



SHAPING FUTURES

FPA *Professionals* CONGRESS

BRISBANE 18-20 NOVEMBER 2015



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

Dean Van Zyl

The Future Of Risk Advice



OUR OBJECTIVES

1

WHAT WE ARE NOT DISCUSSING

Trowbridge, Financial Systems Inquiry, ASIC, Life insurers.

2

WHAT IS THE FUTURE OF RISK ADVICE?

Why the move? A critical analysis of our clients.

3

CHALLENGES TRANSITIONING

Productising your services. How far towards nil-commission should you go?

4

BUILDING A SUSTAINABLE PRACTICE

Activity-based costing, pricing and rapid transformation.

5

OUR MODEL FOR THE FUTURE

A real-life example.

6

REDUCING THE COST OF DELIVERING RISK ADVICE

Practical measures you can take

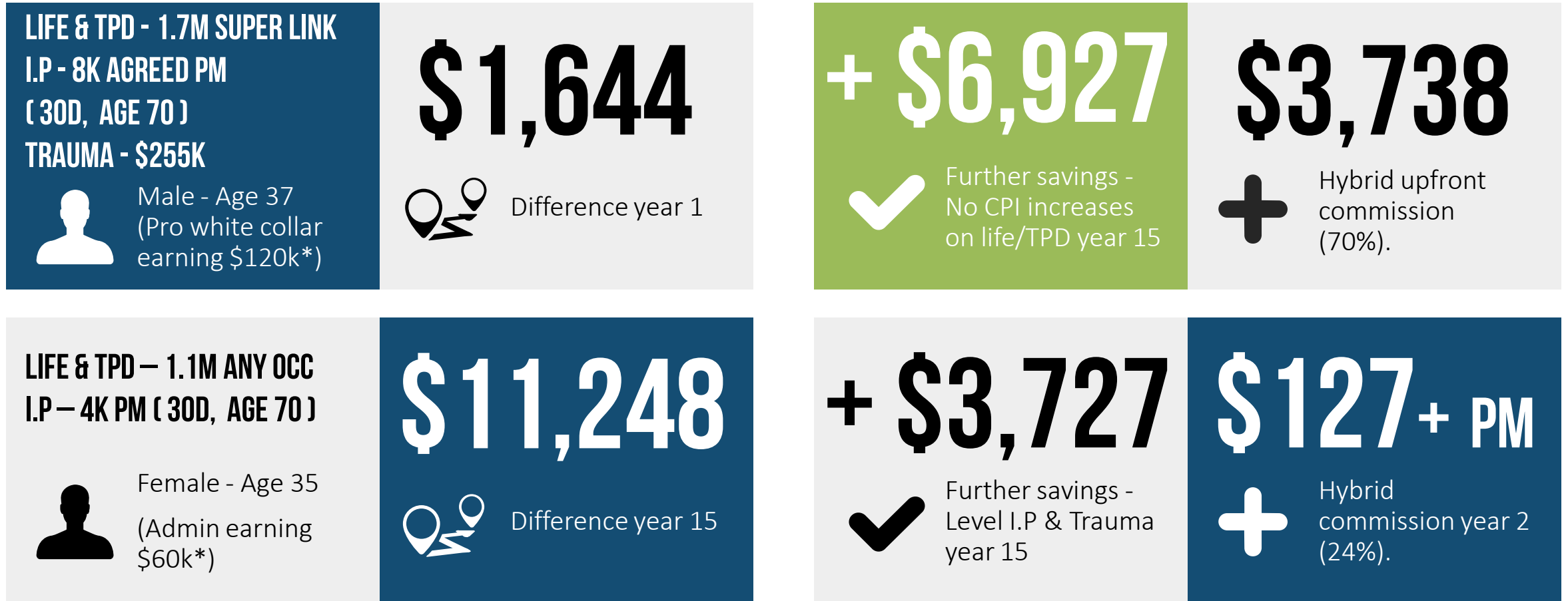
WHAT IS THE FUTURE OF RISK ADVICE?

These factors led to my move away from commissions. A critical & honest review of our clients journey...



CASE STUDY: Commission vs. Fee for Service

Who are your clients? What does the next 15 years look like for them?



*Total FFS premiums 3.56% of net income

CHALLENGES TRANSITIONING

“People do not buy what you do;
people buy why you do it”

[SIMON SINEK]



Determine your cost to serve
your ideal clients.



