

17 REASONS TO CHOOSE

wealthtoday

FOR YOUR FINANCIAL
ADVICE BUSINESS



Letter from the managing director

Dear Reader

Welcome to Wealth Today.

If you are reading this eBook, I assume you're an adviser considering where and how to apply your professional skills, and which licensee you want to partner with to "house" your business. If so, this eBook is for you. It's an outline of a wide range of questions to consider when making your decision and an insight into how we think about these questions and the type of "home" we have built for advisers.

From FoFA, LIF, and FASEA to the Royal Commission – each continues to weigh on our industry to a different extent. But as others turn their backs on an industry they have helped create and make a run for the nearest exit, we believe that opportunity abounds for those of us who instead embrace the incredible structural change that is upon us.

Wealth Today is a national financial services licensee with a difference. Our primary focus is to **enable** the creation of commercially viable, quality advice that seeks to improve clients' lives, and that withstands rigorous regulatory scrutiny and meets community standards.

Put simply, we believe in the importance of financial advisers. Advisers deserve a great home - a better home – for themselves and their clients. We continue to build such a home. One for advisers who demand choice, flexibility, and control on delivering what's in their clients' best interests - free of product manufacturer influence.

A home focused on helping you create and deliver practical advice that is easy to understand. A home that is technologically supportive, compliant, and constantly helping advisers train, upskill and improve.

A home where "audits" make way for "practice peer reviews", where "advice pre-vets" make way for "advice peer reviews", where "compliance officers" are replaced with "advice coaches" and where "compliance managers" are replaced with "practice and business coaches".

When I am asked how these things vary from the modalities that exist at other licensees, the answer is simple. The difference is attitude. An attitude that serves to coach support and inspire. Not to belittle, berate and suppress.

So, whether you're looking to grow your practice or you're more focussed on maintaining at your current size, or even reducing your workload, contact us today to schedule a confidential discussion and learn why we say Wealth Today is a dealer group built **by advisers, for advisers**.

Get ready for a brand-new day and a brand new and refreshing attitude.

Regards

Keith Cullen

Managing director

Wealth Today Pty Ltd

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P.S. To read more about our vision and our mission please refer to my closing letter in this eBook.

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Introduction

We think that we've built a great licensee and home for advisers. But we would say that.

Advisers choose licensees for a variety of reasons, often more than one. This handbook outlines a long list of reasons that in aggregate we think are great reasons to join us at Wealth Today.

You can talk to senior management before you join

You are looking for a licensee where senior management are accessible.

As you are about to make one of your most significant business decisions, talking to the decision makers of the new organisation is vital. You can ask them the important questions and get direct answers unfiltered by BDMs and intermediaries. It will also give you direct insights into the culture of the group.

You can talk to other advisers in our network before joining

We are happy to provide a list of advisers in the network to talk to. Ask for some names and pick up the phone and talk to them. There is no better way to see what it's like on the inside before you join.

You are trying to get a sense of the culture of a place and to see if there is a good cultural fit between yourself and the licensee. Talking to existing advisers is one of the best ways of doing this.

Flexible fee models

Many licensees are now adopting high minimum base fees aimed at narrowing down their networks to only the larger and most profitable practices that are still in growth mode. This is a perfectly legitimate business strategy from the licensee's perspective but it's a "pareto" strategy that leaves many good smaller practices out in the cold.

Wealth Today has multiple fee models that cater for all the different stages of your business.

Open Approved Product List (APL)

This is about product choice and flexibility. Some licensees have very restrictive (closed) APLs that are hard to service an existing client base with, and hard to meet a broad range of client needs and strategies.

We adopt a more open approach to the management of our APL. This open approach acknowledges the fact that there are many good products in the market with plenty of price and feature competition among the product providers. This competition is constantly changing the product landscape and clients want advisers that are flexible enough to navigate this terrain and deliver what's in their best interests rather than what's in the interest of the product manufacturer.

Lead generation

Oddly enough this is not something that most licensees have addressed or helped with.

