthropy.

A

Amplify

reaching a larger audience through marketing, education, PR and brand building.

C

Coaching

betting on humanity as our future differentiator and deepening our relational skillset.

T

Target operating model

a clear and achievable way of delivering our strategic vision, where we not only articulate the why but also the how.

We've come a long way since we became a B Corp in 2019. It's said that you overestimate what you can achieve in a year, and underestimate what you can do in 10!

We have ambitious but achievable aims to serve many more clients and a solid foundation for growth, alongside some exciting initiatives for 2024.

We look forward to the future and who knows what we can achieve in the next few years!

Certified



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