CONSIDER...

Large vs. small practice
transition



How will you engage current
clients and new clients?



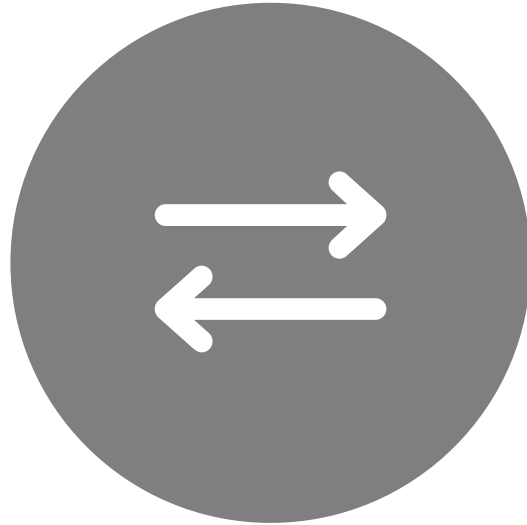
A strategy to ‘Productise’
your services.



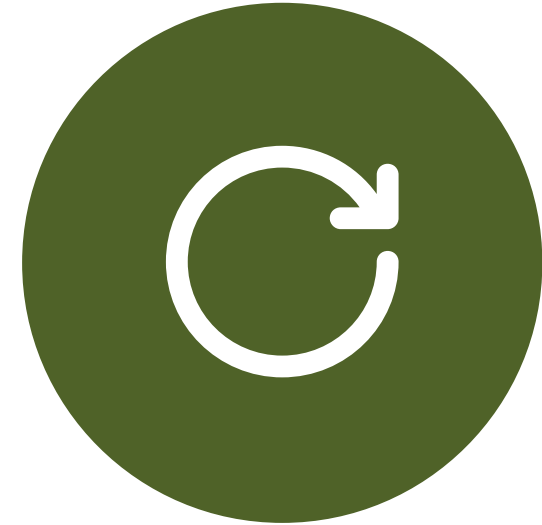
Rapid transformation



PRODUCTISATION OF SERVICES



Converting delivered services to a standard, fully tested package, supported and marketed with the character of a tangible object.

