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Financial Planner
of the Year
Awards

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Foreword by Lelané Bezuidenhout, CFP®

CEO of the FPI

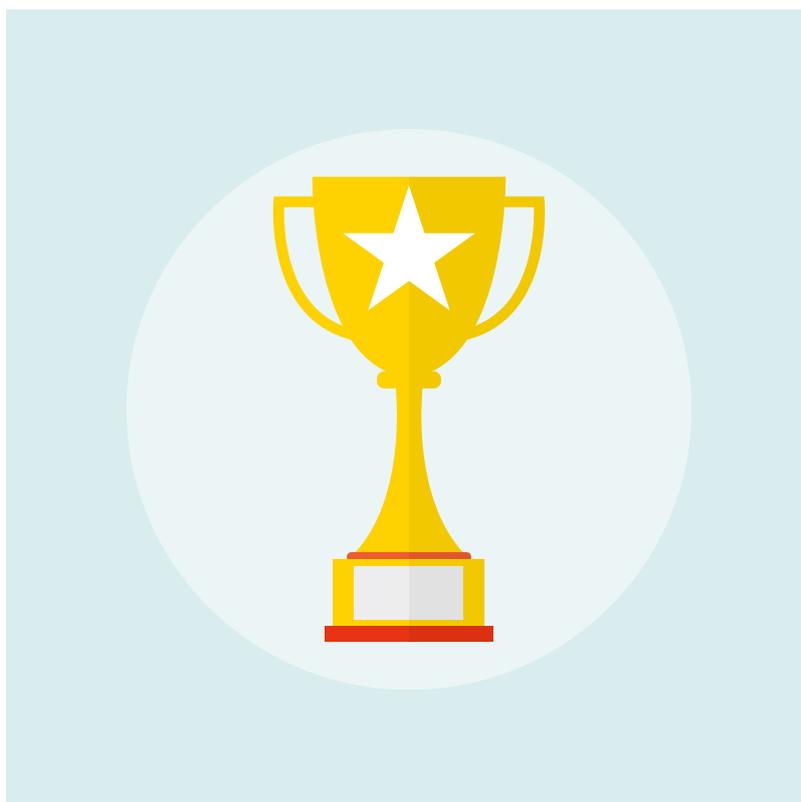


LELANÉ BEZUIDENHOUT CFP® – THE CEO OF THE FINANCIAL PLANNING INSTITUTE – WELCOMES YOU TO A VERY SPECIAL ISSUE.

The **Financial Planner of the Year** award is the most prestigious accolade in the financial planning profession. Entering takes a lot of hard work – and winning has nothing to do with luck.

I have been privileged to judge this competition for the last six years. Each year I am left more awestruck than the year before. Entrant after entrant showcases the practices and processes which ensure that holistic financial planning is the order of the day for consumers in all corners of South Africa. The absolute professionalism that I've been blessed to witness leaves me with a sense of immense admiration for the CFP® professional who has worked exceptionally hard to get where he/she is today.

Entering the competition is no laughing matter. Only individuals who take the responsibility of being a CFP® professional very seriously and who understand the difference they make in their clients' day-to-day lives need to apply. I remember one entrant's story about how he put the right type of Critical Illness



risk cover in place for one of his clients – a cancer sufferer – to ensure that she still enjoyed the last few months of her life with her loved ones. At the time, my dad was locked in his own battle with cancer, so the real-life story hit close to home that year.

SO, WHAT DOES IT TAKE TO ENTER AND WIN THE COMPETITION? BEING CROWNED CHAMPION REQUIRES SUCCESSFULLY NAVIGATING THREE DISTINCT – BUT EQUALLY DEMANDING – PHASES

- 1) Each entrant submits a thorough holistic financial plan that is assessed by both academics and practising CFP® professionals.
- 2) A rigorous site audit (at shortlisted entrants' place of work) gives judges a chance to validate the plan mentioned above and provides entrants with an opportunity to showcase how they incorporate the FPI Code of Ethics and Practice Standards into their daily operations.
- 3) A gruelling panel interview tests the finalists on their knowledge of the latest financial planning techniques and the regulatory universe of the profession.

The Financial Planner of the Year competition is about celebrating excellence in the Financial Planning profession. I speak from experience when I say that the competition is getting stiffer every year and that the finalists all come within a hair's breadth of winning the prize. But we can only have one winner each year.

Join me in reading this publication that not only celebrates our previous winners but also offers invaluable insights from the crème de la crème of the financial planning industry. Thank you, Tony and Cover magazine for the wonderful opportunity to showcase the Financial Planner of the Year competition and to celebrate our pantheon of champions.

Entries for next year's competition open in January 2020. Monitor social media and check www.fpi.co.za to ensure you don't miss your chance to shine.

Happy reading!

Lelané

There's never been a better time to ask: What if?

“WHAT IF” is a powerful question. It challenges the status quo and anticipates possibilities in the same breath.

WHAT IF your retirement fund was able to harness leading-edge technology to save you time, money and effort?

WHAT IF your consultants were able to engage with and influence your employees to make better financial decisions?

WHAT IF your employees became more productive because they were in better control of their health and finances?

WHAT IF you had a partner who looked at things a little differently? A partner who helped you to explore how advice, retirement funding, insurance and healthcare could transform people's lives. A fully empowered partner with Africa's largest insurance footprint.

At Sanlam, we continue to explore the “what if” questions that enable financial resilience and prosperity for institutions and your employees.

Visit www.financialresilience.co.za to begin to ask: What if?

Financial Planning as a Profession

David Kop, Executive Director, Relevance, FPI



ON DECEMBER 12, 1969, THIRTEEN MEN MET IN CHICAGO AND OUTLINED THE FIRST STEPS NEEDED TO ESTABLISH THESE INTEGRATED PRACTICES AS A NEW PROFESSION CALLED FINANCIAL PLANNING. IN THIS 50TH ANNIVERSARY YEAR OF THE PROFESSION, WE WILL EXAMINE HOW THE PROFESSION IS DOING IN SOUTH AFRICA.

CHARACTERISTICS OF A PROFESSION

At the 2007 convention the Late Charles Pillay, who was at that time the Ombud for Financial Service providers presented on the state of the profession. In his presentation he highlighted the characteristics of a profession to be:

- A specialised and well-defined body of knowledge;
- Membership of a professional association, which acts as a spokesperson for the profession

- Devotion to public service;
- A code of ethics;
- Status is recognised by the community you serve; and

We will examine these in more detail below:

A SPECIALISED AND WELL-DEFINED BODY OF KNOWLEDGE

The development of professional qualifications in the financial industry in South Africa is led by several role players, one of which is the Financial Planning Institute of Southern Africa (FPI). The education standards are set in FPI's Financial Planner Competency Profile and Financial Planner Curriculum Framework. FPI's standards are benchmarked against Financial Planning Standards Boards (FPSB) standards and localised to the South African territory. It is against these standards, that FPI as an affiliate of FPSB and recognised SAQA professional body, recognise the qualifications of education providers within South Africa. The recognition indicates that the qualification as developed by the education provider meets the professional standards as set by FPI.

From a humble beginning of one education provider, there are now six education providers who provide a qualification recognised against the Financial Planner competency profile

MEMBERSHIP OF A PROFESSIONAL ASSOCIATION, WHICH ACTS AS A SPOKESPERSON FOR THE PROFESSION

FPI originally started out as the Institute of Life and Pension Advisors (ILPA) within the life insurance industry. ILPA was formed through engagements between the Life Offices Association (LOA); the Life Underwriters Association of South Africa (LUASA); the Institute for Pension Consultants and Administrators (IPCA) and the South African Insurance Brokers Association (SAIBA). In May 1980, discussions began between these parties on the need to develop a professional qualification for the life insurance industry. The parties felt that the academic level for financial planners should be at a university level and that the qualification must have a combination of academic as well as practical components.

Years later, in 1996, it was agreed that there was a need to professionalise financial planning and to recognise ILPA's qualifications internationally. It also became clear that there was a pathway needed to raise professional standards, as there was no longer just a focus on life and pension advisors, but holistic financial planning that included retirement planning, risk planning, as well as other disciplines such as estate planning and investment planning.

When ILPA was authorised to grant the CERTIFIED FINANCIAL PLANNER® designation in South Africa in 1998, the institute started drawing a much wider range of industry players that included lawyers, accountants, actuaries, employee benefits advisors and was in the process of becoming a profession. A name change was needed as the institute no longer just dealt with Life and Pension funds. The name of ILPA was subsequently officially changed to the Financial Planning Institute of Southern Africa in March 2000.

Today FPI is recognised as a professional body under the National Qualifications framework Act and represents its professional members to Government, the Industry and Consumers.

DEVOTION TO PUBLIC SERVICE

In our 2010 paper *Skills Based Volunteering* – the mark of True Professionalism we observed that our country remains beset by poverty and suffers the dubious reputation of having a virtually non-existent savings culture. But all is certainly not lost. As professional financial planners, we are in the privileged position of being able to make a real and lasting positive difference in the lives and futures of so many of our people – simply by being willing to freely give of our time, talents and knowledge for the benefit of others.

These sentiments still hold true today and since 2012 as a profession, through our volunteer members; we have touched countless lives with the FPimymoneyY123™ programmes which is a combination of a workshop and one on one consultations.

In addition to the pro bono work the first principle in the FPI Code of Ethics and Professional Responsibility is Client First - Placing the client's interests first is a hallmark of professionalism and is a core value of any profession. It requires the FPI members to act honestly at all times and not place personal interest or advantage, in any form, before their clients' interests.



“IN OUR 2010 PAPER *SKILLS BASED VOLUNTEERING – THE MARK OF TRUE PROFESSIONALISM* WE OBSERVED THAT OUR COUNTRY REMAINS BESET BY POVERTY AND SUFFERS THE DUBIOUS REPUTATION OF HAVING A VIRTUALLY NON-EXISTENT SAVINGS CULTURE. BUT ALL IS CERTAINLY NOT LOST”



A CODE OF ETHICS

Professions play an important role in ensuring an ordered society. As such, a profession will publish a code of ethics to protect its clients and society at large by guiding its members to conduct themselves ethically. This contributes to the reputation and credibility of the profession and its members. It also guarantees the sustainable development of the profession.

