

# FINANCIAL STANDARD.

**01**  
2015 AFA Adviser  
of the Year

**02**  
AFA Female  
Excellence  
Award

**04**  
Photos

**06**  
Life after  
commissions

**07**  
Social media wrap



**afa**  
CONFERENCE  
NEWSLETTER

#AFAau | @AFA\_Voice  
facebook.com/AFAvoice  
au.linkedin.com/in/afavoice

## David Reed named 2015 AFA Adviser of the Year

**Mark Smith**

David Reed from The Retirement Advice Centre was presented with the 2015 AFA Adviser of the Year Award at the close of another successful national conference in Cairns.

At the same time, Kearney Group took home the coveted Practice of the Year Award.

Presenting the awards at a sparkles and silhouettes themed gala dinner, AFA chief executive, Brad Fox said the winners represent the best of the best in the financial advice profession.

"The AFA Adviser of the Year and Practice of the Year Awards are the highest honours that can be bestowed on financial advisers in Australia.

Nominees are put through a comprehensive judging process including an in-depth client feedback survey, site visit, examination of advice documents and interviews with staff," he said.

"In the final stage, advisers must make a comprehensive, face-to-face presentation to the judging panel."

David Reed impressed the judges through the strong evidence-based approach he applies to his advice which is focused on preparing and assisting clients to achieve their ideal retirement.

Reed has invested considerably in researching behavioral outcomes for retirees and this brings a mix of art and science into his advice recommendations and the ongoing, highly valued relation-

ships he maintains with his clients.

Kearney Group, based in Melbourne, employs 45 people, delivering advice as well as an efficient, effective and innovative middle and back office solution to the business, the AFA said.

The business is driven by the desire to lead industry change through developing innovative technology that strives to build first-class relationships with clients and empower decision-making.

Philip Kewin, general manager retail life and investments at the award's sponsor, Zurich, said the awards are an important celebration of the vital role advisers play in improving lives.

"Now, more than ever, we need to showcase these exceptional advisers and practices to the broader community," he said.

"At a time when our industry is on the cusp of great change, the calibre of our winners and finalists - and the way they serve their clients and work collaboratively to shape the evolution of their profession - leaves us incredibly optimistic that the future of advice is in very good hands indeed."

More choice with  
managed accounts

Learn more at [macquarie.com.au/wrapevolved](http://macquarie.com.au/wrapevolved)

MACQUARIE

macquarie.com

## Customer experience is everything

Mark Smith

One of the surest ways to better retain and engage with clients is to focus on the customer experience rather than products, according to Karrikins Group co-founder and chief creative officer Dominic Thurbon.

The company is embedded with organisations around the world that are going through transformational change and disruption.

Thurbon said the earliest example of a strategic plan written by an organisation to respond to emerging trends was one made by the office of the Mayor of London in 1901. It predicted that the biggest crisis facing the city was how it would accommodate one million horses with populations set to expand by 1925.

"When that decision was made there were already 75,000 cars on the road," he said.

Thurbon said that history is littered with examples like this one, not where organisations have failed to predict the future, but where they've failed to respond to the present. Smartphone manufacturer Blackberry is a recent high profile example but he argues that the process is going on all the time in all industries, including financial services.

"The challenge we face now is a behavioural one. But there are things you can do to shift the way consumers think, act and buy when it comes to advice."

One simple area Thurbon believes advice firms can make their firms more relevant to customers is to focus on customer experience innovation rather than product innovation.

"What can you do to personalise the customer experience? The research shows that it has an enormous impact on people," he said, adding that financial service providers too frequently get bogged down in complexity or regulation.

"Customers go to a mortgage broker excited about buying a house and leave with a pamphlet explaining what LTV means."



See this newsletter on your iPad.  
Search for 'Financial Standard'



## NAB planner wins AFA Female Excellence Award

NAB's Sharon Walker has won the 2015 AFA Female Excellence in Advice Award.