Both the perception and the reality of most licensees is that they are lawyer driven licensing and compliance services. The sense that a licensee is there to help an adviser find new clients and grow their business is all but forgotten.

We see ourselves as both facilitators of business growth and development while concurrently making sure that all I's are dotted, and T's are crossed on compliance.

Common sense robust risk management framework

Why don't like to call it compliance, although that is certainly part of the framework. We view and live it as risk management.

There is a spectrum of relationships to compliance. At one end compliance is viewed minimalistically as a necessary, tick a box, evil and at the other end it is culturally embraced from the top and turned into a competitive risk management advantage.

Adopting the latter stance is good business. The need to comply with an ever expanding set of laws is not going away, so for those that choose to embrace it, it can become a significant business edge.

Wealth Today is a licensee that takes risk management seriously. We embrace the need to deliver commercially viable, quality advice in a timely manner, plus have the education, training, and peer review framework in place to maintain the integrity of the network you are looking to join.

A good risk management framework makes for a healthy network and ecosystem within which to grow your advice business.

Licensee as Asset Manager

For many advisers their business is their most valuable asset besides their home. The value of that asset is often greater than their superannuation and for many, the ultimate sale of that business and the funds released from the asset will form the basis of their retirement.

The value of that asset is the sum of the value of each client file.

We view our role as that of an asset manager. An asset manager works to grow and preserve value while managing the risks within and around the asset.

National reach and community

- Wealth Today's head office is in Sydney, but we provide support to a large, national network of advisers in all the major capital cities and states. It is possible that wherever you are there is a Wealth Today practice not too far away for some support and community.
- Another benefit of this large community is that if an adviser joins the network, there are possible opportunities to acquire a business or groups of clients. Alternatively, if you decide to sell your practice, it's likely that you will be able to find a buyer from within the network.

Client and adviser education programs

We are in overloaded times. It's like drinking water from a fire hose!

Clients are overloaded with information, opinions, and choices. Advisers are overloaded with the breadth of subjects they need to be on top of and with the volume of regulations they need to adhere to. Our minds can only handle so much.

Clients want to be educated on how to "think" about the questions that matter, and how to make better navigational decisions inside the information storm that is today. Anything that helps clients get educated is good for them and good for business.

Advisers are also looking to be educated, and not just for regulatory reasons. Good advisers are curious creatures, constantly on the lookout for a better way of understanding things, a better way of communicating ideas and better ways of helping their clients.

Wealth Today creates an "educational environment" at all levels and gets what clients and advisers need.

Leaving is easy

Unfortunately, there is a long history of licensees making it unnecessarily difficult for a departing adviser. The licensee is losing a "client" so it's human nature to be unhappy with the "rejection" and loss of revenue.

Departure difficulties can take many different guises from unnecessary procedural delays to focusing on poorly worded contractual technicalities that are often in the licensee's favour. An emerging trend is the appalling practice of "weaponised compliance" that seeks to delay or obstruct departure and more insidiously devalue practices.

Those that practice these "dark" tactics, are missing the bigger picture of what it takes to successfully grow a licensee. The easier it is to leave; the more likely advisers are to join and stay. When it is easy to leave, the cultural onus and pressure is on the licensee to constantly improve the offering and "earn" the advisers desire to stay.

It's counter intuitive, but the easier it is to leave, the less likely advisers are to leave.

Plain English agreements are a good indicator of what it may be like when leaving.

You can build your own businesses' brand.

Some licensees have a branding strategy that is based on building their brand with the adviser's brand being either secondary or non-existent. From an adviser's perspective there are pros and cons to each approach.

If you come at the question from an exit strategy perspective, when you control your own brand you have more flexibility when you come to sell your business. The buyer will have the choice to either adopt your local brand or simply integrate your business into their existing brand. That flexibility keeps your buyer pool as large as possible and maximises your price potential.

If you come at the question from a business risk perspective, and you control your own brand, the impact of any negative actions of one adviser in the network are minimised on your brand. Your brand is impacted by your actions and not the actions of another adviser you have nothing to do with.