The FPI Code of Ethics is intended to promote ethical behaviour and to prevent unethical behaviour by its members. The guidelines provided in the code instils confidence in the members in that it gives them clear conduct boundaries. It also stimulates ethical awareness and decision-making.

STATUS IS RECOGNISED BY THE COMMUNITY YOU SERVE

As seen above most of the characteristics of a profession is firmly entrenched in South Africa. As with any young profession, public recognition is still one area that needs some focus.

We do believe that one of the elements to support this recognition is legal protection. While anybody is allowed to call themselves a financial planner, whether they meet the professional requirements or not, the consumer will remain confused about what a financial planner is, and the professional will be painted with the same brush as a non-professional.

We remain confident that through the retail distribution review process we will see the legal protection of the financial planner title.

CONCLUSION

In a short 50-years, financial planning has come a long way in becoming a profession. I for one am excited for the next 50 years in this profession

Five reasons why conferences are still relevant

Adele Whyte, HOD: Membership Hub at the Financial Planning Institute



IN OUR BRAVE NEW DIGITAL WORLD, ARE CONFERENCES STILL RELEVANT? MORE THAN EVER SAYS THE WOMAN BEHIND THE FPI'S ANNUAL CONFERENCE...

Technology has made it easier than ever for us to connect with colleagues, turning anywhere with an internet connection into a virtual meeting room. Which begs the question. Is it still worth spending precious time and money attending professional conferences? I've managed the FPI's conference for the last four years, so I speak from experience when I say that face-to-face conferences are more relevant than ever. Here's why...

1. MAKE THE CIRCLE BIGGER

The single biggest benefit of attending a conference is networking. Despite what Mark Zuckerberg would have you believe, Facebook Messenger, Skype, email and Twitter can never rival face-to-face interaction. Some of the most telling professional advice I ever received was that "the gold is in the hallways." The people you meet at the water cooler could end up becoming friends, confidants or mentors.

And competitors from other regions of the country can even become valuable sources of referrals or, better still, business partners.

2. DRAW ON THE ENERGY OF LIKE-MINDED INDIVIDUALS

There's nothing like being exposed to the energy of a group of like-minded colleagues to reignite your passion for what you do. You simply cannot find the same energy online – regardless of how much hype there may be around a hashtag. The irresistible buzz that comes from real human contact makes learning, networking and innovating so much easier. And it also provides the impetus to implement real change when you're back in the office after the conference.

3. CONTINUOUS PROFESSIONAL DEVELOPMENT

Gaining CPD points is an integral part of financial planners' lives. It doesn't just demonstrate a commitment to learning, but it also ensures you have all the best and most up-to-date knowledge required to do a responsible job. The trouble is that all human beings suffer from confirmation bias, and we tend to choose our CPD topics on subjects that we're already familiar with. At conferences, you're forced to learn new information on a wide range of topics – all of which are relevant to your job.

4. MAKE CONNECTIONS WITH INDUSTRY MEDIA

One proven path to success is positioning yourself as an industry expert and submitting content to editors for publication. But getting editors to respond to your emails – let alone publish your work – is easier said than done. They're inundated with pitches and PR requests and tend to stick with their tried and trusted contributors. A conference is an ideal place to meet editors as they're happy to be out of the office, relaxed and open to building new relationships.

5. LET DOWN YOUR HAIR

Last but not least, it's impossible to discount the fun factor of conferences. Too much time in front of a screen doesn't just leave you feeling a tad stale; it also affects your performance and motivation levels. People who make a point of including fun in their lives tend to be happier, healthier and less stressed. And if you think that business and pleasure should never mix, think again. Industry conferences add a layer of enjoyment to managing your career growth by adding a social aspect to your learning and industry branding efforts.

SAVE THE DATE

The 2020 FPI Professionals Convention will be held on 8 and 9 June 2020 at the Sandton Convention Centre in Johannesburg. With a planning committee that includes Lelane Bezuidenhout, David Kop, Sherwin Govender, Warren Ingram, Ian Beere and Kobus Kleyn, you can expect to be wowed by the calibre of speakers and the range of topics. And remember – generous early bird discounts apply.

For more information, please contact me on academy@fpi.co.za

2019

HARDI SWART, CFP®

Ten steps to becoming an industry influencer

Hardi Swart CFP®, Director of Autus Private Clients
and Financial Planner of the Year 2019



BECOMING AN INFLUENCER IS THE BEST MARKETING STRATEGY EVER. BUT WHAT IS AN INFLUENCER AND HOW DO YOU BECOME ONE?

You're an influencer if you're seen as an expert in your field and you've got a sizable following. Influencers have authority, and their word is as good as gold. People recognise the value you bring to the table and are genuinely interested in what you have to say. Here are the ten key steps I've taken to becoming an influencer.

CRAFT YOUR NICHE OFFERING

To gain traction and be recognised as an authority figure, people need to link your name to a particular industry niche. My niche is family financial planning and the creation of intergenerational wealth. I didn't just stumble upon this niche: it's what I do every day and it's where my passion lies.

DEFINE YOUR VALUE PROPOSITION

Your value proposition should encapsulate why someone should use your service. A clearly defined value proposition is an essential guide to all your business communication. It explains why people should do business with you and it must set you apart from the competition. My value proposition is that I regard my clients as friends for life.

CREATE A CAPTIVATING ELEVATOR PITCH

Sometimes it can be difficult to know what

to say when you are in a networking situation. To avoid missed opportunities, **write and rehearse an elevator pitch** that succinctly explains your niche offering and value proposition. Successful networking

starts with nailing this pitch...But don't forget to ask your new acquaintances about themselves when you're done!

FIND YOUR STYLE AND BE AUTHENTIC

Now more than ever both colleagues and clients expect humanity and honesty in business. Authentic communication requires taking responsibility for your message and owning the response. Once you've settled on a communication style, you have to stick to it. In both word and deed.

GENERATE AND PUBLISH CONTENT

To establish a meaningful presence, you need to create plenty of insightful content. This is a surefire way of proving that you know your stuff and demonstrating the value you bring. Invest time in identifying relevant and interesting topics and presenting the information in a highly professional manner. Once you're done, be sure to get a wordsmith to check your writing for errors and fluidity: falling at the last hurdle simply isn't an option.

CREATE A STRONG ONLINE PRESENCE AND LEVERAGE SOCIAL MEDIA

Sharing your carefully crafted content has never been easier. I'd advise maintaining profiles on at least three different social media platforms. This increases your reach and allows you to establish a strong brand identity while networking with like-minded colleagues and clients. It may seem like a schlep, but the benefits easily justify the effort.

WRITE A BOOK

I'm also a huge advocate of writing a book. Being a published author provides a certain gravitas that sends your credibility through the roof and forces clients to take notice. An e-book is nice, but a bona fide printed book is even better. I'm currently putting the finishing touches on my first book...Watch this space.

INVEST IN YOURSELF AND BUILD YOUR OWN PROFESSIONAL PROFILE

Take the time and money to invest in your creativity, self-confidence, knowledge, health and relationships. Your future as an influencer depends on it. Once you've got *that* qualification, gained *that* experience or scaled *that* peak, be sure to tell the world about your professional development by employing marketing specialists.

FORGE PARTNERSHIPS

It may be a cliché, but when you're faced with a challenge, two heads are always better than one. Harnessing the strengths and abilities of others from different corners of the industry is one of the most strategic ways to scale innovation and increase your reach.

NEVER DOUBT YOURSELF

Whenever I'm a little unsure of myself I turn to the same quote from Wilma Rudolph. "Never underestimate the power of dreams and the influence of the human spirit. We are all the same in this notion: the potential for greatness lives within each of us." And then I get back to work.

THE BOTTOM LINE

You don't become an influencer overnight. It takes a lot of hard work, consistent effort, and dogged persistence. And once you've made it, you need to keep your foot on the pedal to maintain your status. It might not be easy, but it's definitely worthwhile. Once you're an influencer, anything's possible.

2018

JANET HUGO, CFP®

Eight good reasons why financial advisors should consider using a Discretionary Fund Manager



Janet Hugo CFP®, director of Sterling Private Clients and Financial Planner of the Year 2018

RDR AND TCF HAVE FORCED US TO REVISIT OUR CORE COMPETENCIES AND TO SOURCE ADDITIONAL CAPABILITY, INCLUDING DISCRETIONARY FUND MANAGERS (DFMS) TO MANAGE OUR CLIENTS' INVESTMENTS. I'M A GREAT BELIEVER IN THE USE OF DFMS IN ADVISORY PRACTICES. HERE'S WHY...

Firstly, **I have more time to grow my business** by liaising with the media, supporting clients and prospecting for new clients and increasing the amount of business I get from existing clients.

Secondly, **it's operationally efficient** in that I don't need to fund highly qualified and expensive employees as well as expensive software to conduct investment research.

Thirdly, **I can concentrate on my area of strength**, and grow my area of expertise, which is to give financial advice and care for my clients.

Fourthly, **I'm impartial when it comes to investment reviews** and don't own the performance figures.



“IT’S ESTIMATED THAT 25% OF SOUTH AFRICAN WEALTH MANAGERS OUTSOURCE THEIR INVESTMENT FUNCTION (COMPARED TO 40% IN THE UK)”



Fifthly, **it assists with my business succession plan** in that my clients’ investment management will remain in place irrespective of what happens to me or my practice.

Sixthly, **it enhances the credibility of my service** as I have access to some of the most experienced portfolio managers in the country.

Seventhly, **it’s cost-effective for my clients** as the DFMs can access institutional buying power and lower fees.

And last but certainly not least, **my DFM manages my investment compliance requirements** including the provision of investment governance procedures and quantitative and qualitative research to back up buy and sell decisions.

THE BOTTOM-LINE

It’s estimated that 25% of South African wealth managers outsource their investment function (compared to 40% in the UK) and that there are over 40 DFMs in South Africa managing over R 230 billion. This trend is highly likely to continue as DFMs assist in mitigating investment risk and allow you to concentrate on your clients and grow your business.

