

# **10 thoughts and considerations for AMP Advisers**

## **Navigating the current turmoil:**

Notice of Termination, BoLR, Run-Off Cover, Debt to AMP and much more

## **10 thoughts and considerations for AMP Advisers – a white paper**

## Letter from the managing director

Dear Reader

If you are reading this white paper, I assume you're an AMP Adviser who has received a Notice of Termination, (or have otherwise had it suggested to you that you may be free to leave AMP) and are considering what to do next – including where and how to apply your professional skills, and which licensee you want to partner with to as a new “home” for your business.

If so, this white paper is for you. It has been created by us at the suggestion of several of the 100 or so of your colleagues we have spoken directly to over recent months. It outlines of a wide range of issues and questions to consider when making your decision and provides an insight into how we think about these questions and the type of “home” we have built for advisers.

Of course, each of you will have different considerations and circumstances and as such should you have any questions or wish to discuss anything in this white paper in more detail – you should not hesitate to contact us. And of course, talk directly to your AMP representative – or the team at the AMP *fpa*.

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 white paper.

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### Introduction

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

Most self-employed advisers are small one (or two) 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 often family-run practices looking after communities that do not have easy access to our capital city CBDs.

AMP has made a firm decision that it does not want to continue servicing this need.

Recently AMP decided that \$300,000 of annual turnover is their cut-off and have written to a large number of advisers giving notice terminating their agreements. Many more have had it indicated to them that if they would like to leave then AMP will allow them similar options to those set out in the many formal termination letters.

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, higher volume end of the adviser universe, and by extension the larger and wealthier clients.

Many of the AMP Advisers that have been formally terminated (or otherwise encouraged to leave) are amongst the most experienced advisers in the country.

### 1. AMP's decision and unfamiliar territory

Whatever decisions AMP have made, they have determined that they need to have made them. As tumultuous as that is for the individual advisers – as betrayed as many of you might feel – the reality is the entire financial services landscape has been tipped upside down in the last couple of years and ultimately, rightly or wrongly, AMP has made decisions that it feels it needs to make for the company to survive and prosper.

Unfortunately, lamenting those decisions won't change the outcome for any adviser.

But the bottom line is that you find yourself in unfamiliar territory. Many of you we have engaged

with over recent weeks and months have only ever practiced your profession under the AMP brand and within the AMP world.

Setting aside all the turmoil of the last six months with Commonwealth Bank, Westpac and NAB exiting advice, and AMP doing what it's doing, the truth is, that in any given week many dozens of advisers move licensees. That is, the process of switching licensees is not something that's foreign to many advisers, or to other licensees or product providers or even retail clients that have followed their adviser from one organisation to the next.

But we understand that this is foreign ground for many of you and you may feel uncomfortable for a while as you adapt to a new reality.

Whilst AMP may have been, as we have had many of you tell us, Hotel California (or Rikers Island) because of the structure of the institutionalised ownership of the client for more than a decade, you can seek comfort out of knowing that most advisers in Australia have always had the freedom-of-choice to find a new home that suited them and their clients. And most often when they do move home it is not for any fault of the adviser, the clients or the dealer group, but just because they had outgrown the dealer group, or the dealer group was no longer a good fit.

So, this whole notion of moving dealer groups is something that's just part of the industry. 50-60 people a week move in the ordinary course of business. So that's 50 or 60 advisers send to their 100, 200, 500 clients every week a letter saying they're moving licensees. It's 50 or 60 advisers must pick up their adviser codes and send them to the 10 or 20 different product providers that they're using and make sure that their money gets transferred across to their new licensee.

It happens as a normal part of the overall industry.

AMP have made their decisions, rightly or wrongly, and what you need to do now is focus on what's best for you, your clients, your family and your health and well-being. For many AMP advisers it will be a great opportunity to remove the burden of institutional ownership and move them into a freer market. It may feel bad, but whatever negative energy you feel, it's not going to help you and your clients to move on.

## 2. To grow or not to grow?

The assumption seems to be that an adviser's 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 AMP 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. Let alone the risk of not being able to deliver adequate service to a large 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 it unfortunately seems in this new world is hard to find licensee support for.

