

"A move away from commission based remuneration is key to protecting both consumers and the reputations of financial planners."

Jo-Anne Bloch, FPA – May 2009

Commissions-Free Planner Practice Program

Creating Scalable & Profitable Practices for a Commissions-Free Environment

The story so far...

From its humble beginnings of the days of the travelling insurance salesperson, the Financial Planning industry has evolved into a diverse range of sophisticated services that are sought by a growing number of Australians.

But the journey has not been without its challenges. The Financial Services Reform Act of 2001 created a higher standard of compliance and quality amongst financial planners, and also significantly increased the complexity of their services.

In addition, the financial crisis that started in 2007 has stripped billions of dollars of wealth from Australian investments and savings, placing many financial planning practices under considerable financial strain, and exposing the market sensitivity of their commissions-based performance.

Throughout this entire journey, the increasing use of financial planners by consumers has also highlighted the need to deal with the perceived conflicts of interest inherent in the industry, particularly upfront and on-going commissions that have been singled out for special focus – an area that Industry Superfunds have eagerly exploited to their advantage.

With the gradual phasing out of commissions-based incentives for financial planners by 2012, the industry is due to undergo a major shake-up in how financial planners will operate and prosper in the future.



How this will affect you

Given the ominous clouds facing the financial planning industry, many practice owners are wisely concerned about how their business will be impacted, especially in relation to;

- Significant revenue loss from the turbulence in the financial markets (up to 30% in some cases);
- Negative consumer sentiment due to declines in investment performance, in addition to well-publicised scandals such as Storm Financial, Tricom, Westpoint, and others;
- Potential competition for intra-fund advice from the class order relief for Superannuation Trustees; and
- Renewed scrutiny on the financial planning industry from the Australian Government and various consumer groups.

At the same time, practices also have the added predicament of facing, in an already difficult environment, a number of key challenges as the industry looks forward to the future of financial planning:

1. Significantly reducing operating and servicing costs as consumers and the industry seek further efficiencies from financial planners;
2. Increasing the profitability and value of clients as the demand for financial planning services grows; and
3. Rebuilding the professional and public image of financial planners to increase consumer confidence and uptake.

Ultimately, the essential goal for all financial planning businesses is to be able to transition successfully into a Commissions-Free environment, and grow a profitable and scalable business that will succeed and prosper in the new environment.

The impact of the upcoming changes to the industry will have a fundamental effect on your practice. Does your business have the experience and expertise to effectively manage through these major changes?

Are you ready for a Commissions-Free environment?

Moving to a Commissions-Free environment is about more than just changing your pricing. It is an opportunity for us to go back to the start and ask the question, "What does your practice stand for?"

With over 90% of financial planning businesses in Australia predominantly commissions-based, many are dangerously unprepared for the challenges ahead. Whilst many practices have already begun to consider the potential impact and changes that will need to take place, many lack the support and specialised expertise required to successfully plan and manage a change of such magnitude.

The danger for many financial planning businesses is thinking that simply converting to a fee-for-service pricing will suffice. While it is a critical step to take to break free of commissions, it fails to take advantage of the many growth opportunities that come from adopting a Commissions-Free model. This, in part, is why many practices have only had varying levels of success in the past in integrating Commissions-Free models into their businesses, due to the limited approaches taken.

How we can help your practice

E&W Strategic Partners' **Commissions-Free Planner Practice** program (**CPP**) is an integrated, six-step program designed to transform your business into a fully self-sufficient, scalable, and profitable Commissions-Free practice in 12 months or less.

"There is an urgent need for the financial planning industry to construct a future in which commissions...do not exist"

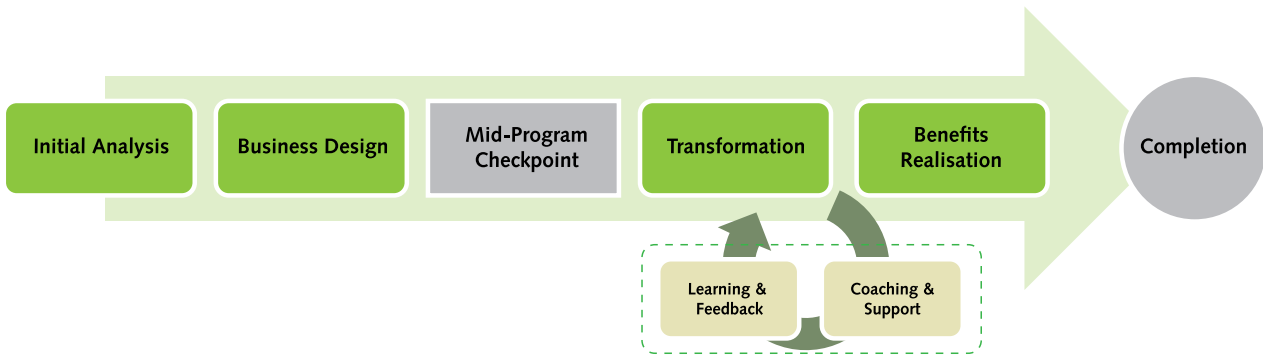
Robert M.C. Brown

Based on in-depth analysis of a range of financial planning practices, industry research, and one-on-one feedback and input from experienced financial planners, the **CPP** program has been built from the ground up to support financial planning practices in successfully moving to a Commissions-Free business model, while addressing many of the flaws and weaknesses that have plagued earlier attempts at creating successful fee-for-service business models.