Do choose carefully. As usual, there are horses for courses. Different DFMs have different focuses: for example, Analytics Consulting and Fundhouse have a strong focus on research, while PortfolioMetrix makes extensive use of technology to create model portfolios. It’s also important to check for compatibility. A DFM who shares your values and business culture is far more likely to work well for you.

WHAT THE FPOTY PRIZE HAS MEANT TO ME

One of the most significant learnings has been how valuable the title of ‘financial planner of the year’ is. The win sets you apart from other advisers and assists you in gaining immediate credibility from others in the industry, the financial media, as well as from clients.

It’s a prize and honour that will live with me throughout my career. The competition is by no means a popularity contest, nor a measure of the amount of financial planning business you do. I salute each of the other 18 winners as industry leaders, aiming to achieve the best for their clients consistently.

2017

MARK MACSYMON, CFP®

Financial planning practice models

Mark MacSymon CFP®, Wealth Manager at Private Client Holdings
and Financial Planner of the year 2017

NOT ALL FIRMS WHO PROVIDE A FINANCIAL PLANNING SERVICE ARE CREATED EQUAL. THEY VARY IN SIZE, CHARACTER, BRAND AND ORGANISATIONAL PERSONALITY.



These businesses are further differentiated in terms of their affiliation to banking institutions and insurance companies and there are others who have no institutional parent – i.e. ‘the independent’ practice. There is no financial planning practice model design that is right or wrong.

There are however financial planning practice models which are better suited to assist clients, with unique or specific financial needs, to achieve their investment objectives. The reality is that a financial planning business cannot be everything to everyone – it simply makes no commercial sense for either party.

UNDERSTAND YOUR IDEAL CLIENT

The key to any financial planning business is to have an acute sense of who their ideal clients are. Understanding the needs of your target market will considerably impact the Financial Planning practice model pursued. Consider the needs and aspirations of Millennials versus Baby Boomers.

At Private Client Holdings we provide a multi-family office solution to a clearly determined niche market. This allows the company to dedicate resources to the services typically needed by our target client families and conversely, allows our clients to identify with a coherent, appealing value proposition. South African financial planning companies operate at a globally competitive level, but how do we

fundamentally differ from one another and how do customers align with companies who are more likely to help them achieve their investment objectives?

PROCESS, SPECIALIST SERVICES AND SLAS

The most obvious characteristic which differentiates financial planning practice models is the advisory process which the business adopts to help guide the clients they serve toward their financial (and lifestyle) objectives. Many companies incorporate the FINANCIAL PLANNING INSTITUTES™ 6-step financial planning process into their advisory DNA. Others, like Private Client Holdings, have adopted a Goals-Based Wealth Management methodology which seeks to comprehensively recognise a client's range of goals and life events, which is brought to reality by implementing multiple investment strategies. Each goal is supported with a unique timeline, contribution pattern and risk-tolerance. Lifestyle financial planning further seeks to delve deeply into a person's relationship with money and their finances and orientate their matters accordingly.

There is a positive correlation between the depth of in-house resources required and the complexity and sophistication of the needs demanded by ideal clients. Financial planning practice models that target UHNW families will generally provide specialist services inhouse; financial services (tax and accounting), fiduciary services, portfolio management, risk management and cash management. Business that aims to target mass affluent clients might prefer to align with businesses that provide these services and refer on a quid pro quo basis.

Another parameter which helps companies to articulate their value proposition are the details contained in the Service Level Agreement with clients. The SLA in broad strokes sets forth the engagement process required to bring to life the clients' wealth management strategy. It provides clear guidelines about how the company will provide input and guidance in achieving the client's financial objectives, how progress and tracking toward those goals will be measured, how fees are levied and what they cover, how fin-tech services will be used to drive efficiencies, what will be covered in reviews and when, and in turn, what is expected from the client. The key purpose of the SLA is to articulate how value in excess of fees will be delivered.

HOW DOES ONE DETERMINE WHICH IS THE BEST PRACTICE MODEL FOR YOU, BOTH AS A CFP® AND AS A CLIENT?

Independent recognition and associateship are always good indicators. For example, being recognised as an FPI PROFESSIONAL PRACTICE or winning an award like Intellidex, International Advisor or FPI financial planner of the year. Researching which practice models are thriving in our challenging markets is a key indicator.

Winning the competition reinforced that the philosophy, process and journey that Private Client Holdings undertake with our clients and their families is world-class. As a result of the competition we have aligned with more families nationwide who we are incredibly proud to work with – families who allow us to bring life to our mission and who share a similar value set – focused on nurturing wealth.

2016

BRUCE FLEMING, CFP®

THE PERSONAL SIDE OF FINANCIAL PLANNING

Bruce Flemming CFP®, Private Wealth Management,
and Financial Planner of the Year 2016.

THE DAYS OF COMMISSION-DRIVEN PRODUCT SELLING IN THE FINANCIAL PLANNING INDUSTRY, WHERE CLIENTS' NEEDS, WANTS AND REQUIREMENTS WERE SECONDARY, IS THANKFULLY SOMETHING OF THE PAST.



Legislation has had something to do with it, but I feel professional financial planners and Certified Financial Planners (CFP®s) in particular, put clients at the centre of all recommendations.

All CFP®s are very well qualified and can give very good financial advice, but what sets good financial planners apart from exceptional financial planners is the personal attention the financial planner gives to his or her clients.

For a financial planner to be exceptional, he or she needs to have the technical expertise to ensure that the client's financial plan will stand up to technical scrutiny, but more than that, to understand the client and what makes him or her happy or fearful.

Right from the beginning of their relationship with clients, financial planners need to understand what makes the client "tick". For financial planners to do a comprehensive financial plan, clients need to share information with financial planners that they wouldn't share with their family or friends, such as how much they earn, how much they spend, how much they save and what capital they have. This they do at a very early stage of the relationship with their financial planner. This is very personal information that takes a lot of trust from the client's perspective right at the beginning. Financial planners, therefore, need to appreciate this.



“FOR A FINANCIAL PLANNER TO BE EXCEPTIONAL, HE OR SHE NEEDS TO HAVE THE TECHNICAL EXPERTISE TO ENSURE THAT THE CLIENT’S FINANCIAL PLAN WILL STAND UP TO TECHNICAL SCRUTINY, BUT MORE THAN THAT, TO UNDERSTAND THE CLIENT AND WHAT MAKES HIM OR HER HAPPY OR FEARFUL.”



Once the financial planner has all the client’s financial information, it is vitally important that they get to know the client’s personal circumstances, such as how they are married, how many children they have, what the work schedule looks like and indeed what they enjoy doing in their downtime. This enables financial planners to get to know their clients on a personal level as well. This is the personal side of financial planning that will ensure a long term relationship with clients. This will immediately elevate the relationship to another level as not only do you get to know the client on a business level, but you get to know them on a very personal level too.

I always use the analogy of building a house, if the foundations are strong, the house will never fall down. The foundations of the relationship upfront will ensure a very strong personal relationship going forward and will help the financial planner in all future engagements with the client in terms of behavioural finance, which as far as a personal relationship with the client is concerned, becomes imperative.

Like building a house, you need to look after it. All future interactions with clients will be built on the relationship you build upfront. For the financial plan to remain on track, you need to harness the relationship. This means that if there are any changes in the client’s circumstances outside of any formal meetings, the client’s first port of call will be their financial planner.

Any concerns they may have in terms of behavioural finance means they will not make irrational decisions on their own but will contact their financial planner, who should by now have become more than just a financial planner, but also a financial coach.

WINNING FINANCIAL PLANNER OF THE YEAR 2016

The financial planner of the year award is not an easy award to win. You are judged by your industry colleagues on your financial planning processes, knowledge and most importantly how you treat your clients. This makes winning the award even more special. The award also elevates you in the eyes of the industry and the consumer as a whole.

If you are passionate about our industry and about financial planning it is definitely something I would recommend all CFP® financial planners enter.

2015

WOUTER FOURIE, CFP®

Client segmentation – throw out the spreadsheet!

Wouter Fourie, CEO of Ascor® Independent Wealth
and 2015/16 FPI Financial Planner of the Year

IT WAS A SPREADSHEET TO BE PROUD OF: OUR ASCOR CLIENT SEGMENTATION MODEL.

Clients were segmented by life stage, product set, advisor and, most importantly, their assets under management. Each received a level of service commensurate to their income and, quite frankly, our income from them.



The spreadsheet was the product of many hours of fine-tuning, deliberation and testing. It was several pages long and included enough tabs to make any financial planning professional proud. The only problem was, it didn't work!

For all its elegance, our planning model bumped into the realities of everyday client interactions. What if a low-earning, average income client kept his advisor busier than he was allowed? What if a client or family, had an affinity for a specific advisor (or vice versa), but the model did not allow the advisor to continue serving them? And what if prospects in each advisor's pipeline did not meet the spreadsheet criteria?

Our real-world challenges forced us to look for answers and ultimately led us to Robert Knapp and his book, *The Supernova Advisor*.

Knapp and his team turned the traditional client segmentation model on its head. He argues for one service level for all customers, whether the client is merely looking for a short-term policy or bringing R50 million to the table.

At first all our training and all the effort we put into our beautiful spreadsheet made us balk at the notion of changing our service model. But we decided to suspend judgement and think through the concept.



“FOR A FINANCIAL PLANNER TO BE EXCEPTIONAL, HE OR SHE NEEDS TO HAVE THE TECHNICAL EXPERTISE TO ENSURE THAT THE CLIENT’S FINANCIAL PLAN WILL STAND UP TO TECHNICAL SCRUTINY, BUT MORE THAN THAT, TO UNDERSTAND THE CLIENT AND WHAT MAKES HIM OR HER HAPPY OR FEARFUL.”



As we tested it and thought through the concept and its consequences, it made perfect sense. No client wants to feel like he or she is getting a second-rate treatment, especially not if there is any chance that he/she will grow his/her wealth over time. No advisor wants to be bothered with the administration of trying to match his/her level of service and billable time to the minutiae of each client’s portfolio.

So, we went all in. We deleted the spreadsheet and introduced one level of service to all. No exceptions.