## 3. A new licensee, a new home.

Choosing a good new home is obviously not all about fees. It's about the support and finding a home that's going to be comfortable with the business that you have today and the one you want it to look like tomorrow.

For some that will be about growth, but for others it will be about maintaining or even downsizing your business. There are some great licensees out there and these are some of the things you should look for, ask and consider:

- Who owns my clients?
- Can I build my own businesses' brand?
- Are you owned by a product manufacturer and do I need to sell your product?
- Do you have practical experience in creating and delivering advice to retail clients?
- Can you help me with lead generation?
- Do you support single adviser practices?
- What about practices that are in maintenance or wind-down mode?
- What type of Approved Product List (APL) do you have?
- Do you have a one size fits all fee model, or are you flexible?

- Do you have a broad range of service offerings so I can diversify by business and revenue?
- Do you have a sensible, robust and commercially viable compliance framework?
- Do you have comprehensive client and adviser education programs?
- If it doesn't work out, is it easy to leave?
- Can I talk to other advisers in your network before I join?
- Can I talk to senior management before I join?

And at every step and as part of every question you need to ask: Do you value me and what I do? Do you and your staff respect the daily challenges I face? And will you be an "enabler" with and for me?

## 4. Your options at (or prior to) your termination becoming effective

If you have received a Notice of Termination letter, you already know what your options are:

- Option 1: Apply to exercise BoLR
- Option 2: Secure appointment at another licensee and apply for release of your institutionally owned clients (subject to refinancing any debt to AMP Bank and/or any Agency Development loans)
- Option 3: Join or merge with another AMP group practice (or sell your register to another practice)
- Option 4: Take no action and leave AMP

Choosing Option 4 (taking no action) would seem to apply to very few as a viable choice.

Option 3 (to join, merge or sell to another AMP practice) seems impractical or unpalatable to most we have spoken to. It seems unlikely that too many forced mergers will result in happy outcomes. Typically, we would think that those keen to merge their practices or have business partners would have chosen to do so long before now. With the uncertainty of the day, it seems there would be very few buyers of your business prepared to pay even market rates right now also.

Which will leave most of you with Option 1 (BoLR) or Option 2 (exit to a new licensee and take your clients with you).

If you have already decided to exercise BoLR, you have your reasons for doing so.

BoLR's original intent was to "create a market within a market" – in doing so, to create a price for AMP businesses that was above the prevailing market price.

The AMP BoLR recurring revenue multiple of 4-times was always meant to be a number higher than what one could get on the open market. Now that it is generally on par with the open market, the thinking around leaving and taking your clients has changed. An AMP client base that has gone through a Look-Back and has a loyal client base that has chosen to follow its adviser would arguably be worth more than an average practise that has not been put through the intense scrutiny of a "look-back".

The focus of this conversation is on therefore Option 2, and how to go about finding a new home for your business and your clients.

### 5. What if you choose Option 2?

Option 2 provides the opportunity for you to secure appointment as an authorised representative of another Australian Financial Services (AFS) Licensee and apply to AMPFP for the release of your practice from AMPFP's client institutional ownership terms (as described on page 3 of the BOLR Policy) to enable you to transfer your clients to your new AFS Licensee.

Your termination letter will most likely state that release of client institutional ownership terms will be approved by AMPFP where:

- any existing practice finance arrangements with AMP Bank have been refinanced; and
- there are no other outstanding debts or encumbrances over the client register, including, but not limited to, any Agency Development Loans; and
- AMPFP audit requirements are completed prior to exit. This will include completion of Look Back and audits that would be required to be successfully completed pursuant to the BoLR Policy if your practice was to exercise their buy back rights; and

- Your practice has secured appointment as an authorised representative of another AFS Licensee.

Your termination letter also states that a transfer deed will be required to be entered by AMPFP, your practice and the new AFS Licensee.

So, let's look at those various requirements in more detail.

### 6. AMP Transfer Deed

If you have not yet have received a copy of the Transfer Deed, you should ask your AMP practice development manager for a copy today if you want to review it.