AFA chief executive Brad Fox said with her passion for the advice profession and her belief in the value of quality financial advice, Walker is an outstanding role model for fellow female advisers.

"The award is designed to champion women who are excellent financial advisers and Sharon is a very deserving winner," Fox said.

"The award is also designed to encourage more women into the financial advice sector and to make financial advice more accessible to Australian women. In her own unique way, Sharon is furthering both these causes through a focus on financial literacy and mentoring, which gives her clients and peers the confidence to make informed decisions – this is a key criteria for winning the award."

Walker is an adviser with NAB Financial Planning in country Victoria. An active mentor to several other female

advisers, Walker also volunteers in her community to assist women seeking safety from violent relationships.

Niall McConville, general manager retail distribution at award sponsor TAL, said: "We are proud to encourage and inspire women in the industry to be their best. Through this award, the extraordinary contributions of women to the industry can be recognised."

"Congratulations to all the award candidates, who are making meaningful contributions to their profession. Their passion and dedication is profoundly important to the industry and the role they play in the lives of their clients. Walker typifies the best qualities of the advice community."

Walker will receive a full scholarship from Macquarie Graduate School of Management (MGSM) (valued at \$10,000) to complete an Executive Education Leadership Development Program.

## Improving the affordability of insurance

Alex Burke

Advisers and insurers need to work together to improve the long-term affordability of life insurance policies, according to BT Financial Group senior product technical manager Katherine Ashby.

Speaking to *Financial Standard* ahead of her advice strategy presentation at the Association of Financial Advisers National Adviser Conference in Cairns, Ashby observed that the amount of insurance policies being sold has dropped over the past year.

"It's gone backwards. And I think that means the conversation needs to change. We're so focused on discussions about disruption and change that we aren't really talking about advice anymore," she said.

"We're distracted as an industry and that's reasonable. You can understand it."

To address this issue, Ashby said her presentation is a "straight out discussion about advice."

Specifically, how to provide appropriate insurance advice in an unstable regulatory environment: "One of the biggest issues ASIC called out last year was looking at affordability over the long-term – how the client is going to pay for their cover over the long-term, whether clients need more or less cover, or no cover at all," she said.

She argued that this conversation is necessary because of the amount of uncertainty surrounding insurance advice.

Referencing AFA chief executive Brad Fox polling

the audience as to whether they were "mad, glad, sad or scared" about the Life Insurance Framework, she noted that "there were three negatives in there and only one positive to go with!"

"There is a lot of uncertainty. These questions have been hanging over people's heads for a whole year," she added.

"The important issue to address is not so much around remuneration as how to structure levels of cover affordably."

"But that does factor into discussions about the reforms because if we are looking at longer responsibility periods, we need to ensure we're doing everything we can as insurers and advisers so that cover stays in place for the long-term."



# We're making it even easier for you

**Macquarie Wrap – Ranked first and second**



Our Wrap administration platforms - Macquarie Wrap Manager and Macquarie Wrap Consolidator - have been ranked first and second overall in the 2015 Wealth Insights Platform Service Level Report.

Thank you for your support. We know it's not easy to manage your clients' portfolios each day, but we're making it easier than ever for you to do business.



**Learn more by visiting [macquarie.com.au/making-it-easier](http://macquarie.com.au/making-it-easier)**



# PHOTOS DAY 3



MAStech's 2015/16  
Little Black Book app available now  
[Download to your Apple or Android device today.](#)



[macquarie.com](http://macquarie.com)



## Follow us on LinkedIn

Leverage our unique perspective on the Australian financial services industry.  
Search LinkedIn for 'Advisers expertise from Macquarie'.



# LIFE AFTER COMMISSIONS

Mark Smith

The limiting of commissions in life insurance should not be feared; rather it's an opportunity to shake-up your business and make it more profitable than ever.

That was the message that UK-based practice owner David Braithwaite had for advisers on day two of the AFA conference.