Publicly Listed (ASX: WTL)

Wealth Today Pty Ltd is a fully owned subsidiary of WT Financial Group Limited (ASX: WTL) listed on the Australian Stock Exchange. Listing provides capital raising, growth and acquisition opportunities not available to smaller private organisations. Listing also creates a higher level of regulatory and financial oversight.

We are growing

- ⇒ Wealth Today is a growing organisation. Our offering is meeting a market demand for licensee support that is rigorous while being pragmatic and commonsense.
- ⇒ This growth is attracting a wide variety of businesses, with motivated, intelligent, and hardworking owners seeking to build quality advice businesses.

Not owned by a retail product manufacturer requiring you to sell its product

This is really a question about “vertical integration”.

Over the last 20 years product manufacturers, mainly the big banks and AMP, have acquired and built adviser networks to assist them in distributing their products. As the regulatory landscape changed over the years, the conflicts within this model were increasingly highlighted, leading to breaches of the law and an increase of public distrust in the whole sector that culminated in a Royal Commission.

Ironically the Royal Commission did not recommend a dismantling of the vertically integrated model. The Commission's position was summarised in the following sentence found on page 195 of the Final Report:

“Enforced separation of product and advice would be a very large step to take. It would be both costly and disruptive”.

Despite this stay of execution, the major product manufacturers have read and understood the writing on the public wall and voluntarily started to dismantle their “product and advice” networks.

The public is suspicious of the integrated model and the successful licensees of this next chapter of our profession will predominately be “non-product manufacturers”.

Practical experience in creating and delivering advice to retail clients.

A common complaint from advisers is that licensees and the professional compliance class that run them do not have direct client facing experience, or that their experience is now such a distant memory that they have forgotten the practical realities of dealing with clients on a day-to-day basis. That they are run by compliance personnel and lawyers that dictate rules and processes that are not compatible with real world client interactions and needs.

Ideally you want a licensee who has direct retail client advising experience and then passes on that experience via education, training, common sense processes and situational pragmatism.

Support single adviser practices

The trend seems to be that licensees would prefer to only license the larger, multi-adviser practices.

Most self-employed advisers are small one adviser practices servicing relatively small client bases in a very personal and intimate way. Our capital city suburbs, and regional and rural Australia alike are full of these small, often family-run practices looking after communities that do not have easy access to the big city.

It seems that many licensees do not want to be servicing this need.

If you are a single adviser practice, talk to your licensee about what their revenue expectations are for you.

Recently AMP decided that \$300,000 of annual turnover is their cut-off and have written to over 500 advisers in effect terminating their agreements. As they announced in their 2019 half year results on the 8th of August 2019:

“20% of adviser practices account for 60% of revenue and assets under management.”

This re-statement of the well-known Pareto Principle seems to be the justification to narrow the delivery of services and support to only the larger, wealthier end of the adviser universe, and by extension the larger and wealthier clients.

Maintenance or wind-down mode

The assumption seems to be that an advice business *needs* to be constantly growing. But depending on where you are in your business and life journey, that assumption may be faulty.

There are many advisers who don't want to grow their client bases. They have reached a certain size and they want to maintain that without the burden of more staff and overhead required to service a larger client base.

There are also many advisers who are in the latter stages of their advice career, executing a gradual succession plan by selling and transferring parts of their client bases to other, younger advisers. A perfectly legitimate exit strategy that is hard to find licensee support for.

We are happy to work with both business modalities.

Who is Wealth Today?

Wealth Today is a national financial services licensee with a difference.

Formed in 2008 we have one simple purpose: to place you and your clients at the centre of everything we do and to enable you to succeed as this new era dawns.

Our vision, our mantra:

By advisers – for advisers

Our mission:

To be an enabler. Our primary focus is to enable the creation of commercially viable, quality advice that seeks to improve clients' lives, and that withstands rigorous regulatory scrutiny and meets community standards.