With this as our foundation, we had the freedom to better match clients and advisors and start offering a full contract-based service, and a pay-as-you-go alternative to clients who wanted advice on an ad hoc basis.

To ensure a high level of service, each advisor has a hard limit of 100 clients or family units. This considers the Pareto principal which, in this instance, told us that 80% of the profit that an advisor generates comes from the top 20% of his or her clients. By restricting each advisor to a maximum number of clients, you could widen that Pareto sweet-spot to include as many of his or her clients as possible.

Then we added para financial planners to the mix to free up the client-facing advisors to best serve their customers, and we automated as many of the processes as possible, including a very detailed and robust tracking system of the necessary planning processes.

It has made clients very eager to either bring more investments to the table to stay with their chosen advisor – if the advisor’s other 99 clients grow in value and push them down to another advisor – or make them happy to move to another advisor in the team, knowing that they will still receive the high-level and timeous service that Ascor has become known for.

Did it work? Incredibly well! Since introducing it in 2015, the number of clients as well as our profits have skyrocketed, and advisors are keen to join the firm.

So, my invitation is simple: Throw away the spreadsheet and its artificial boundaries and turn the model on its head. It worked for us and it will work for you!

OLDMUTUAL

GREAT THINGS ARE POSSIBLE WHEN WE INVEST TOGETHER

Giving Africa and its people the great future they deserve takes an investment partnership like no other. That's why we've committed R117 billion investment towards an inclusive and sustainable economy on behalf of our clients, working with our stakeholders to create more than just hope for our continent, but shared value, too.

For more information visit oldmutual.com



DO GREAT THINGS EVERY DAY

2014

PETER HEWETT, CFP®

Managing Client Expectations in Difficult Times

Peter Hewitt CFP® , Managing Director of Hewitt Wealth
and Financial Planner of the Year 2014



IN THE LAST 5 YEARS, INVESTMENT RETURNS IN SOUTH AFRICA HAVE BEEN MUTED AND INVESTORS HAVE NOT BEEN REWARDED AT ALL FOR TAKING RISK, WITH EQUITY RETURNS BEING SIGNIFICANTLY OUTSTRIPPED BY MONEY MARKET RETURNS, EVEN NET OF TAX.

On the offshore front, investors have been very well rewarded by equity markets but there is growing fear that developed markets may come under severe pressure soon due to declining world growth and significantly tumultuous and uncertain trading conditions, worsened by the US trade wars, Brexit and a host of other economic and political factors.

On the other hand, although inflation has remained relatively low by historic standards in the recent past, medical cover and services, fuel, food and imported goods have seen significant price increases.

These factors have left many investors scratching their heads and questioning their overall investment strategy and in many cases their advisor's financial advice.

It is our view, at Hewett Wealth, that this is exactly when expert support and coaching by a qualified financial advisor is required to ensure that clients do not expose their investment portfolio to knee-jerk reactions that could cause long-term damage.

Our approach to “client investment strategy and asset allocation” entails the construction of portfolios that are designed to take account of short, medium and long-term needs, overlaid by client-appropriate levels of exposure to equities, bonds, property and cash within both local and offshore markets. Derivative products, such as guaranteed equity or index-linked solutions, collar-cap structures and the like with varying term structures are then utilised to manage the actual level of capital risk that clients are exposed to locally and offshore.

Factors such as the provision of short- to medium term income needs and liquidity needs are secured by the initial allocation of capital, primarily from within local markets due to the relatively high yields available locally, while the balance of capital is then allocated to local and offshore guaranteed structured product investments and to growth assets with a bias to offshore exposure.

Although this investment strategy is likely to be commonly encountered throughout the financial planning and advisory industry, my experience has been that asset allocation strategies and the resultant volatility expectations are seldom comprehensively communicated to clients.

Adding the asset allocation overview on a “see-through” basis together with “asset-type appropriate” benchmarks to the client review presentations significantly aids the ability to discuss and explain investment returns and anticipated volatility over various terms. This in turn also makes it easier to ensure that clients know, understand and are comfortable with their longer-term investment strategies and that they do not overreact to short- to medium-term volatility.

SOME OTHER FACTORS THAT ARE CRITICAL IN ENSURING THAT SHORT-, MEDIUM- AND LONG-TERM ADVISOR AND CLIENT EXPECTATIONS ARE ALIGNED INCLUDE:

- Ensuring that there is a defined and agreed financial review meeting structure and process and that the next review date is agreed at every review meeting, thus ensuring a feeling of continuity of advice and support.
- Continual reassessment of the investment houseview, to ensure that it takes account of material changes in market conditions and ongoing communication of this houseview to clients.
- Continual reassessment of the clients’ personal circumstances to ensure that account is taken of material changes that could impact the clients’ appetite and tolerance for risk.
- Never taking credit for positive market conditions unless you want to be held accountable for negative market conditions.

A structured investment strategy and client review process will go a long way to ensuring long-term client retention.

WINNING THE AWARD

“Winning the financial advisor of the year competition not only provided excellent media exposure during the year that I won but also provided other media opportunities long after the awards, which is invaluable in ensuring the maintenance of a professional online profile. The award also assists in securing new business opportunities due to the fact that clients frequently “google search” financial advisors and they place a lot of weight on professional industry body awards”.

2013

BARRY O'MAHONY, CFP®

Breaking down silos to find new ground

Barry O'Mahony CFP®, Veritas Wealth Management
and Financial Planner of the Year 2013

IN THE RUGBY WORLD CUP FINAL WHERE MAPIMPI KICKED THE BALL INTO SPACE, WE ALL HELD OUR BREATH, BECAUSE THE BALL IS OVAL-SHAPED YOU HAVE NO IDEA HOW THE BALL WILL BOUNCE.



Running a financial planning business sometimes feels like you are chasing after an oval-shaped ball at speed, hoping to anticipate the bounce and get ahead of the competition. If you get an awful bounce, you may find yourself on defence.

It is all about anticipating the bounce. Trying to work out how we can give the best advice available to our clients and run a good profitable business. When we do our business plans, we anticipate the advice space getting smaller; fewer clients looking for advice, more competition, and an industry in the midst of change due to consumerism, regulation and a move to more transparency.

In our business, we are approaching the future differently to most other CFP Professionals. We believe a large amount of work and effort is spent on things that clients do not actually want, need or value. Massively detailed financial plans, complex and incomprehensible investment reports sprinkled with jargon that only people in the industry understand.

We believe that we need to concentrate on ensuring all our advisers are focussed on client-related matters only. We empower our non-advice staff in our business with everything else and trust them implicitly in the roles they fulfil.

BUILDING BONDS

We spend a great deal of time and money focusing on client interactions. We are trying to learn the skills of a coach without becoming one. We think that by developing a 'coaching way of being' will be invaluable in helping to discover and hopefully solve the real issues. We also believe it will help us build a bond with clients as they go through difficult life transitions. Where ever the oval ball bounces in the industry we think these skills will give us some chance of surviving and hopefully thriving with our clients.

Another difference in the way we do things at Veritas is that we are intent on breaking down silos. Most businesses are set up with different units (silos) made up of planner, junior planner, paraplanner and administrator. What happens is these tend to operate individually and build their own way of doing things (workflow) and may even implement differently. We try to corporatise our relationships with all our clients. New clients now meet 2 planners in the first meeting. We do not have para planers and only the planner can write up a plan or a statement of advice. We want the person writing the advice to have that connection with the client. All our planners sit together, not in their silo and this allows us to continually bounce ideas, problems and solutions off each other. It also means we offer consistency in advice and implementation with slight nuances reflecting different personalities.

We have a secretarial team (equivalent to a paraplanner role) that are allocated to clients and they prepare the meeting packs and edit the advice before it is sent to a client. This team is supported by the client liaison person who gets the ball rolling on setting up reviews and events for clients. We then have an implementation team whose workload is allocated across different planners so that they don't just deal with one planner.

The other role we are developing is a practice manager. We want to keep our best planners in their strongest position (giving advice) and as the practice grows we will have a non-advice person growing into that position. All of this is supported by our CRM system and a detailed workflow process.

All new CFP's are brought into the business on a salary and bonus structure that is not linked to deal flow and we do not have targets.

Our goal is to keep the head count down, use technology & workflows, empower non advice staff. We do not know where the industry will end up, but we need to assume a tougher environment and controlling costs and service offerings will be crucial. Empowering non advice staff and having planners working in teams together creates a great and attractive culture to work in.

FINANCIAL PLANNER OF YEAR COMPETITION

We looked at entering it as a strategic business decision. We wanted to and needed to grow. We asked ourselves, how do you get new clients?

The answer, we had to build trust and to do this you need to show good character and competence. Having a CFP Professional designation alone does not attract the clients ... yet. But proving that you are one of the best CFP professionals in the country, even as a finalist was the best marketing opportunity ever. It blows me away how few professionals have not seen this opportunity. The effect on existing clients alone was extraordinary. They were so proud of us and of their own decision to choose us. Additional business, referrals and public engagements followed. In the years that have passed, we are still living off the title.

Enter it, if you don't make it your practice will be in better shape and you can tell your clients and referral sources how far you got. It works!

2012

JAN-CAREL BOTHA, CFP®

Professional Financial Planning: The supply for the next five years and beyond

Jan-Carel Botha CFP®, Director of Purpose Wealth
and Financial Planner of the Year 2012



MOST PEOPLE HARBOUR THEIR OWN VIEWS OF WHAT THEY DEFINE AS PROFESSIONAL FINANCIAL PLANNING. THE MOST COMMON ONE PROBABLY REVOLVES AROUND ADVICE AND PLANNING TO HIGH NET WORTH INVESTORS AND RETIREES.

Quite unfair, I believe, to those CERTIFIED FINANCIAL PLANNERS® that focus on other areas of service and advice and deliver an equally professional service to clients. Nevertheless, whichever definition we use or prefer, the future of any business or industry lies in its relevance and where the simple economics of that demand and supply meets at an equilibrium price point. Understanding the drivers of demand and supply, and how they ultimately reflect at the price point, allows us to get a possible picture of the future of professional financial planning.