The UK outlawed commissions in its wide-sweeping Retail Distribution Review of 2011 and, much the same as with the Australia's proposed Life Insurance Framework, the move was met with a good deal of consternation.

The toll the new regulations had on Braithwaite's business and health was particularly heavy.

"I was going to throw in the towel, I was having

sleepless nights, I was treading water and about to drown, I was suffering from stress and anxiety," he said.

But after coming out the other side and reorganising his business he's well-placed to offer words of wisdom to Australian advisers.

"It's fine to be worried about your business. I survived and I thrived. It was the best thing that ever happened to me. 2013 was my best year ever," he said, adding that the secret was to professionalise the advice process and throwing out the product flogging mentality.

"You have to rethink your income and value yourself on what you do for your clients. If you want to get different outcomes you need to change. The

change that is happening here is going to be the best thing that ever happened to a lot of you. When I was winging it my business wasn't regulator proof. I had to move from being a product salesman to a business owner."

Now the business is generating strong revenue from a fee-structure built around on-going advice and Braithwaite has never been happier.

"We are professionals. We don't make widgets. We need to be seen as professionals. Charge for your wisdom and the process behind it, not for products. I feel like a professional when I'm in front of clients now and I have fallen back in love with my business."

It seems there is life after commissions.



because your driverless car could drop you off at work and return home, or join an Uber-like fleet and earn you money while you're at the office," he said.

Returning to financial advice, he pointed to changes already on the horizon such as robo-advice and widespread financial analytics. "But you don't have to be a victim to this," he argued.

To explain how advisers can stay relevant in this climate, he outlined four steps. The first was "re-calibration," or returning to (and becoming cognisant of) the actual purpose of an advice business.

"Financial advice is just the business category. What is your business really about? Some advisers have said they're in the 'peace of mind' or 'outsourcing complexity' business. What is your purpose?" he asked.

The next three steps were re-engineering (changing established processes and questioning why things are done the way they are in the business), re-framing (examining different approaches to the planner-client relationship) and finally re-positioning the business' position in (and relationship with) the marketplace.

He added, "It's like the eight-second rule with reloading artillery guns. It's only when someone asked why that was done that they realised it was because horses used to carry munitions to the guns, and eight seconds was enough time for the horse to move back so it wasn't spooked when the gun fired. Since we don't use horses for that anymore, we realised it's a part of the process that's no longer relevant."

## Embrace change to stay relevant

Alex Burke

No advice business is too big to fail if it doesn't adapt to changes in consumer behaviour, according to author and social researcher Michael McQueen.

Speaking at the Association of Financial Advisers National Adviser Conference in Cairns, McQueen cited examples of well-known global brands - such as Kodak, SAAB, Borders and Atari - that had recently collapsed due, at least in part, to their failure to innovate.

Pointing to Cisco Systems executive chair John Chambers' controversial estimate that 40% of companies on the Fortune 500 would not exist in 10 years, McQueen explored "what separates the enduring from the endangered." He used the example of driverless cars, already being trialed in Adelaide and likely on Australian streets within seven years.

"Freight companies are already exploring the idea of driverless trucks. Think of how that will affect that industry. Think of the parking industry, and how in 15 years you will probably never pay for parking again,

More than 10 SMA managers  
and 33 models available

Learn more at [macquarie.com.au/wrapevolved](http://macquarie.com.au/wrapevolved)

MACQUARIE

macquarie.com



# Knowledge meets performance on Twitter

Those who have been to more than their fair share of AFA conferences over the years will know without any doubt that social media is growing in popularity.

But recent Investment Trends research revealed that there's still plenty of cynics out there. Almost three quarters (73%) are not yet making use of tools like Twitter and Facebook to engage with clients.

The experience of some vocal advocates, like Financial Standard Social Media Influence, Leadership and Excellence Scholarship winner Liam Shorte, suggests they could be missing a huge opportunity.

"On average clients would follow my content updates for two to three months, keeping up to date before reaching out for advice. It's not an instant client engagement tool - but it works," he says.