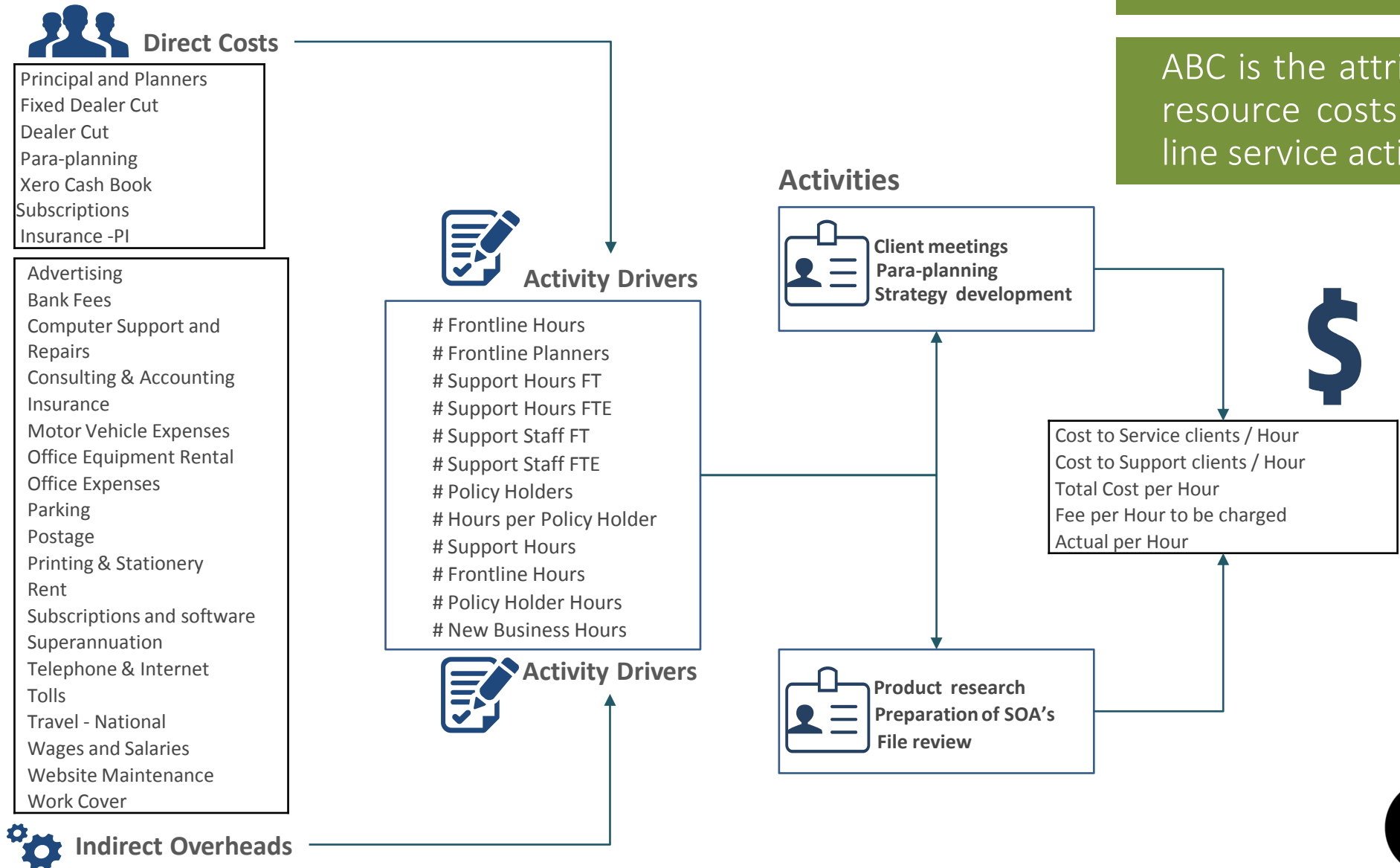


Traditional financial planning advice is seen as a commodity rather than packaged value...time to change!

ACTIVITY BASED COSTING FOR FINANCIAL ADVISERS

Costing vs. Pricing

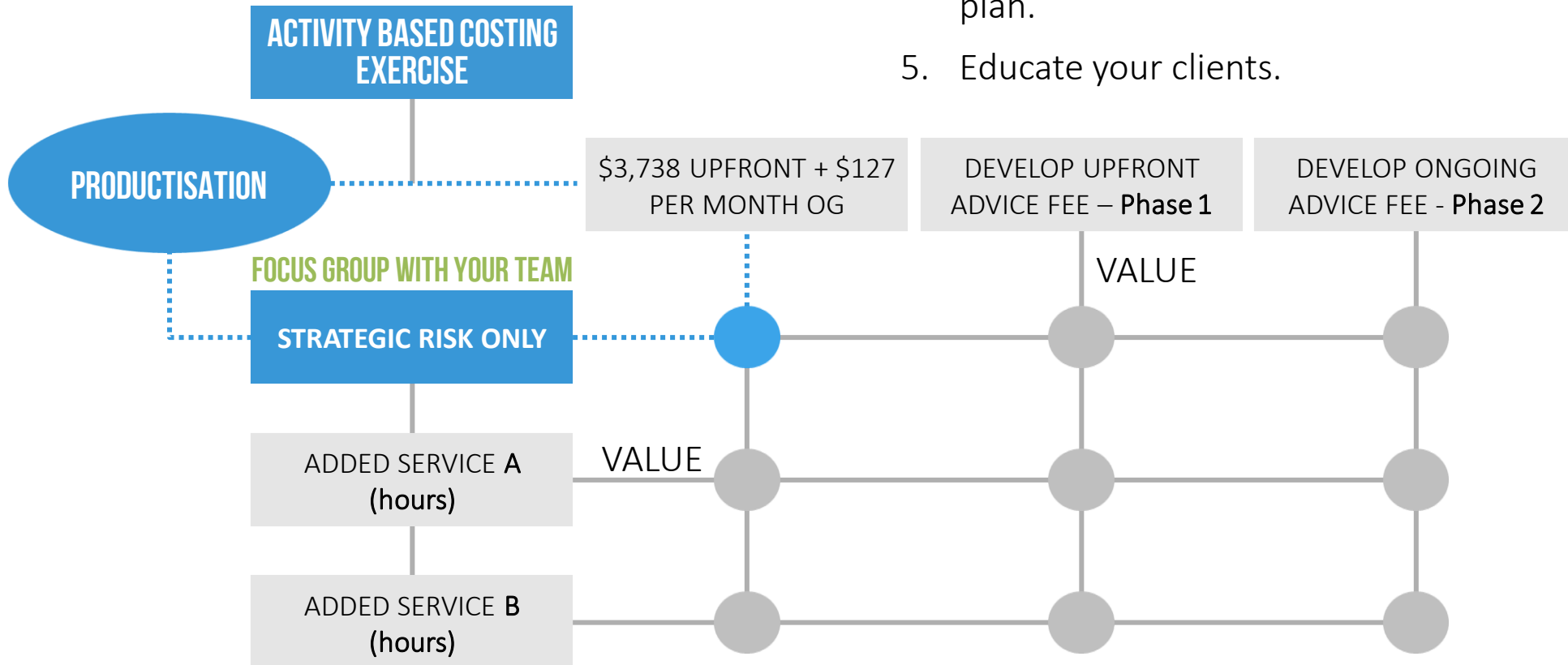
ABC is the attribution of resource costs to front-line service activities.