SOME MAJOR DRIVERS OF SUPPLY:

- Cost of compliance
- Legislation changes
- Information technology / Fintech
- Risk of giving advice

It's common knowledge that most of these drivers have put a strain on the supply of professional financial planners. Most planners that I have spoken to over the last five years have

said that they spend more than half their time on compliance, which by numbers leaves less than half their time to spend with clients. Remember that time is also spent on practice management, CPD, etc. This is very ironic as the world has seemingly become easier and quicker to do business in with technology as the enabler. Most industries, from travel to banking, to online retail, just about any industry that comes to mind, have gained on time and efficiency except financial planning and advice. See, automation of advice has turned out to be much more difficult than the IT gurus have thought.

Not too long ago every financial planning seminar or conference was focussing on Robo-advice, yet many of these Robo-advice businesses have failed miserably with examples such as Investec in the UK closing down a Robo-advice business after spending £30m on it. In Australia, Plenty Wealth and Plenty Plus will shut down after the corporate regulator raised concerns about conflicts and poor quality advice provided to consumers, but the founders say onerous regulations are to blame for the closure. This statement proves the point that regulation, and often over- and unreasonable regulation, is currently largely nullifying the big benefits that IT could and should have on supplying financial planning and advice at more cost-effective levels.

I have also seen the appetite of planners and advisors for taking risk for giving advice, decline dramatically over the last few years. Whenever I liaise with other professionals globally, I'm almost immediately made aware of their disclaimers that they take no responsibility and/or that they are not actually giving advice but merely state "their understanding of a situation, position or law". Financial planners, however, are required to be specific, point out all risks, make recommendations, implement and report back on all these over time. Lawyers have laughed at me at social gatherings for the "crazy risks" that we take.

Doing proper and comprehensive financial planning and giving advice is a time-consuming exercise. Clients need to be trained, relationships build, technical skills applied and compliance followed.

Fintech's focus has been on replacing the financial planner, but perhaps the focus should be more on enabling the financial planner to execute compliantly and efficiently. Should this not be achieved, I believe the supply of financial planning will be negatively affected, to the detriment of the consumer.

The professional financial planner, especially those with a sincere eagerness to help as many as possible clients, will be faced with the difficult decision to show clients that really need proper planning, away. As Financial Planner of the Year, I was very privileged to be exposed to the deeper workings of the business of financial planning as I had the opportunity to engage with industry experts and colleagues which would otherwise likely not be the case. Many of my opinions and conclusions in this article, comes from those interactions.

We each have our own journey in the industry but to be able to rub shoulders with the best in the industry is truly priceless, and for that, I'll be forever grateful to the Financial Planning Institute of South Africa!

(COVER)

Boldly African



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2011

WARREN INGRAM, CFP®

BUILDING A SUSTAINABLE BUSINESS

Warren Ingram CFP® is a co-founder of Galileo Capital
and Financial Planner of the year 2011.

THE CORE TO BUILDING A SUSTAINABLE FINANCIAL PLANNING BUSINESS IS THE EMPLOYMENT AND RETENTION OF FINANCIAL PLANNERS.



Many owner-managed financial planning businesses struggle to recruit new financial planners. That is why many of these businesses consist of the founder and two or three administration staff. This is not a sustainable business as the clients have no access to financial advice if the owner were to die suddenly. That is why the recruitment and retention of financial planners is the key to building a sustainable enterprise.

GROWING PAINS

When I do talks about growing our business at financial planning conferences, it is noticeable how many older men are in the audience. Some of them will comment on how difficult it is for them to find and retain new financial planners. When we discuss this, we find out that most business owners make some fundamental errors in their recruitment strategies. They recruit young financial planners and tell them to “grow their own client base” or they offer them a commission structure but no salary.

In this regulatory environment, it is nearly impossible for young financial planners to start from scratch. My suggestion is to recruit high-quality financial planning graduates and get them to start servicing existing clients. For this role, a business owner can pay a proper monthly salary, not commission. This frees up the business owner to get more clients and it builds financial planning depth within the company.



“IN THIS REGULATORY ENVIRONMENT, IT IS NEARLY IMPOSSIBLE FOR YOUNG FINANCIAL PLANNERS TO START FROM SCRATCH.”



THE FOUNDER IS THE BEST NEW BUSINESS GENERATOR

People who have been financial planners for a long time find it much easier to get new clients. The established planners should focus on new clients and young planners should service them. This ensures that existing clients are properly managed, and the business can expand. It is also a safer way of growing the business because the established advisor will provide the bulk of the advice. If the business owner recruits people who focus on service rather than sales, it lifts the quality of the whole business.

FOCUS ON OPERATIONS

Once a business has more than two planners, operational capacity is key. It is important that all clients are serviced properly, and all planners have a similar approach to clients. It is pointless to get new clients if you're not servicing existing clients. Referrals are still the best way to grow and this is only possible if you provide good service. Our business really gained a life of its own when we started to plan how the business would survive if the founders died suddenly. This might seem morbid, but it focused us on the long term and forced us to think about business in a different way.

Now we introduce clients to different planners within the business and make them comfortable dealing with more than one person. We pay our financial planners a market-related salary and their bonuses are linked to the performance of a team that is responsible for a group of clients. The greatest weighting in our bonus calculation is given to client service. It is worth noting that new business spikes once financial planners focus on improving service.

Sustainability requires work by the founders and cannot simply be outsourced to new staff, I suggest owner managers take the time to make themselves obsolete!

WINNING THE AWARD

As a business, we set ourselves a goal of building a world-class financial planning business. Once we felt ready to measure ourselves to this standard, we decided that I should enter the FPI Financial Planner of the year. It was quite a daunting task, but we felt very confident in the work that we had done on our business. Our business certainly experienced a significant change after I won. Our public profile increased dramatically, and we started to receive many more enquiries from the media for comments on financial planning matters. Our existing clients were very impressed with the achievement and this led to an increase in referrals and new business enquiries. It also gave us a lot of confidence that our business was on the right track and that we were meeting the highest possible standards in the way we looked after clients.

2010

NATASJA NORVAL HART, CFP®

Has your client engagement process kept pace with the times?

Natasja Hart CFP® – Head of Wealth at GCI and Financial Planner of the Year 2010

SAVVY FINANCIAL ADVISORS ARE USING TECHNOLOGY TO CEMENT THEIR RELATIONSHIP WITH CLIENTS.



Around about the time I won the award, most financial advisors saw their value as technical experts who had the specialised knowledge to unpack the mysteries of finance for laypeople.

Fast forward to today, and the situation has totally changed. In the words of Dr Deena Katz: “When I started, we used to sell product and give away advice... Today, we do just the opposite. We sell advice and the product is an extension of an implementation.”

It's vital that we understand the implications of this change or we risk becoming irrelevant to a new generation of clients. This new generation is accustomed to highly personalised and, above all, rapid service delivery. Advisors need to live up to these expectations, and their ability to do this is compromised by the complexity and volatility of the global investment universe. In some senses, too, their task is further complicated by the sheer volume of data at their disposal.

The good news is that there is a growing range of increasingly intelligent tools to process the floods of information and, critically, make sense of it. In a way, one could say that the technical expertise that used to be the hallmark of the financial advisor is increasingly being outsourced to technology—hence the rise of the Robo-advisor, a genuine instance of reality falling in line with fiction!

It would seem that there is an immediate problem: won't this abundance of information and processing power disintermediate financial advisors?

Disintermediation (or irrelevance) is a real possibility for advisors who continue to focus on selling products. Clients are increasingly impatient with this kind of approach because the digitalisation of business (and just about everything else) has created the expectation that every product or service should be personalised. In this world, one size definitely does not fit all; products, by their very nature, suffer from this defect.

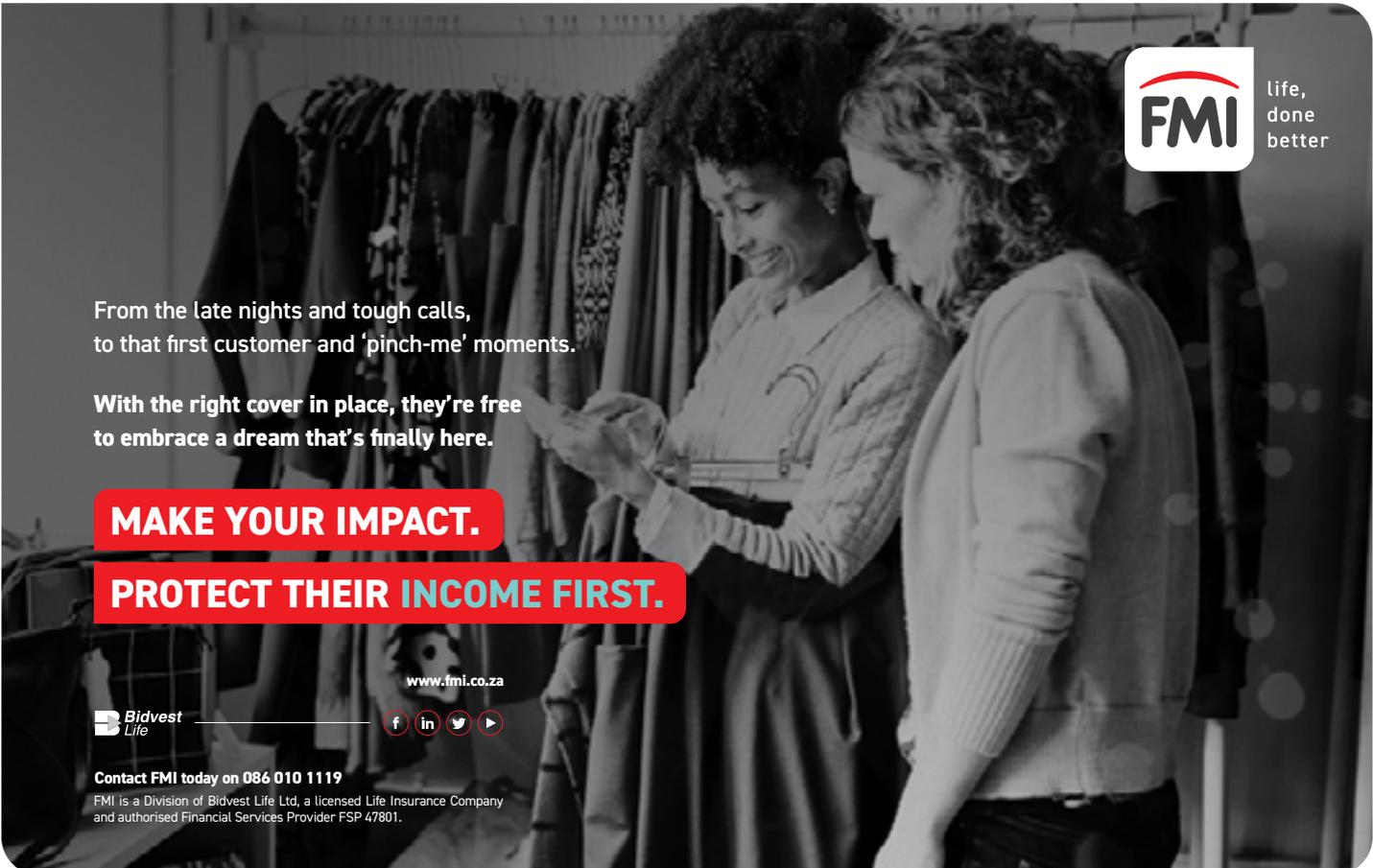
What clients truly value, and will pay for, is a human expert who is able to help them navigate this complex world. Someone who will provide them with the relevant and appropriate information coupled with technical analysis, and will then help them relate it to their particular financial and life circumstances—all with the aim of developing a personalised plan for reaching a set of carefully defined financial goals.