So what can the 29% of advisers who don't yet contact clients on social media but would like to do to make a bigger impression with their clients? Judging by the delegates posting using the official conference hashtag - #AFAau - championing the great work of planners all over the country and challenging the industry to make itself even better is a great place to start.

Lots of you, including @peitamd, @AnthonyVaiente and @jmillard took to the Twitterverse to share @Michael\_McQueen's thought on the shifting environment the industry finds itself in - "Resisting change is like holding your breath. Even if you're successful, it won't end well."

And 2014 Adviser of the Year @DartnallAdviser's appearance on stage went down well with @Anne\_Fuchs, @peakechange and @JBSFinacialJB.

Don't forget to grow your social networks by following all the great tweeps featured in these pages. You can find even more great examples of knowledge meeting social media performance by following industry thought leaders.

Don't forget that while Twitter is the platform of choice for live blogging industry events like the AFA conference, it's not the only place advisers can get active with their clients. According to a survey of 200 advisers by Zurich in late 2014, only one in eight advisers are active on Twitter. LinkedIn is the platform of choice for the industry with 60% using it for business purposes. One in five post content to YouTube.

## TWITTER FEED

### Peita Diamantidis@peitamd

@DartnallAdviser - the M to the advice industry's 007 - smarter, stronger & more of a ninja #AFAau @AFA\_Voice

### Anne Fuchs@Anne\_Fuchs

The freedom of saying 'no' is a great place to be - it gives you space to say 'yes' to the right type of client says @Kate\_McCallum #AFAau

### Nicole @nickibobicki

Hope you caught Broc the Croc! Ollie the snake has just arrived - come and say hi! #AFAau

### Noel Lord @Lordy1963

#AFAau you can always outsource a task you can't outsource accountability #brendancox #practice blueprint for 2020

### Naomi Christopher @Naomi\_Midwinter

Commission, fees or both? @ElixirCoaches @SuccessionM and @MrInsurance1 distill the difficulty of valuing insurance advice #AFAau @AFA\_Voice

### Dianne Charman @ddcharman

Very hard for us to plan for the future - we are good at 1-2 years #AFAau @PortfolioForum

### Andrew Brooks @andrew\_j\_brooks

Thanks everyone at #AFAau Conference - loving all the #awesome #tweets! Keep them coming! @AFA\_Voice @AFA\_Pres

### Katherine Ashby @katherinejashby

"Man up and just charge what it costs"... sometimes we over complicate the issue #christmaspartywisdom #afaau

### Simon Backman @simon\_backman

Change is inevitable, Progress is optional. Embrace change & look for the opportunities it brings @AFA\_Voice #AFAau

### Ascent Wealth Mgt @ascentwm

At the crossroads- out of adversity, comes great opportunity- I feel glad. #afaau #afa\_voice

## Follow us on LinkedIn

Leverage our unique perspective on the Australian financial services industry.

Search LinkedIn for 'Advisers expertise from Macquarie'.





MACQUARIE

# More choice with managed accounts

**Macquarie Wrap**  
Evolve your business

More than 10 managers and 33 models for you to choose from

We've just added more Separately Managed Account (SMA) managers and models, meaning you have more investment choice with the top ranked platform for 2015<sup>1</sup>.

Since launching managed accounts on Macquarie Wrap, we've been working hard to add new professional managers and models covering a broader range of asset classes, strategies and styles.

Our growing menu of experienced investment managers ensures you can construct a unique portfolio to cater to your different client needs.



a Morningstar company



To learn more about your managed account options, visit [macquarie.com.au/wrapevolved](http://macquarie.com.au/wrapevolved) or call us on 1800 025 063.

macquarie.com

<sup>1</sup>Wealth Insights Platform Service Level Report 2015. This information is issued by Macquarie Wrap Solutions, a registered business of Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML). It contains general information only and is provided for the use of licensed financial advisers only. In no circumstances is it to be used by a potential client for the purposes of making a decision about a financial product or class of products.