With a combined total of over 50 years in the Financial Services industry, and experience working with many of the major organisations in the industry such as AMP, MLC, BT, Macquarie Group, ING, and Colonial First State, E&W Strategic Partners is the only team in Australia with both the industry experience, hands-on financial planning expertise, and strategic business transformation skills to successfully help your business to not only overcome, but to flourish in the new financial planning environment post 2012.



The CPP Program – How does it work?



The **CPP** program is a six to twelve month journey that will see us help your practice evolve into a fully Commissions-Free practice as we work with you and your team through the six steps of the **CPP** methodology.

As part of the process we look at five key areas that help us to assess the unique strengths and attributes of your practice (using our iScore tool), and which allows us to identify and realise the opportunities that a Commissions-Free environment presents for your business, establishing the foundation for the successful growth of your practice.



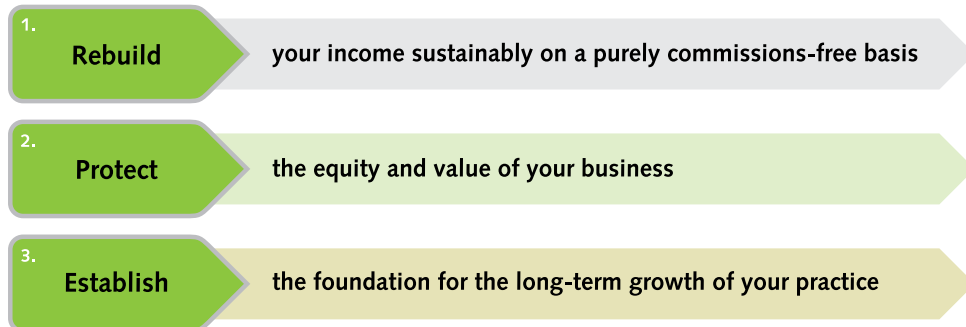
Key Advantages of the CPP Program

- **Tailored Outcomes** – Your business, your practice, your way.
- **Collaboration** – No matter how long it takes, we will be there to help, guide, coach, and support you through every step of the journey.
- **Platform Independent** – It doesn't matter whether you are using XPlan, VisiPlan, or COIN. **CPP** can work with them all.
- **On-going Learning** – The **CPP** program is flexible enough to adapt as new changes and feedback are discovered. Stay ahead of the curve with **CPP**.
- **Cost-effective** – With the **CPP** program, you could recoup the entire cost of the program in less than a year.



What are the results you can expect?

At the end of the day, the **CPP** program is about helping you to face the key challenges in front of your business and to place the control of the destiny of your business squarely back in your hands. By investing in your business today and taking advantage of the **CPP** program, we can help you and your business to achieve success and;

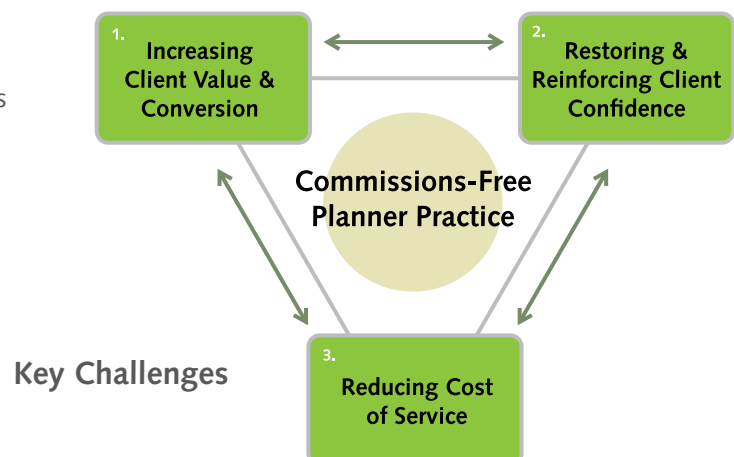


The **Commissions-Free Planner Practice** program is the definitive and guaranteed way to take your practice forward successfully into a Commissions-Free environment.