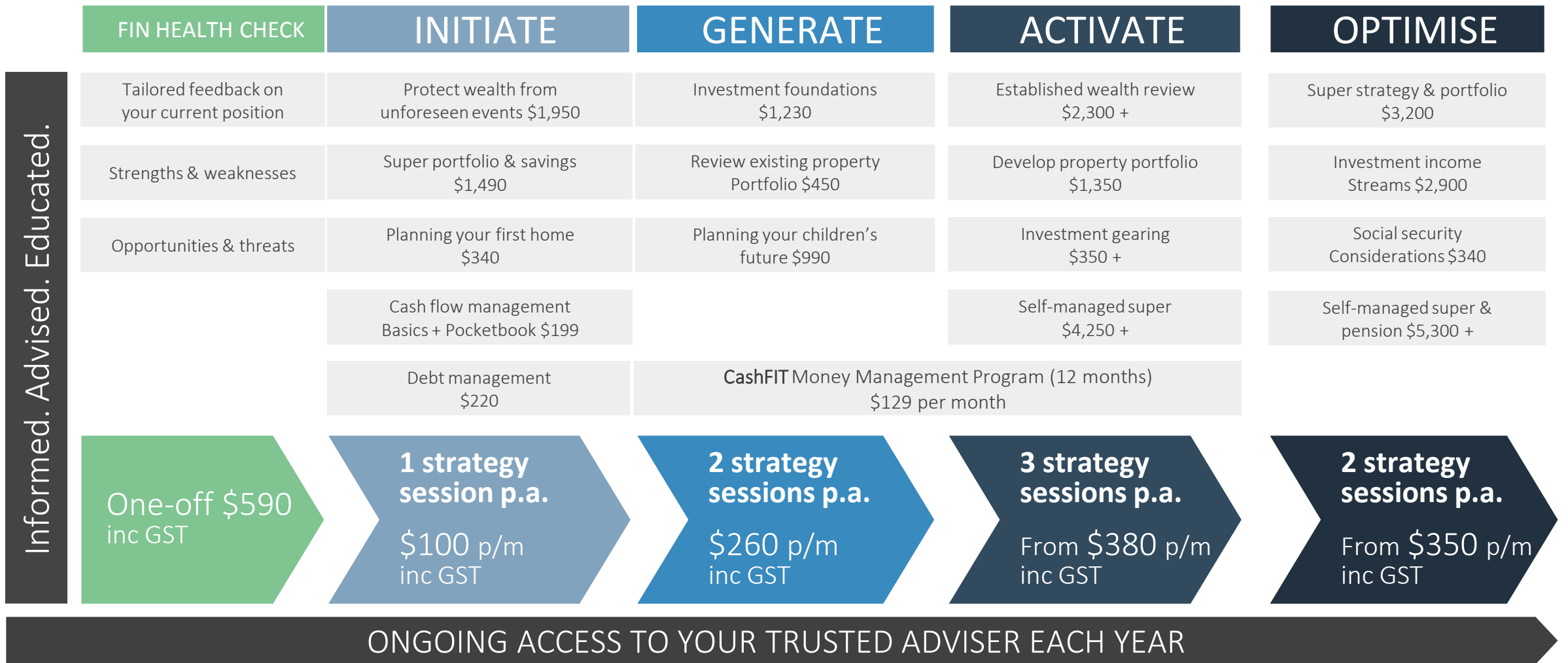
RAPID TRANSFORMATION

A strategic review of your advisory practice

1. Complete a productisation exercise challenging 'your why'.
2. Map out your ideal client and services including what you do with your clients each year.
3. Complete an Activity Based Costing exercise.
4. Develop your pricing model and a new marketing plan.
5. Educate your clients.