Our belief system and our code:

We believe in the importance of financial advisers. Advisers deserve a great home - a better home – for themselves and their clients. We will strive to build such a home and strive for constant improvement. A home for advisers who demand choice, flexibility, and control in delivering what's in their clients' best interests - free of product manufacturer influence. A home where creating and delivering practical advice that is easy to understand can be centralised, simple and structured. A home that is technologically supportive, compliant, and constantly helping advisers train, upskill and improve.

These are our measures. These are what we must all hold each other to account to.

Our mission is to build a comprehensively supported team of advisers who share our vision and commitment to providing quality tailored financial advice. Equal to this is the commitment we have made to train, mentor and support our advisers so that they may build long-standing and successful businesses.

A home where creating and delivering practical advice that is easy to understand can be centralised, simple and structured. A home that is technologically supportive, compliant, and constantly helping advisers train, upskill and improve.

What do we provide?

All that you expect, and so much more.

Our critical base services include compliance and education; approved product list management; and professional indemnity insurance cover. But they go much further than that - with extensive tailored programs, enabling advisers to access those services most relevant to their specific needs. Importantly, we provide the right resources and training to help advisers support their existing client bases and grow their client base if that's what they seek to do. This includes access to our central advice team services, and use of our seminar programs, extensive library of digital handbooks and manuals, workplace education programs and digital marketing resources.

Flexibility and the right support when you need it.

We recognise that different advisers prefer different approaches to the creation of advice. That's why we support a range of options that enable you to choose what works best for you and your clients from time-to-time. Create your own strategies and advice documents; or create your own strategies and outsource paraplanning support and document production; or access our central advice team who apply our unique team-based approach to concierge the entire process for or with you and your clients - right from existing product research, through to the development of even the most complex of strategies, to final document production.

Ongoing education and training that resonates.

We pride ourselves on our adviser education and training and consider our CPD and practice management and development content the best available.

Our tailored adviser training plans include insightful and engaging presentations and workshops delivered weekly via live video-link - all recorded for future reference and playback – across a diverse range of content, all with a focus on practical application. Your ongoing CPD obligations and all our exclusive content is managed via Kaplan OnTrack, where you will also

have access to Kaplan's extensive CPD content library.

Inform, educate, empower.

Our reputation is built on our leadership and excellence in consumer and industry education. We've put our money where our mouth is by writing Australia's largest and most comprehensive library of educational eBooks, with more than 100 titles. They cover a broad range of topics from simple budgeting to the more complex issues associated with investing, superannuation, and tax. And you, and your clients, can have unlimited access to the entire library, free of charge, for use within your practice, or as an innovative lead generation solution embedded on your own website.

Small group seminar content, for clients old and new.

Our comprehensive range of seminar content provides an ideal solution for ongoing client engagement and to generate referrals. And for those seeking to grow, coupled with our lead generation tools they provide an effective means of engaging with prospects.

With content suitable for all ages and life stages, with topics like budgeting, introduction to financial planning, and first-home ownership – through to wealth management, SMSF, transition-to-retirement and retirement planning, we've got it covered.

Broaden your network and your horizons.

Our broad range of adviser-focussed training and education, our annual conference and a variety of associated casual and formal social and sporting activities throughout the year provide the opportunity to catch up on the latest industry trends and build your knowledge and support group. Our goal is to provide you with ample opportunity to network with friends and colleagues old and new, including advisers from around the country and representatives from leading finance, investment, and insurance industry players.

Your voice is always heard.

Our advisers have a direct line to a dedicated executive management team that does not stand on ceremony. And our

advisory board, is your advisory board - composed exclusively of members nominated by you and your peers - who each serve 12-month terms to ensure constant renewal and the canvassing of new ideas. The advisory board provides a semi-formal conduit to help ensure we continue to serve our network as individuals and as a group with the support needed to continue to prosper. The board considers a wide variety of issues including compliance processes, education & training, APL, and our annual conference agenda.

Don't just take our word for it.