In other words, today's successful financial advisor is positioned as a financial coach, adding value by helping clients understand their current financial status, where they want to be and, crucially, how to get there. In this model, the advisor makes the technology available to the client to allow him or her to keep tabs on progress, and to explore the impact of different decisions on the end result. At base, then, technology provides an ideal way to help clients remain engaged with their plans—and their advisors.

Advisors who understand that, and can communicate it as a value proposition, will flourish.

WINNING THE AWARD

It was obviously a huge endorsement from my peers that I was indeed delivering value to my clients, and I suppose it was also significant that I was only the second woman to win the award. Looking back, though, it now seems to me that the biggest impact was inspiring me to play a role in professionalising our industry through helping judge later awards.



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2009 **ALEC RIDDLE, CFP®**

What it really means

Alec Riddle CFP®, Financial Planner at Old Mutual Wealth Management,
and Financial Planner of the Year 2009

THE FIRST TIME I ENTERED THE FINANCIAL PLANNER OF THE YEAR (2008) MY MOTIVATION WAS TO TEST MYSELF, WHILE AT THE SAME TIME LOOKING TO RAISE THE BAR WITHIN MY PRACTICE. I WAS LIKE A RABBIT IN THE HEADLIGHTS, SO WHEN I WAS NAMED A FINALIST, I WAS BEYOND SURPRISED.



The response from industry peers and clients was remarkable and I suddenly realised that I had gained far more than I had anticipated by entering the competition. It had certainly stretched me it broadened my knowledge and I learnt a great deal about myself and, but it also dawned on me that all of a sudden I had more credibility with clients and when conducting presentations.

I suppose it was only natural to enter again with the added knowledge and experience, so I entered in 2009 but it was also a year in which I was training for the Ironman and hoping to qualify to go to the World Championships in Hawaii. In hindsight, my biggest disappointment (failing to qualify for the Ironman World Championships) became my biggest motivator, as I channelled all of my energy and focus into the Financial Planner of the Year case study.

The training discipline and time were now injected into preparing for the Financial Planner of the Year and I think I worked on my case study every night until midnight for a month. To say I was well prepared was an understatement and my focus was always on the process and not the outcome and as Gary Player often says “the more you practice the luckier you get”. Abraham Lincoln put it slightly differently and this is the quote I used in my acceptance speech “I will prepare myself, and someday my chance will come.” – Abraham Lincoln.



**“I WILL PREPARE MYSELF, AND
SOMEDAY MY CHANCE WILL COME.”**

– ABRAHAM LINCOLN.



What an honour it was to be named the FPI’s Financial Planner of the year amongst such distinguished colleagues, but first let me share my most nervous moment in the build-up to the announcement. The MC called each of the finalists up to the stage, introducing each with numerous legal or financial degrees and hundreds of millions in assets under management, with one finalist having R1.5 Billion AUM. I was sitting there thinking oh no, the MC will be introducing me as a Phys Ed teacher with R70M AUM and there will likely be a mass giggle at my expense.

Fortunately the MC either had a sense of humour or was a sporting fan, because when it came time to introduce me he skipped the qualifications and assets and mentioned that I had finished 21st in the Comrades Marathon and completed a few Ironman events, which drew a loud round of applause and a huge sigh of relief from me. The only disappointment for me was that I had told my wife she needn’t come to Jhb for the awards as I had little chance in my opinion against so many professional financial planners.

Being named Financial Planner of the Year was very special and gave me a lot of confidence going forward, and it certainly helped in my business, as very often credibility had been established before meeting clients. One thing I have found is that you don’t win awards on your own so I am grateful to those special individuals who were a part of my team. In addition, you learn a great deal from people on your journey.

I learnt so much from the Acsis strategic partner community, in particular, Andrew Bradley and also from Errol Meyer and Wessel Oosthuizen while studying for my CFP®, so thank you to all who have contributed to my development.

2008

JOHN CAMPBELL, CFP®

Growing our own timber

John Campbell CFP® , CEO, Chartered Wealth Solutions, and FPI Financial Planner of the Year 2008

I WAS 25, A FRESH BCOM GRADUATE, AND EXCITED TO START MY CAREER IN FINANCIAL PLANNING.

My introduction to the industry has haunted me ever since.

My training comprised two weeks: the first, on technical knowledge, and my second, on how to sell – an experience that was enough to turn most prospective Financial Planners away. Despite this dubious introduction, I have enjoyed what has turned out to be a rewarding and fulfilling career.



With my own experience in mind, we decided to build a programme at Chartered Wealth Solutions in which we would recruit graduates into the business and create an experience that would set them up to be great Financial Planners.

RATIONALE FOR RECRUITMENT

I am always amazed, listening to established Planners in industry forums speaking about their struggle to recruit Financial Planners. They set out looking for somebody that they don't necessarily need for their business; the focus is on how much return they can get from their recruit, and this return is generally measured by the recruit's ability to sell. Predictably, this approach has a high failure rate – most people are not natural salespeople.

In contrast, we aimed to recruit Postgraduate Financial Planning graduates and to offer them a three-year learnership programme.

The intention was to teach these graduates everything about the industry that they would not have learned at University. Essentially, it is a move away from the theory and experiencing the practical, day-to-day life of a Financial Planner.

ENHANCING EXPERIENCE

As a start, our recruits – Articled Planners – spend between six and twelve months familiarising themselves with an administrator's role. They



“I SAW MY WINNING THE 2008 FINANCIAL PLANNER OF THE YEAR AS THE ACKNOWLEDGMENT AND APPRECIATION, BY THE FPI AND PERSONAL FINANCE, FOR WHAT CHARTERED AND I HAD ACHIEVED IN BUILDING A LEADING FINANCIAL PLANNING PRACTICE. WE CONTINUE TO BELIEVE THAT THE BEST WAY TO PLAN FINANCIALLY FOR YOUR CLIENTS IS TO GET TO KNOW THEM – THEIR LIFE GOALS, THEIR VALUES AND THEIR HISTORY – AND TO MAKE THEIR FINANCIAL PLAN ENABLE THEIR DREAMS.”



hereby garner an understanding of the back end of the business, dealing with call centres, processing paperwork, monitoring compliance, and related functions. This may not be exciting work for aspirant Financial Planners, but we believe it is essential to understand why this role is so important.

At the same time, the Articled Planners attend our bi-weekly Financial Planner meetings, where we, 27 CFP@s, discuss real-life cases and agree on the best advice that we offer at Chartered Wealth Solutions.

In addition, our Articled Planners engage in a programme designed to develop them personally and professionally: coaching skills, personality profiling, and working as part of a Financial Planning team. In their second year, the focus moves from administrative tasks to a support role for the Financial Planner: writing review plans and financial plans for new clients. While this is not a client-facing role, the Articled Planner learns valuable skills while helping the Planner with their workload leading up to and following a client meeting.

By their third year, Articled Planners attend client meetings, taking minutes and learning interpersonal skills – the ability and confidence to have conversations with older people. This is often expertise not part of an academic qualification.

We have successfully employed 18 articled planners over the past 10 years. They have brought huge value and youthful energy to the company. Six have left in this time, mostly after realising that a Financial Planning career is not for them – they leave with a true perspective of what Financial Planning is all about.

The rest of the team have grown into our top Financial Planners, many of whom are looking after client books in excess of R1bn in assets, but more importantly, adding value to our clients’ lives.

2007

IAN BEERE, CFP®

My 4 best business habits for a solid and successful practice

Ian Beere CFP®, Wealth Manager & Director at Netto Invest (Pty) Ltd and Financial Planner of the Year 2007.



I WAKE UP EVERY DAY WITH A BUNCH OF NEW IDEAS THAT I CAN'T WAIT TO GET STUCK INTO TO IMPROVE OUR BUSINESS. BUT IT'S NOT MY LIGHTBULB MOMENTS THAT HAVE MADE NETTO INVEST INTO THE SUCCESSFUL FINANCIAL PLANNING PRACTICE IT IS TODAY – IT'S THE REGULAR PRACTISES THAT WE HAVE IN PLACE IN OUR BUSINESS. OUR HABITS.

These are some of our most important habits.

1. WE REVISIT THE 'VISION' OFTEN

Whether it's our own organisation's vision or the client's vision for their future, it's not a lengthy document collecting dust in a drawer. It's a destination that can only be reached by regular review.

We have a shared vision in the business that the whole team is aligned to and we make sure that we're always on track.

We help our clients express their vision for the future and we review their progress towards it regularly.

