

Don't career out of control...



Justina Williams combines financial services experience with headhunting expertise. She advises all in the industry to plan for the future

IF THERE IS ONE PIECE OF ADVICE I can give to individuals working in financial services, it is this: write a career plan. This should be straightforward for most of the readers of *Prospect* - after all, anyone involved in financial planning will appreciate the importance of thinking ahead. However, the reality is that many people do not have a plan - and failing to plan can lead to missed opportunities and wasted potential.

When it comes to planning, there is no time like the present. And now is certainly the time to review any existing plans you have, or start your plan if you haven't done so already. Why? I believe there will be radical changes over the next few years, because the financial services industry - or at least the financial advice sector - is about to experience a revolution like none before.

Catalysts for change

The catalysts for change in our sector will be depolarisation and, indirectly, technological improvements. The technological changes will be of far greater importance than depolarisation as the latter is simply the regulator catching up with what happens today. So, technology will be the key catalyst for change.

You may feel that this statement is passé; surely the late 1990s was the time to prattle on about technology? That period was certainly full of promise, but this has only been fulfilled to a limited extent - and thus far in this century we have yet to see any genuinely industry-changing developments. Big change still lies ahead. You might say that financial services in the UK is about to start it's working week and, for some - the forward thinkers - the following weekend will be a bigger party than ever.

So why am I so bullish?

Before my time as a headhunter I worked for two life offices and experienced the world of financial advice from the inside. The problems I commonly found centred around one area: the lack of integration. There was a lack of integration of IT systems with admin processes, which led to a lack of integration of individual client's needs and the products they purchased to meet them.

These problems are even more profound in the independent sector. Why? Because, instead of one IT and admin system, there are a plethora to work with. The reason I am bullish about the remainder of this decade is because I see a revolution in the way financial advisers do business. This revolution will be driven by 'wrap accounts', or 'wrap platforms' as I prefer to call them.

It is my belief that these wrap platforms will transform financial advice over the remainder of the decade. They will drive a dramatic shift from product-based advice to investment, tax and relationship-based advice. Those who take advantage of this will be the winners. Those who ignore it will lose.

This may be a little dramatic but at least two other markets - the USA and Australia - have already experienced this shift. It is going to happen here, and sooner rather than later.

MDRT Update



Wherever you go in the world, there is a need for financial advice, says Lee Clarke

Plans for planners

So how should financial services professionals position themselves to take advantage of this change? I believe that those who advise private clients will need to move away from selling products and start selling service, planning and relationships.

To sell 'service', businesses will need to firstly define that service, so it can be differentiated from the other providers of similar services. At present, most financial advisers and the businesses they work for do not define their service and therefore they can't differentiate it. It is just financial advice.

Selling 'planning' means, first and foremost, actually doing it. But what does 'planning' involve? Planning simply means integrated investment, tax and cashflow planning. This can be done without knowledge of specific products, although for the foreseeable future it is likely that some product-based advice will be needed.

'Relationship' selling means different things to different people but can be summed up as the process of understanding client needs and proactively satisfying them, rather than simply reacting to enquiries. The sale is then not an action in itself but the by-product of a strong, long-term, trusting relationship.

You might say "that is what I do already". You might, but many don't. And when they finally start, the competition for clients and the best positions will be tougher.

To prepare for this new world we all need to be a bit smarter, a bit more qualified and a bit more comprehensive in what we do. As a recruitment specialist, I am finding that the forward-thinking employers are starting to look for this now. AFPC is becoming the expectation, not the exception. Demonstrable relationship building is as important, if not more so, than outright financial sales performance. Competence is expected in all the main areas of finance, from investment, to tax, to pensions and debt.

This form of financial planning seems to sit neatly with the FSA view of an international standard in financial advice. However, I find it surprising that the FSA has not acknowledged the International Standard which is already held by over 60,000 professionals in the US, Australia, New Zealand, South Africa and the Far East. The Certified Financial Planner licence (CFP) is well known outside the UK and enables planners to differentiate themselves, their qualification, their service and professionalism from the crowd.

I am sure that the CFP or a similar FSA-sponsored qualification will be key to those individuals who want to take advantage of wrap accounts and the move away from product-based advice.

I can suggest no better qualification for financial services professionals than the CFP. With this under your belt, all you need to do is put its principles into practice for your clients and your own career plan.

If the above does actually happen then there will be much more emphasis on relationships and much less on red tape and admin. You never know - the role of a financial planner might just become fun again!

Justina Williams is MD and lead relationship manager at e-volve consulting, a business she established in February 2004 to deliver integrated recruitment, training and consulting solutions for financial services businesses. Reach her on 020 7643 2219, 07900 242 147 or justina.williams@e-volveconsulting.co.uk.

I RECENTLY ATTENDED THE MDRT "Hong Kong Experience", a two-day taster of what a 'real' MDRT meeting is all about. It was my first time in Hong Kong, although Caroline Banks, Morwenna Edwards, Helen Jenkins and a number of other LIA members who also enjoyed the meeting had been before.

People often ask me why I go half-way around the world to attend such a meeting. Frankly, the problems we have here in the regulatory sense are much easier to deal with when viewed from a global perspective. For example, chatting over dinner with Ven Plummer from New Zealand, I learned how they've dealt with much of what we are now going through.

The world over, the tax laws may be different and the currency unfamiliar, but the family and business problems we solve with our products are the same. Also, when you find out the way a Singapore delegate deals with his client's tax planning, you are far better prepared for some of the goggles bowled from 11 Downing Street!

As I write this, I am putting the finishing touches to my presentation for a conference in Poland at which Caroline Banks and I are speaking on behalf of MDRT. I mentioned before how dynamic the Polish economy is and I'm looking forward to going back to a country where the life insurance industry is less than 10 years old.

This year Adelia Chung will be visiting the LIA conference in London. Adelia will later this year become the first woman President of MDRT. She's a charming, delightful lady from Hawaii and in Hong Kong she told us all how she's no longer taking on any new clients as she can't fit them in as well as provide a top-class service to her existing clients.

Adelia is a member of Top of the Table, so you'll realise she makes a very good living from her client bank. I recommend you come and meet her at the MDRT breakfast meeting at the Conference. I know that if people could not get to deal with us, even if they wanted to, the pendulum of consumer opinion would swing very much more in our favour!

The MDRT annual meeting is from 13th - 16th June in Anaheim California and is open to MDRT members only. There's still time to submit a membership application and register for the meeting at the MDRT website, www.MDRT.org

Lee Clarke is Chair for MDRT Mentoring in Europe