We understand that the decision to join a new licensee is a big one. When we say we are by advisers, for advisers we mean it. But don't just take our word for it – talk to those who are a part of what we do every day. We're happy to provide a diverse list from our ever-growing cohort of advisers. Talk to someone who has been with us from inception, and someone who has joined more recently – we're proud to say they'll be happy to talk to you, because when they're not happy about anything they know they can talk to us.

Application and onboarding – made painless.

When you are ready to get your application underway our online processes are designed to make things as smooth and stress-free as possible. The data and supporting documentation you will be asked to provide will enable us to complete your initial pre-vetting, verify your qualifications, and complete your reference checks (to ABA protocol).

A closing letter to our industry

Hello again

Over the last year, I have had the opportunity to talk directly to hundreds of what I would call "disaffected" advisers. From Financial Wisdom, from salaried positions at Westpac and other banks (who have been made redundant), from Garvan, from Charter, and of course from AMP. Many, like the AMP advisers we have spoken to, have talked of feeling that they have suffered an incredible betrayal.

So many are mentally exhausted, and many physically exhausted too – many are sadly outright depressed. The turmoil of the last decade, culminating in the Royal Commission and the institutional upheaval that has resulted has left them so.

So many believe that those who they trusted to serve and support them have done the exact opposite, instead now abandoning them. Compliance has been weaponised. The creation of quality advice that is profitable (and enjoyable) to deliver has become near impossible. Rules have been changed and changed again. Interpreted one way by one person and another by the next.

As if that is not enough, at times toxic and biased media coverage and an increasingly aggressive regulator have made advisers feel helpless and, in many cases, worthless – for many their greatest source of suffering I have been told has come from within. At the heart of this has been a cultural shift within licensees over the past decade whereby compliance has gone seemingly mad – with lawyers and compliance personnel developing impractical, ineffective "tick-a-box" programs that add little or nothing in terms of commercial outcomes for advisers, or advice outcomes for their clients.

The result of all of this has been the emergence of an adversarial relationship between licensees and their advisers. One where malice exists on both side of the table. And even contempt. And one where lives, careers and souls can and have been all but destroyed or severely damaged through advisers being terminated because of "failing audits", "new corporate directions" and the like.

This is the paradigm that now exists. What does all this have to do with us? Well, everything. Because at Wealth Today we have a vision and we are on a mission – to help you (and our industry) get your mojo back. To show you that advice can be enjoyable, practical, and compliant! And that your endeavours can result in great advice and financial outcomes for your clients; and great business and financial outcomes for you at the same time.

Our mission:

To be an enabler. Our primary focus is to enable the creation of commercially viable, quality advice that seeks to improve clients' lives, and that withstands rigorous regulatory scrutiny and meets community standards.

I pose this question. What is the difference:

- Between an annual practice audit and a *practice peer review*
- Between an advice audit and an *advice peer review*
- Between a compliance officer and an *advice coach*

The difference between these is the same as the difference between: stopping the production of poor-quality advice; and enabling the production of quality advice.

The difference: ATTITUDE. The difference is the paradigm from which we all approach our roles. The paradigm from which we develop and manage our systems and processes. And the difference will be how we feel about what we do every day. And the difference will be our outcomes and the outcomes we achieve for clients.

If you haven't flicked the switch yet. Flick the switch right now. It's really that easy.

Let's take the processes around the creation of advice documents. This is a place where "compliance officers" have traditionally met advisers to "pre vet" and "post vet". A place instead where "advice coaches" should meet advisers for "peer review" and coaching - and for support and encouragement and guidance. A place where we all should recognise that none of us is as good as all of us. And where we all seek constant improvement.

For all of us such a place must never be a place of criticism, embarrassment, enforcement, suppression, impediment, angst, problems, or a place to avoid. Such a place and any place like it within our businesses must absolutely be a place of collegiate spirit, of enablement, encouragement, learning, pragmatism, and opportunity - and a place to want to hang out.

This is the place where we *enable the creation of commercially viable, quality advice that seeks to improve clients' lives, and that withstands rigorous regulatory scrutiny and meets community standards.*

Which is frankly for all of us is at the centre of our very reason for being.

Let's deliver the vision together

Regards

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