THE WEALTH ELEMENTS MODEL



EFFICIENCIES FROM A QUALITY OUTSOURCING STRATEGY

Task Details
✖

Task Detail
Task Notes (15)
Documents (0)
Alerts

Notes
Add

Added By	Notes	Minutes Spent	Created On	Modified On
[Redacted]	16/11/2015 - [Redacted]'s MACQ Insurance has now commen....	0	16/11/2015	
[Redacted]	13/11/2015: [Redacted] - MACQ APP - Signed and Dated A....	0	13/11/2015	
[Redacted]	[Redacted] ASTERON APP: - Called the doctor's office....	0	12/11/2015	
[Redacted]	[Redacted] MACQ APP: Insurance Application is accepted	0	12/11/2015	

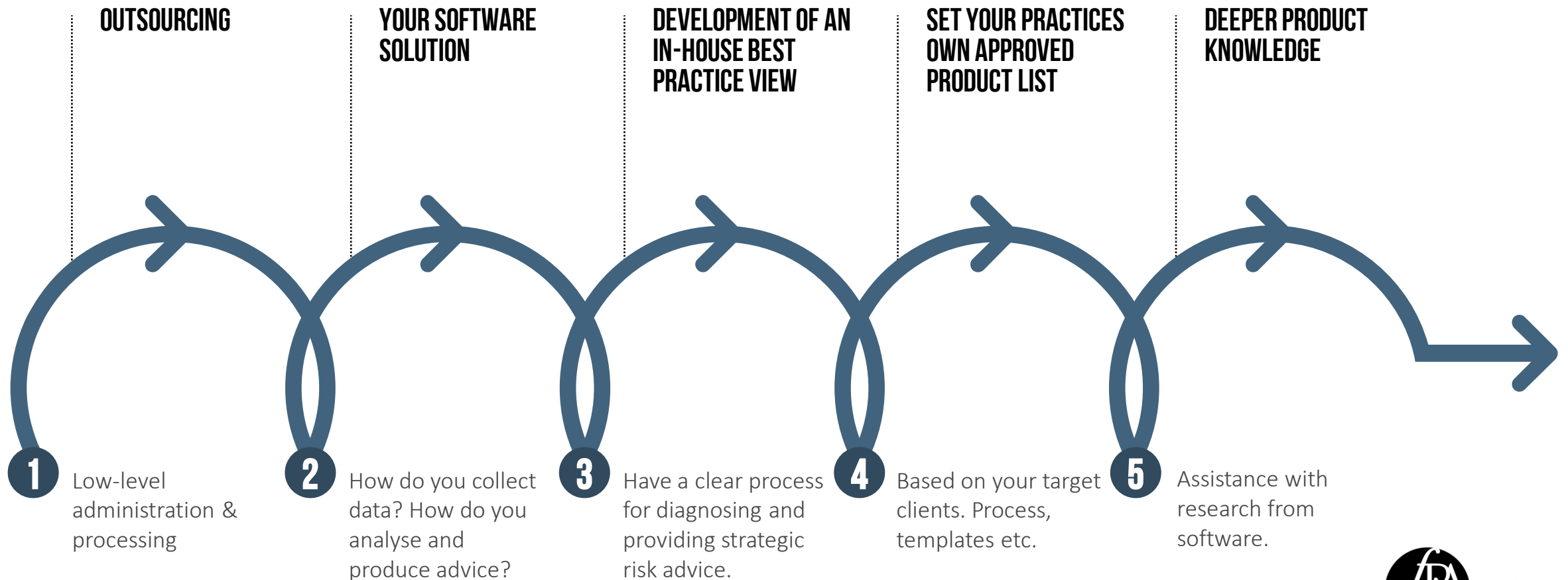
Minutes Spent

ABC
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[Redacted] ASTERON APP:

- Called the doctor's office and they told me that the medical notes had been sent to UHG on the 29th of October.
- UHG received the report however it's for Macquarie.
- UHG have not uploaded the report for Asteron.

IMPROVING THE DELIVERY OF RISK ADVICE AND REDUCING COST





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