

Professional Financial Planning Advisory Services

The Advisors' Advisor

Fiducian, a Professional Financial Planning Advisory Company based in Australia has set up specific programmes for Financial Planners to support them with technology and knowledge tools so that Planners concentrate on what they are supposed to do – make plans and advice clients.

The Financial Planning industry in Australia has evolved from an emphasis on sales and transaction based advice some ten to fifteen years ago, to an emphasis on providing a comprehensive and professional ongoing service to clients. This has been mirrored by improvements in the mechanisms available to support the establishment and growth of Financial Planning practitioners.

Providing practice development services to Financial Planning businesses requires an understanding of the quite different needs of newer and established professional Financial Planners whom we shall call “Advisers”. Additionally each business will have different needs and goals and Advisers will bring different levels of experience and skills to their practice.

The role of a successful “Professional Financial Planning Advisory Company” is to draw out and reflect back at its Advisers these differences and provide suggestions as to how best to maximize the potential of their business.

A good advisory services company can often see what will work from their experience of looking at other practices and the challenge can be to show the Adviser the benefit of implementing the suggested changes. Sometimes an Adviser will experience the “light bulb moment” only after a number of follow up and support reviews. This requires the number of Advisers serviced by each Advisory business to be limited to the extent that personalised help can be given. Fiducian has a corporate culture that encourages this approach and can point proudly to the success of a number of small practices within its national network that have shown substantial growth over a 2-3 year development period.

Some obvious differences between established and new Advisers are:

- Established Advisers spend up to 70% of their time on reviewing existing clients; new Advisers spend 70% on prospecting
- Established Advisers usually have a number of sources for new business; new Advisers need to develop new sources.



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- Established Advisers (generally) have business and marketing plans in place that have been tested and adjusted over time; new Advisers need to establish and implement such plans
- Established Advisers have (formally or informally) segmented their client bases with different service offers and different pricing levels; new Advisers need to determine their appropriate offer and pricing.
- Established Advisers have staff trained to suit their

that a staff member can assist with appropriate strategies and practical hands on tools, activities and advice.

Adviser Development Strategy Program

We have developed our own Practice Management and Business Development methodology based on the needs of individual practices. Rather than simply apply general business coaching services that may have worked for other Financial Planning organisations we work with each of our



systems and service model; new Advisers need to determine what structure and staff they need and then set up a system to retain and motivate staff.

Given these differences it is clear that a “one size fits all” approach to providing practice management support is not sensible. A different approach is required for “grass roots” Adviser development.

At Fiducian we believe that practice development revolves around the provision of a personal level of service to the Financial Planning practitioner. It is only through understanding the different needs of individual practices

planners to build tailored practice management initiatives.

The primary tool we use in this process is called the Adviser Development Strategy (ADS). The process incorporates a benchmarking exercise to work closely with each Adviser to build on strengths and eliminate identified weaknesses. Fiducian also helps Advisers develop a 3 year strategy covering lead generation and client retention strategies, the value proposition of the Adviser, organisational development and staffing issues, and training and financial goals.

We have an ongoing system to continue to support the growth of practices new and established. This includes a

quarterly review of action plans. These action plans directly reflect the steps necessary to achieve the broader business goals developed through the ADS process. This keeps the business on track and is a disciplined manner of helping businesses achieve their goals.

It is difficult to maintain this level of personal touch as the number of Advisers under the licensee grows. Other groups may take a different approach which will have implications for the level and quality of support that they can deliver.

Support from the Parent

A major consideration facing planners is that they are “time poor”. The Advisory Services Company needs to provide tools and a practice management process that will allow

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advisers greater face to face time with the most valuable person in the equation....their client.

At Fiducian, a key objective is to provide experience and access to a range of support services for inexperienced start up advisers / new entrants.