2. WE COMMUNICATE AND COMMUNICATE AND COMMUNICATE

Not everyone is a natural communicator, so this can be a tough habit to adopt. At Netto Invest, we prefer to err on the side of over-communication. And communication is something that needs to

be done inside and out. Keeping your team fully informed when the message is focused on the client, and vice versa, can be easy to overlook but we all need to be on the same page, always.

Articulating what we do for our clients is the natural starting point and keeping them informed every step of the way throughout our relationship is critical. Part of this habit involves being on the constant lookout for a better way to explain, counsel and guide clients.

And, of course, communication is a two-way street, so we routinely encourage clients to ask questions and make sure they understand our answers.

3. WE CHALLENGE EACH OTHER

We know that our clients are going to challenge us with their expectations, so we bring the same ethos into our practices.

It's important for us to have an ambitious and growing team of dedicated staff. We encourage everyone on the team to pursue ongoing training and development. With this learning comes new ideas, new views and new ways of doing things. We want the whole team to challenge what we do and how we do it so we can continuously improve as a business.

We extend this approach beyond our business for external input and use internal and external research and process to preserve our independence.

4. WE DO SOMETHING TO IMPROVE OUR BUSINESS...EVERY DAY

Some goals aren't achieved in a day, but we still pursue these goals every day. We are in the habit of asking ourselves "Is there a better way to do this?" with everything we do. Whether it's reviewing our documented processes, improving our CRM system, developing our business intelligence capabilities, or enhancing our communication efforts we try to make an improvement that will best serve our clients.

<Sidebar>

What's the value of a solid financial planning business for your clients?

1. Having a well-run business means you can focus your attention where it should be – on your clients.
2. Standardising your processes means that your clients always get a consistent level of service.
3. Experiencing a professionally run business gives your clients confidence in your technical abilities and results in their peace of mind.



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2005 **LIONEL KARP, CFP®**

Succeeding with your succession plan

Lionel Karp CFP® , Partner Invictus Financial Immigration Services (Melbourne)
Australia Financial Planner of the Year 2005

FINANCIAL PLANNER OF THE YEAR 2005

American philosopher, William James, reminds us: “The great use of life is to spend it for something that will outlast it.”



For Financial Planners, creating something that lasts is a simple task: genuinely care about your clients, be responsible and ethical in your dealings with them, and partner with them on their journey to financial wellness. The quality of this relationship is the legacy you leave as a professional.

The question is, who can they rely on when you are no longer there?

A succession plan is far removed from your thinking when you are running a successful practice, but the law and wellbeing of your business demand that you consider your succession planning, even from early on.

According to FAIS Regulation, Fit and Proper Requirements for Financial Services Providers, state: “An FSP must ensure that internal control structures, procedures and controls are in place which include ... a business continuity plan”.

Our regulation is therefore clear that there is a responsibility to treat the succession plan as an important part of the businesses structure.

So, where do you start?

My experience has taught me a proven path for preparing and implementing a succession plan.

1. CHOOSE A SUCCESSOR

Identify who you would like to take over your business.



AMERICAN PHILOSOPHER, WILLIAM JAMES, REMINDS US: “THE GREAT USE OF LIFE IS TO SPEND IT FOR SOMETHING THAT WILL OUTLAST IT.”



Your successor must want to take over your business. It could be a family member, an employee, a business partner or an outside buyer. Consider what is best for your business and ensure your successor has the requisite skills.

Having succession planning in mind, right from the beginning, means that you are constantly cognisant of developing new leaders. Committed succession planning results in an overall increase in the availability of competent and equipped employees ready to step into leadership roles as they become available.

2. VALUE YOUR BUSINESS

A valuation should be done regularly as you need to understand the true value of the business. An independent evaluator ensures that your personal feelings do not cloud your opinion of the true value of your business.

3. PUT THE PLAN INTO PLACE

Focus on practical implementation in training programmes, operations, finances, and legal considerations. Consult a professional when you develop your succession plan, review the plan each year, and, most importantly, keep to realistic timetables.

In my case, I was very fortunate, as I found like-minded people with the same passion, integrity and respect for my clients.

Although the selling price was important, it was not my main criteria. I had to know that my clients were in good hands, with shared values.

I planned to work with the financial planning practice and introduced the clients to the new Planners so that they became part of the family of the new business. This worked extremely well.

It was very important that at all times my clients knew that I was retiring and therefore understood that I would no longer be there, but also had made very sure that they would be well looked after.

I believe this is the correct and respectful way to have a successful succession plan.

On a final note, a Wikipedia article defines succession planning in business as “developing internal people with the potential to fill key business leadership positions in the company”. Don’t overlook those within your organisation with the potential to grow into leadership roles, and cultivate their skills and values.

Lionel Karp was the FPI Financial Planner of the Year in 2005. He has been living in Melbourne with his family for four years now and is still helping clients there with their financial planning.

2004

DULIPKUMAR GARACH, CFP®

Family Wealth: Raising the Bar

A Multi-Disciplinary Approach in Advising High Net Worth Individuals
Prof. Dulipkumar Garach CFP®, CEO Garach Corporation. Financial Planner of the
Year 2004.

MOST FIRMS OPERATING IN THE FINANCIAL SERVICES SECTOR SPECIALISE IN ONLY ONE DISCIPLINE WHEN ADVISING HIGH NET WORTH INDIVIDUALS. HOWEVER, OVER THE YEARS, IT HAS BECOME OBVIOUS THAT HIGH NET WORTH (HNW) INDIVIDUALS WITH COMPLEX FINANCIAL AFFAIRS REQUIRE SPECIALISED ADVICE ON TAX, FINANCIAL, ESTATE AND SUCCESSION PLANNING ON AN INTEGRATED BASIS.



“HNW individuals are not sure who to turn to for advice in respect of their personal estate. Is it a lawyer, accountant, insurance advisor or banker? Each of these professionals is competent in their own area of expertise, but are unable to provide the holistic solution,” says **Professor Dilip Garach – CEO of Garach Corporation.**

Armed with this knowledge and with more than 40 years of experience in financial advising, Professor Garach had a vision – to offer a suite of professionals of different disciplines to provide a pinnacle service under a “single window” service concept. In other words, a team of dedicated experts able to provide HNW individuals with an integrated service offering, rather than many segregated professionals offering limited advice. These professionals have one goal in mind: to advise HNW individuals and their families on how to achieve financial well-being and peace of mind – not just for today, but for generations to come.

One of the primary concerns of NHW clients is the payment of taxes, especially taxes payable upon death which includes estate duty and capital gains

tax. "These taxes are considered voluntary taxes and planning techniques to avoid or minimise these taxes are relatively easy to implement if it is done over a person's lifetime," says Professor Garach.

High Net Worth Individuals often need advice on how to structure an acquisition of a business or private asset. In cases like this, the professionals who are familiar with the Individuals affairs can immediately collaborate with other in-house professionals to advise on the best structure for the acquisition.

So a multi-disciplinary practice will have highly qualified staff which includes attorneys who may serve as legal advisors, chartered accountants, tax specialists, certified financial planners, evaluators, banking services and foreign exchange advisors, business and succession planning consultants. Working hand in hand with one another, the team may provide the ideal professional set of skills to best advise in matters about finance and creating a legacy for a family, which allows individuals to focus on family relationships and enjoy life.

FAMILY WEALTH IS CREATED OVER GENERATIONS; HOWEVER, TO PROTECT THEIR WEALTH IT MAY BE NECESSARY FOR HNW INDIVIDUALS TO ASK PROFESSIONALS THE FOLLOWING QUESTIONS:

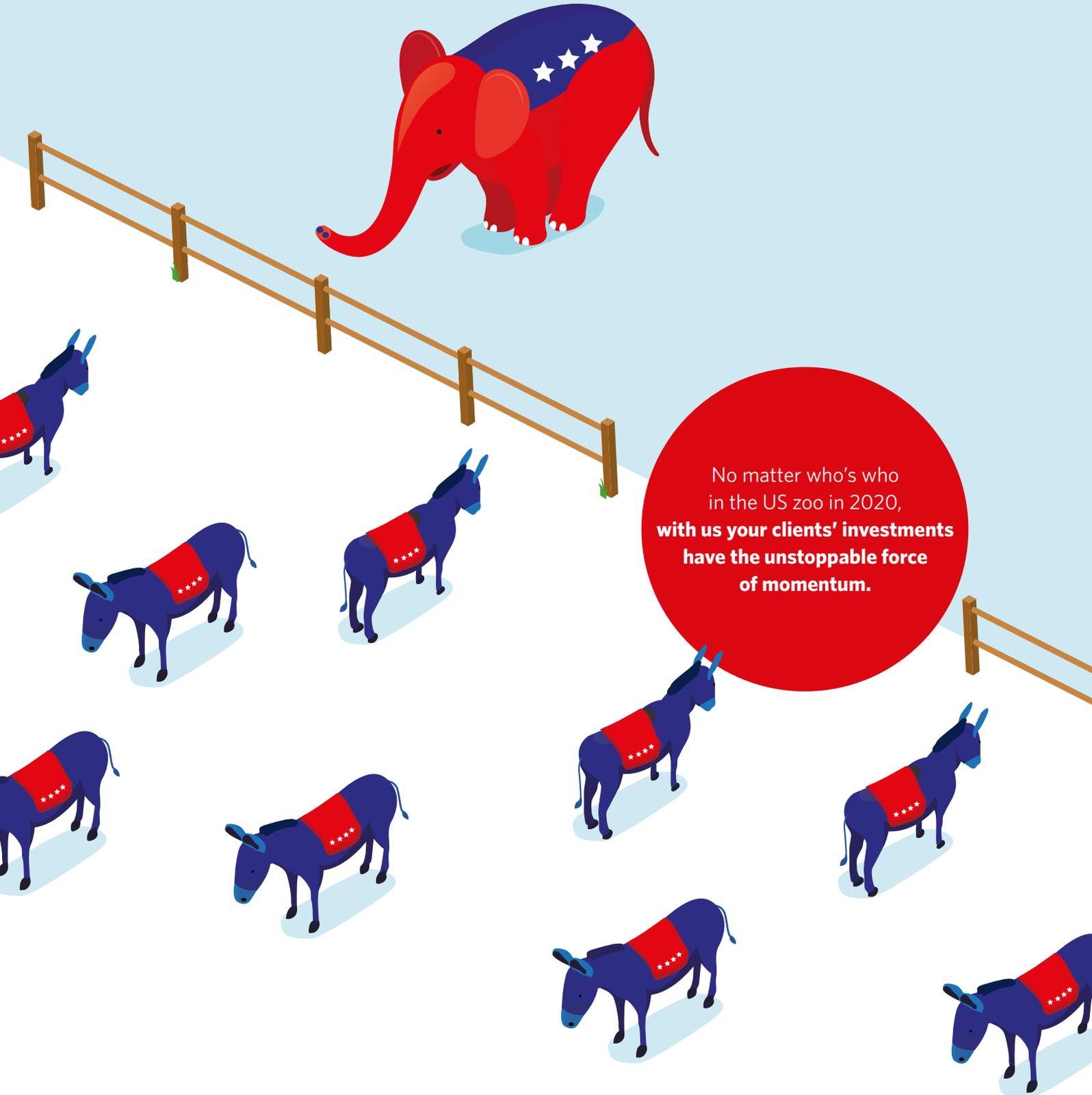
- Are my personal assets structured in the appropriate entities?
- Is my wealth growing over time?
- Are my tax affairs in order?
- Are the trust(s) that have been set up properly managed?
- Is my insurance cover adequate?
- Are my investments properly managed?
- Are my beneficiaries properly reflected in my insurance and investment policies?
- Are my financial affairs all up to date?
- Is my last will and testament structured in a manner that will cater to the needs of my family?
- Will my estate be properly administered when I die?
- Is my tax bill minimised during my life and also upon my death?
- And finally, does my will, family trust, insurance policies and personal assets and liabilities all tie-up? In other words, there should be no loose ends!!

