

## WINNING ADVISERS

**Wednesday 7 October (dinner)/Thursday 8 October  
(Meeting) The Grand, York, Station Rise, North Yorkshire,  
YO1 6GD**

### Draft Agenda

#### The preparation:

- In anticipation of A Meeting of Minds which will take place on Thursday 8 October with a dinner on the preceding evening, the following subjects should be considered a starting point for discussion.
- Over the next few weeks, we will be meeting with participants to ensure that the agenda is addressing those issues which are top of your list in terms of importance. The goal is always to enable you to do better business and by that we mean we want to ensure that all aspects of your business go under the microscope. The final agenda therefore has to reflect that.
- If you would like to input your thinking, please call Sofia Aldatz on 01483 861334 or email her at [sofiaaldatz@owenjamesgroup.com](mailto:sofiaaldatz@owenjamesgroup.com)

#### The format:

The day is a blend of:

- **Keynote** sessions geared to encouraging new thinking – typically from outside the industry.
- **Roundtables** – small facilitated groups addressing the carefully researched agenda. The whole day is Chatham House and therefore participants are able to speak openly and freely.
- Plenty of **networking** opportunities including the formal dinner and luncheon during the Meeting itself. Accommodation is available at a subsidised rate.

#### How do the roundtables work?

- On the day, the roundtables take place in a private room with, typically, some 15 people around the table.
- Tent cards with participants' names and companies are set out to make it easy to identify your peer group.
- The sessions are introduced by an expert on the subject. This introduction will usually last about 10 minutes before the conversation is opened up to the table, the goal being to ensure that everyone gets stuck in!
- The session facilitator will bring the session to a conclusion, highlighting the key points raised.

In summary, your time is precious and our goal is to ensure that if you spend it with us, you spend it in the company of your peers, you address the subjects which matter to you, and all in a time efficient manner.

## The roundtable topics tabled for review:

<b>YOUR CLIENTS</b> .....	3
1. Client focused versus client centric? Knowing the difference between the two can give you a serious competitive advantage. Creating a culture of client obsessed champions is the answer. Where do you start?.....	3
2. How to create real customer relationships in the digital age.....	3
3. Client engagement in financial services- Starts by building trust.....	3
<b>SHAPING YOUR BUSINESS</b> .....	3
4. Making your business relevant and valuable for the next 10 years – for yourself or for a sale! 3	3
5. Let’s talk about your support team. What will the paraplanner role look like in five years’ time? 3	3
6. Driving strategic business change through people analytics: Why your HR team needs to transform now to remain relevant.....	4
7. Growing your business: a look at the different approaches to raising additional capital.....	4
8. Productivity: lessons on how to avoid coping with overload.....	4
9. Cashflow modelling and your clients’ capacity for loss.....	4
10. Centralised Investment Retirement Propositions – Managing the Investment Challenges of Decumulation .....	5
11. The never ending conversation around Fees and charges .....	5
<b>TECH STUFF</b> .....	5
12. The future of cyber risk: new threats and seizing opportunities .....	5
13. Disruption in the platform market.....	5
14. Financial services technology 2020 and beyond: Embracing disruption.....	6
<b>ESG – THE NEW ZEITGEIST</b> .....	6
15. Are your clients expecting you to ensure their portfolios are ESG? Or do they still judge success upon the basis of performance? And if they do ask for ESG just how judgemental are they? There is a lot of “greenwashing” going on – are you for real? .....	6
<b>EXTERNAL INFLUENCES</b> .....	6
16. Managing Risk in challenging economic environments .....	6
<b>REGULATION</b> .....	6
17. Regulatory impact within the non-work place pensions market .....	6
18. Why comply: The value of an effective compliance programme .....	7
19. DB Transfers: a 2020 view .....	7
<b>LOOKING AHEAD</b> .....	7
20. We need to help children and young people understand money... ..	7

## YOUR CLIENTS

### 1. CLIENT FOCUSED VERSUS CLIENT CENTRIC? KNOWING THE DIFFERENCE BETWEEN THE TWO CAN GIVE YOU A SERIOUS COMPETITIVE ADVANTAGE. CREATING A CULTURE OF CLIENT OBSESSED CHAMPIONS IS THE ANSWER. WHERE DO YOU START?