Advisory Services may offer the following:

- **Support and Responsiveness:** This should be at a number of levels. Simply “being there” when help is required is of great importance, and is something many planners value highly. Outsourcing of paraplanning, research and compliance allows Advisers to focus on their core activity and skill in dealing with clients and providing tailored advice. In the longer run a licensee providing access to accounting services, estate planning, risk, loans, brokerage, legal and other services would provide a value added proposition for Advisers and their clients.
- **Start up Funding:** In instances, Advisory Companies may be willing to assist with start up funding for a new Financial Planning practice. Advisory Companies are likely to understand a planner business better than a bank and probably assist with funding as a business investment expense which can be a lower cost than a bank loan.
- **Technical Support:** The provision of direct access to a quality in house technical area can add value by prompt and relevant responses to issues relating to the consistency of smart technical strategies and portfolios, which satisfy client risk profiles.
- **Administration:** Timely commission payments preferably weekly, to acknowledge the cash flow needs of business.

- **Strategic Business and Marketing Planning:** Providing assistance in designing and implementing a business plan. Practitioners need to check that they have an ongoing support via their licensee to continue to support the growth of their practice.

- **Practice systemisation:** Assistance with setting up efficient office procedures is most useful for a new Financial Planning practice.

- **Compliance:** Coping with compliance requirements has been identified as a time consuming hurdle to the efficient operation of Financial Planning practices. Fiducian has developed an approach to compliance that seeks to make compliance an integral part of the Financial Planning process and a saleable asset for every Financial Planner.

- **Marketing:** A comprehensive marketing plan is essential if one has to maximize growth in your business. This involves working with an experienced professional to identify primary and secondary goals, undertake SWOT analysis and actually implement a plan

taking into account skills, experience and features unique to planner’s practice location. Marketing support can be provided by free newsletters, websites, campaigns, seminar libraries etc

- **Paraplanning:** Outsourcing of this will achieve savings in time, help avoid compliance hassles and allows newer Advisers to benefit from the experience of a centralised paraplanning group. This can be a major benefit to a new practice. At Fiducian we provide, at a subsidised cost, personalised plans specifically developed based on the

What Are The Determinants Of Financial Planning Practice Value?

There are a number of frequently identified features that make a Financial Planning business attractive to a potential purchaser. These are shown below. If the start up business has these long term ideas in mind it can construct its business plan with a logical and longer term view.

- Not reliant on owner
- Quality segmented client base
- Clear service offer and pricing
- Good systems
- Internal succession plans in place
- Benchmark performance
- Innovative and different (USP)
- Loyal, committed staff (Most important)

All these attributes of a successful valuable business can be planned for in advance.

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*Mandate based advice.

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strategies the planner has chosen for their clients.

- **Product:** The Approved Product List (APL) is important. At Fiducian we offer an administration platform and a focused and rigorously researched APL with a range of different investment managers and a suite of well performing Manage the Manager options and managed direct share portfolios to round out a comprehensive but disciplined and selective approach.
- **Staffing:** Choosing and budgeting for the right support staff is critical. The aim must be to attract, retain and motivate staff. Initially Fiducian licensee may be able to provide savings through outsourcing of some staff functions.
- **Technology and Systems:** It is important to have systems that provide accurate, timely information and easy review processes for client reviews. Fiducian provides on line resource centre which provides Financial Planning templates, strategy modeling tools and calculators integrated with a client management system. This provides a reliable means of investing client monies and providing accurate reporting and ease of review.
- **Training and Professional Development:** Ongoing professional training with regular professional development days and an induction and mentoring program for new Financial Planners, is critical.

Conclusion

The aim of partnering with a licensee should be that the Adviser is able to spend the bulk of their time in activities related to their main skill - advising. This may be with servicing and reviewing clients, meeting and presenting to prospects, or dealing with centres of influence and strategic alliance partners that aim to generate future sources of clients.

Some Advisers may not be able to delegate or outsource for fear of the job not being done properly. Other traps are being drawn into the day-to-day administration matters of the practice and becoming busy but not productive. The goal of practice management is to help focus the business on the important medium to long-term issues facing the practice and not the urgent immediate matters that can be handled by better systems or staffing. By seeking to leverage its core advisory competencies, the practice can then have the time to improve its service and ultimately to add value to its advisory business.

The key for the new entrant is to find the Financial Planning Advisory Services which aligns best with their practice style and goals and can offer a level of high touch personalised and tailored support. Such Advisory Services Companies are focused on building networks of likeminded people and tend to be smaller and more agile.

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