All of these concerns can be addressed if a firm can offer integrated advice and the family seeks the guidance of one office with diverse skills to advise them.

"It's well and good to have wealth but to enjoy it and be happy is a different matter altogether. It's all about creating harmony and building family relationships," said Professor Garach

Professor Garach is a chartered accountant, certified financial planner, financial coach to high net worth families and was South Africa's Financial Planner of the year in 2004.

It was an honour to receive the Financial Planner of the Year Award. It is a prestigious award that recognises excellence in the field of financial planning. I feel proud that I have played an important role in the lives of so many people.



No matter who's who
in the US zoo in 2020,
**with us your clients' investments
have the unstoppable force
of momentum.**

In 2020, the Republican elephants take on the Democratic donkeys in the US elections. Whoever prevails, with our approach to investing, you can help your clients stay invested and focused on their goals.

momentum
investments

2003

GERRIT VILJOEN, CFP®

Adapting to an Ever-Changing Business Environment

Gerrit Viljoen CFP®, CEO, Ultima Financial Planners. Financial Planner of the Year 2003



WE LIVE IN AN EVER-CHANGING SOCIETY. WHAT IS CONSIDERED “NORMAL” IN 2019 WAS NOT CONSIDERED NORMAL IN 2009 AND WILL MOST CERTAINLY NOT BE NORMAL IN 2029. CHANGE IS INEVITABLE EVERYWHERE. THERE IS NOWHERE YOU CAN HIDE OR RUN FROM CHANGE AND IN THE END, THE QUESTION SHOULDN'T BE WHY CHANGE BUT RATHER BE: “HOW CAN I POSITION MYSELF FOR SUCCESS IN AN EVER-CHANGING WORLD”?

The Financial Planner of the Year competition helped us to calibrate our practice against our peers to make sure we were future fit, an exercise we continue doing, more so even today. One of the biggest benefits to winning the competition was the effect it had on our existing Clients which in a way validated their choice of doing business with us and giving them peace of mind.

WHY EMBRACE CHANGE?

To consider change objectively, we have to acknowledge everywhere change plays a part. This can be remarkable if you incline your thoughts in this direction, change is present all around us, for example:

- Financial Products – In the past product disclosures were limited and today we have transparent and innovative solutions available,

which is absolutely in the interest of the client

- Financial Advice – Today we have tools available to enable us to provide advice based on scenario planning where we consider different outcomes and historic data
- Technology – Clients have access to information on their fingertips through apps and the internet
- Global Village – We live in a global village today where we have access to the latest news all over the globe, therefore, impacting investment decisions

Individuals and businesses who do not accommodate daily change may end up disconnected from products, customers, the market and unable to compete under current trading conditions.

HOW TO EMBRACE CHANGE?

After establishing the need to embrace change you need to understand the practical skills required to change. Consider the following:

ADAPTABILITY

Adapt or die. You will be pleased to know that adaptability is a skill you can learn with the help of practice. Day to day this entails letting your brain run with multiple scenarios in the face of a challenge.

RESILIENCE

Having a positive attitude towards yourself, others and in the face of adversity forms an integral part of resilience. This goes hand in hand with having the finances and infrastructure to accommodate change in your work environment.

UNDERSTANDING & INTERPRETING DATA

Data is the world's richest commodity and therefore we should utilise it. Identifying patterns and trends will not only improve your adaptability but also help you to see the possibility of change and growth.

COMMUNICATION

Let's be honest, if you want to thrive not only in your workplace but in life, you need to communicate effectively. Whether you are communicating with 1 or 100 people, your message should not only be clear but also have the desired impact. Effective communication is not obstructed by culture, environment, background, industry etc. but rather thrives in spite of all these possible challenges. You can improve your communication skills by observing how others communicate and then work on your own technique.

PROBLEM-SOLVING

There will always be problems. If you can teach yourself the skill of remaining positive, willing to be flexible and determined in the face of a challenge, you will be able to handle change like a pro.

RESPONSIBILITY

Change opens the floor for opportunities. If you take responsibility for your knowledge through continuous learning, you will be able to spot and take advantage of change that brings opportunities.

If you want to be successful in an ever-changing world, you have to improve your adaptability, resilience, understanding and interpreting data, problem solving and responsibility. It is no secret that the majority of us find change intimidating, but the good news is that you can equip yourself to be ready for change. In the words of John Maxwell "Change is inevitable, Growth is optional."

2002

DEBBIE NETTO, CFP®

Clients are the biggest winners ... of quality advice

Debbie Netto-Jonker, CFP®, Founder: Netto Capital & Netto Invest (Pty) Ltd,
Financial Planner of the Year 2001

I RECEIVED THE INAUGURAL FINANCIAL PLANNER OF THE YEAR AWARD BACK IN 2001. THIS WAS A TIME WHEN NEGATIVE STORIES OF PEOPLE SUFFERING THE CONSEQUENCES OF INAPPROPRIATE FINANCIAL ADVICE FILLED THE MEDIA.



Up to this point, the sector generally only recognised the best salesmen for their selling accomplishments – not necessarily for giving the most appropriate financial advice and

this had led to a negative perception of the industry as a whole.

PROSPECTIVE CLIENTS ARE INTRODUCED TO THE VALUE OF ADVICE

With the introduction of the Financial Planner of Year award, clients and prospective clients were exposed to fact that it was possible to engage with quality advisors who used a sound advice process as the capabilities and skills of the top 10 finalists were written about, and they were invited to speak at financial planning events that were open to the public.

Determining a winner of the award was based on client testimonials, the assessment of technical advice, compliance and practice management. The focus is on the quality of the advice given and the processes and procedures backing it up – not the number of products sold. Bruce Cameron of Personal Finance, Professor Colin Firer of UCT Graduate school of business and the panel nominated by the Financial Planning Institute lent the award a combination of credibility and legitimacy.

After being recognised with this award I found

that clients became more comfortable with the value of advice and that their confidence in its process increased. Clients now wanted to learn from us, ask questions and be empowered to make good decisions. And because clients knew that we were working in their best interests, the level of cooperation we received from them also improved.

Now that people out there knew there were a number of good-quality advisors, all they had to do was find them. This is where the media played such a crucial role in transforming the industry.

THE INDUSTRY GETS A LONG-OVERDUE MAKEOVER

Selling risk and investment products had been the mainstay of the financial advice arena. Now, with the focus shifting to serving the best interests of the client, fee-based advice was highlighted as the alternative to the typical, commission-based form of compensation.

In fact, we were referred to as ‘brokers’ back then. A term that persists to this day and that doesn’t do us any favours!

The Financial Planner of the Year award was one of the first initiatives that accentuated the importance of professionalism in the industry – this was before FAIS was enacted in 2002. And it encouraged others to embark on a journey to enhance client service and experience.

The media gave extensive coverage to all the finalists, profiling all of us in great detail. This coverage also explained what financial planning was and raised the profile of the financial advisor’s professional standing. I must make special mention of Bruce Cameron, Laura Du Preez and Personal Finance and Andrew Bradley of iPac and the FPI who sponsored the award in 2001. Their sponsorship at the very beginning demonstrated a foresight into the need to focus on the client that has largely changed how the industry operates today.

WHAT WINNING THE AWARD MEANT TO ME

Anyone who has ever received this award will tell you that they didn’t win it alone! Professional financial planning is a team event and I couldn’t have achieved this accolade without the expertise of Ian Beere and my team. As a result of the award, the whole team was infused with a new sense of purpose and rediscovered pride in their work. Something that continues to this day.

With increased credibility, we became more desirable as an employer and more attractive to prospective clients and our professional network was even more confident in referring clients to us.

3 PERSONAL RECOLLECTIONS OF WINNING THE AWARD

1. I felt that the value of my input became further recognised in the financial planning community.
2. All the hard work I had put into building a practice management system was vindicated.
3. Receiving the award reassured our clients that their financial plans were soundly designed

Insurtech 2020: Demographics to Psychographics

9 & 10 March 2020,
The Venue, Melrose
Arch, Gauteng

12 & 13 March 2020,
Cape Town International
Convention Centre

InsurTech 2020

Data is useless until it creates value. Moving from Demographics to Psychographics means stepping up from processing to deep insight into the whole value chain. Collaboration and partnerships are even more crucial for success.

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Data Management, Analytics & Machine Learning
UX and CX
New Technology behind Financial Planning

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