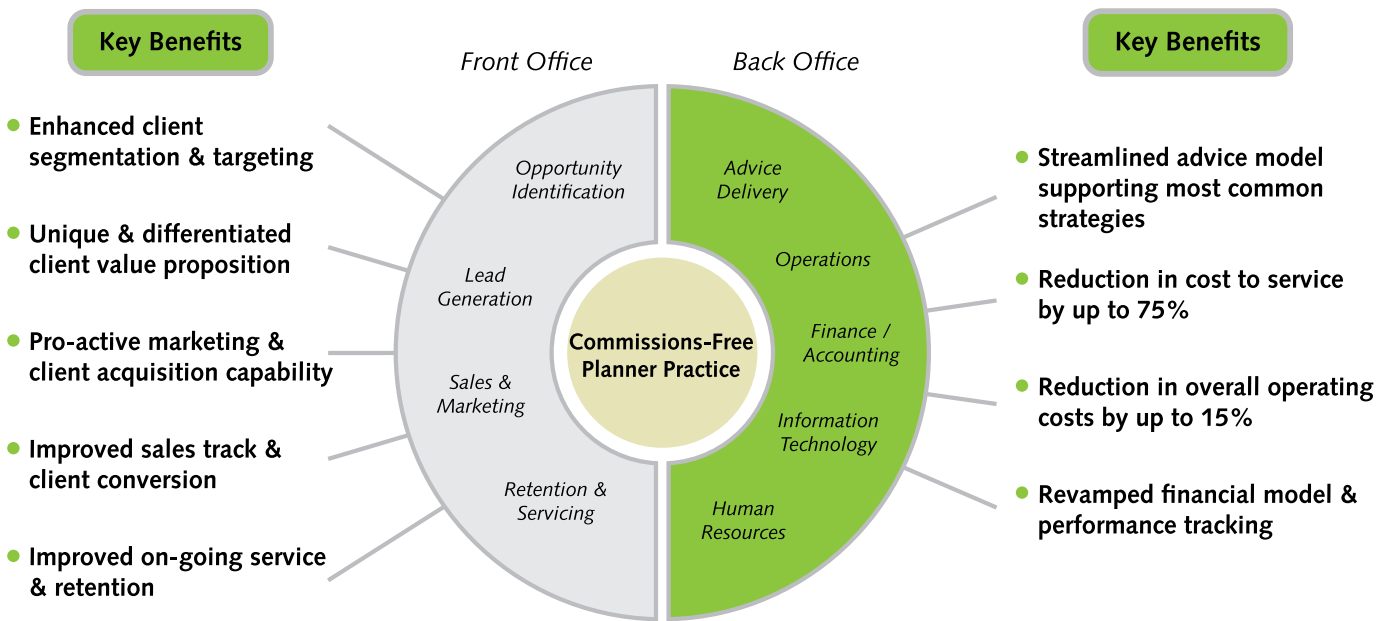
What makes the CPP program special?

The **CPP** program is unique in that it offers a complete and comprehensive solution; it is not just about converting your practice into a business that doesn't charge commissions – that's just the first step of a much larger process.

To properly take your practice forward into a Commissions-Free environment, we need to comprehensively address all three key challenges facing your practice at the same time;



By addressing all three challenges together, the **CPP** program advances past previous attempts at Commissions-Free models by looking not just at driving efficiencies in your back office, but also at how to boost the front-end of your business and increase the flow of qualified and valuable clients through your front door.



Our methodology breaks down many of the constraints faced by financial planners today, making a future-proof Commissions-Free business model a feasible and profitable reality for your practice today. For the practice owner that owns and has dedicated themselves to growing their practice, the **CPP** program is the most comprehensive solution available in the market to help you to protect the value and future of your business.

CPP – A profitable & cost-effective solution for your business

All good things take time and investment – and the **CPP** program is no different. It will require an initial commitment of your time and resources, and you can expect that for a short period of time, the performance of your business will soften.

However, with the combination of our unique tools and methodology, the solid commitment of you and your team, and a strong, collaborative partnership, we are absolutely confident that the cost savings and performance gains in your business will not only recover the investment of your time and resources, but also establish a pathway for the on-going success of your practice once the program has been completed.

Are you ready to take the first step towards a Commissions-Free environment?

The financial planning industry will soon be facing one of its largest and most fundamental changes since the introduction of the Financial Services Reform Act. But whilst the challenges ahead will be great in size, for the astute business, these changes also open up many new areas and opportunities for growth.

However, without an integral shift in how financial planning practices currently operate, and without challenging the fundamental constraints of the operating environment, many practices will find themselves lagging behind the changing landscape and risk suffering significantly, both financially and professionally.

With our **CPP** program, we can help you to take a leadership position, to jump ahead of the curve, and transform your practice into a sustainable and successful business for the future.

For a confidential discussion about the **CPP** program and how we can help build your success for the future, please contact us:

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Your Business - Our Expertise