We have reviewed it in detail and conducted a video link presentation for interested AMP advisers. Please contact our Sydney office for a copy of that presentation if you were unable to make it.

The good news is that the deed is fairly standard and innocuous – nothing in it causes us alarm. We see dozens of these deeds from different licensees that advisers joining us are coming from every month and this deed is very similar – as most are.

The key is that the communication required to go out to your clients informing them of your change of licensee is on a negative consent basis.

In the 90-day period following transfer – if AMP continues to see your commissions or ASF payments come into its bank account because some product providers are late switching across to your new licensee, they will pay these fees across to us (or your other new licensee).

AMP will retain their normal dealer fees from these which may seem a little cheeky, but we do see this from time to time. If we have all the product providers organised this should not ever represent a material amount of money at any rate. If you are joining Wealth Today, we will waive any variable component of your license fee deduction in cases where this happens so that you are not "double clipped".

Within 30 days of transfer, you must offer of review all clients. This is unusual drafting but is not overly onerous. This does not mean you necessarily need to conduct a review within 30 days – but you must at least make the offer.

AMP accepts responsibility for and indemnifies new licensee from any claim associated with advice provided before the transfer date. New licensee does the same in reverse for AMP for advice

provided after the transfer date. New licensee agrees to promptly reimburse AMP for any claw backs and mutual reasonable assistance clauses exist.

No further payments will be made after 90 days. This may seem unreasonable, but we see this as standard and in fact include it in our own transfer deeds.

The final issue is that the client letter clauses are drafted to require a second (or reminder) letter to be sent. This is unusual but we do not see this as onerous. All in all, other than a requirement for PI run-off cover (see below) the deed is very typical.

### ***Run-off Cover***

The one thing that is a little unusual about the Transfer Deed is the drafting around “run off cover”. This is normally associated with selling a practice where the adviser is exiting the industry – that said, run-off is readily available to you thanks to the way your policy through AMPfpa works. Special thanks to the AMPfpa for the excellent summary of this:

- All members have PI cover through AMPfpa’s insurance broker IAA underwritten by Berkley’s, which the association has negotiated on their behalf.
- As part of this program, members can obtain the necessary run-off cover at no additional cost (just the balance of their annual premium).
- The process is this:
  - AMPfpa receives notice from AMP Licensing of your exit, usually on the date or close to it.
  - AMPfpa then contacts you by email and asks you to complete the run-off declaration online via the insurance broker’s portal (where you would normally renew your PI each year).
  - The broker (IAA) will then process this and place the policy into run-off cover, this will be at no additional cost to you.
  - Once AMPfpa receives notice from IAA it is in place, they will confirm with AMP Adviser Exits.
- Please also note that during the exit process, AMP Remuneration will do what they call a ‘debt check’ which will pick up any outstanding amounts for deductions

for any subscriptions such as PI, COIN, Association Fees, etc.

- As there is no pro-rata applicable for PI, you will be charged the remaining balance for the full annual premium (if paying in instalments) and will not be refunded. However, as mentioned above, the run-off cover is at no additional cost (this is a huge benefit as you will know most run-off will cost approx. 3–4 years’ worth of premiums to obtain).
- The run-off policy does not have an expiry date, therefore meets the 6-year requirement.

## **7. Finance options for those with debt to AMP**

You, like many other AMP Advisers, may have a debt to AMP Bank, that was probably taken out to invest in an AMP client base that was sold to you on the basis of 4 x recurring revenue.

Your termination letter states that in exercising Option 2 you will be required to payout this loan.

You should of course talk to AMP to understand options and conditions around this matter.

We have been informed that AMPfpa has been lobbying AMP to allow advisers who cannot readily find alternative financier to retain their debt with AMP Bank. If you believe that staying at AMP Bank might be your only option because of thin or negative equity, or because of a relatively small loan size (less than \$200,000) please talk to us and also of course to your AMP rep. Whilst it is clear that this is not a preferred option for either AMP or AMP Bank, it may be worth exploring.

In this regard Wealth Today has indicated to AMP that it is happy to enter tri-party agreements (with you, us and AMP Bank) to prioritise P&I payments to AMP Bank ahead of your fortnightly revenue distributions.

Regardless of who your ultimate financier is you should also talk to your prospective new licensee about what your options and intentions are as nearly all financiers will require your new licensee to enter into a tripartite agreement with you and them, so it is important to establish early in the piece what their level of comfort with that is.

In terms of refinancing options, it’s true to say that many lenders have abandoned the playing field by either not lending in the space or setting high



minimum loan levels. Those of you that have dealt in the lending space yourself will know these things are fluid however.

On the positive front there are some new active players in the market. Some with full banking licenses, and some alternative and even peer-to-peer lenders. Some with competitive rates while others have more expensive rates.

Those with smaller debts may need to pay a higher rate to get out of the AMP loan, but on analysis, a higher rate for a short period of time, to free yourself and your business, until you can sort out your affairs is possible a price worth paying, so keep an open mind to all options.

### ***Wealth Today, Judo Bank refinancing program***

Wealth Today has established accreditation with Judo Bank and is currently accepting applications through a program that we have established that is open to advisers with higher loan balances who require refinancing.

The program with Judo Bank should provide up to \$20M in financing for AMP advisers joining us.

Judo is keen to participate in financial planning practice lending and have hired specialist business bankers with extensive experience in the sector who our team will prepare and submit applications directly to.

In general terms Judo was targeting lending above \$500k (with a general minimum of \$250k), however, whatever your loan size please provide an expression of interest so we can discuss metrics with you.

You can expect that loans will readily run to 1.75 times RR, or three (3) times EBIT – though if your metrics are outside this you should still contact us as these are guides rather than hard and fast rules. You can expect rates to generally have a 6 in front of them. Pending various other factors. Great potential option for those looking for future growth through acquisition also.

## **8. Current market pricing for advice practices**

A question we have been asked often is, “Is 2.5 times fair market value?”

That will depend greatly on the make-up of clients and revenue mix. Current market ranges we are seeing are as follows:

- Investment and super client ASF aged up to 64 years 2.5 – 2.8
- For 65+ this is generally dropping 1.8 – 2.5 depending on average and above 80 years down to dollar for dollar
- Risk clients under 55 2.5 to 3 times, dropping to 2 – 2.5 for 55 – 60 and dropping to dollar for dollar above 61
- Flat fee corporate super plans 1.5 to 2 times
- Grandfathered commission – expect this is reducing to just value of data

You should think about what the potential value of your practice is on the open market considering:

- You have exited and settled into a new licensee
- You would be selling in the future on the open market with an orderly sale in your own good time
- No institutional ownership of your clients

You have gone through a full and rigorous Look-Back process (the average business on the open market has not been through a Look-Back)

## **9. Succession Planning outside of the AMP universe**

Many of you might have thought that a 4 x BoLR was your succession plan and that the rug has been pulled from under you. However, outside of the sphere of AMP people have been preparing their businesses for sale and or transition to another adviser.

With the Professional Year changes being brought about by FASEA all new advisers will need a practice to take them on and mentor them into the profession. This we believe presents an incredible opportunity for advisers to retain majority ownership of their business while giving the opportunity of equity (or quasi equity) to a new, younger adviser and enjoy annuity income in retirement as a shareholder rather than a working practitioner.

## **10. Timelines and process for transferring to a new licensee**

AMP Advisers have asked us: What if I tick “that” box?

The process will be:

- Commence onboarding process with new licensee
- Look-Back triggered
- Normal BoLR exit audit triggered
- 6-8-week process indicated if not yet commenced
- Line-up refinancing if required
- Finalise new CAR/AR agreement
- Execute transfer deed
- Transfer revenue and clients
- Complete induction at new license

### 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 eBook library, 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

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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 to 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 more

than 105 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 past few months I have had the opportunity to talk directly to more than 100 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 it is not enough that 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 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.

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 spot check and *a cyclical peer review*
- Between a compliance manager and *a practice coach*
- 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

Keith Cullen

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## **Getting in touch**

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