*“You've got to start with the customer experience and work back toward the technology - not the other way around.” Steve Jobs.*

- A client focused company offers clients a consistently great and relevant experience across all touchpoints.
- A client centric organisation starts with the client before creating new products and experiences. Rather than analyse feedback, you anticipate their needs.
- Both sound ok to me but in a world where clients are so empowered by the internet when it comes to making their investment decisions, you need to be on the front foot, anticipating your clients' future needs.
- So where do you start? Well the key does seem to be with your people.
- Engaged, inspired, cared for employees feel good and they don't just serve clients but they truly care about doing what is right for them and that is what will increase clients loyalty, ultimately your bottom line.
- How do you measure the impact?

Happy Employees = happy customers = happy bottom line...

### 2. HOW TO CREATE REAL CUSTOMER RELATIONSHIPS IN THE DIGITAL AGE

- The financial industry is in a state of evolution, as waves of change via digitisation, automation and AI alter clients' expectations of their advisers and fund managers.
- Today's investors seek multi-channel interactive digital communication - accessible any time, any place. Therefore, it is important for advisory firms to boost their digital client experience if they wish to be successful in attracting, growing and maintaining their client base. It is imperative to build this relationship whether through direct channels or via intermediaries.
- This relationship-building starts with an understanding of the client and their changing needs and to do that you need to gather, manage and analyse the data you hold on them.
- Expectations for innovative client communications have moved beyond simple mobile apps. Today's and tomorrow's clients expect information to be readily available, and expect to be able to communicate with their advisers in the same way they communicate with all their other service providers - quickly and digitally.

### 3. CLIENT ENGAGEMENT IN FINANCIAL SERVICES- STARTS BY BUILDING TRUST

- The financial services sector is gradually bouncing back from the huge loss of customer trust. There is still much to be done however as financial services organisations need to do more to win back that trust from increasingly technically savvy and often wary customers.

## SHAPING YOUR BUSINESS

### 4. MAKING YOUR BUSINESS RELEVANT AND VALUABLE FOR THE NEXT 10 YEARS – FOR YOURSELF OR FOR A SALE!

- Ideas for margin protection in an evolving competitive and regulatory landscape.
- How to structure portfolios to support you in your planning and growth endeavours.
- How to cement your relationship with the spouses and inheritors of your clients.

### 5. LET'S TALK ABOUT YOUR SUPPORT TEAM. WHAT WILL THE PARAPLANNER ROLE LOOK LIKE IN FIVE YEARS' TIME?

- Research into the paraplanner role has revealed a significant growth in influence of paraplanners in financial planning firms over the past five years.
- The Rise of the Paraplanner Report 2019, published by Research in Finance is the latest in a series of in-depth studies conducted over the past five years, which has tracked key metrics including paraplanners' influence and responsibility within adviser firms and in the research and selection of funds, products, platforms and services.
- The research shows that not only is paraplanning now a core function within financial planning but

paraplanners are being given greater responsibility and rising up the ranks within firms, with increasing numbers taking positions on investment committees, becoming key members of the management team and development committees, and in some cases joining the board.

- Paraplanners are increasingly working together with advisers to enable them to seek new business and strengthen client relationships. With this trend set to continue, it is important we have an understanding of how the role of the paraplanner is changing. So what does the future look like?

## **6. DRIVING STRATEGIC BUSINESS CHANGE THROUGH PEOPLE ANALYTICS: WHY YOUR HR TEAM NEEDS TO TRANSFORM NOW TO REMAIN RELEVANT**

For most businesses, people are the main cost but also the main value creator. We'll explore how your HR team (or yourself) can play a much more active role in driving strategic business change.

- What can HR learn from other business functions?
- What's stopping your HR team from embracing digitalisation?
- How do you structure your HR function in readiness for the future; shifting from operational HR to talent value leaders?
- Modernise your recruitment strategies and gain a competitive edge

## **7. GROWING YOUR BUSINESS: A LOOK AT THE DIFFERENT APPROACHES TO RAISING ADDITIONAL CAPITAL.**

- So it's all about growth... and while many of you are looking at growing your business organically, what about those of you who would like to consider other routes and need an injection of cash - what are your options?
- Growing businesses often struggle to access finance. Recent Bank of England data reveals that lending to UK SMEs has flatlined over the last three years.
- Certain parts of the business finance market work well. Smaller businesses are able to access finance from peer-to-peer platforms. Larger business, or those with tangible assets, can be well served by high street banks and specialist debt funds.
- The real problem is for the slightly larger, more complex SMEs which do not have assets to use as security.
- Often these growing SMEs need more sophisticated financing. That means the best funding solution may comprise a range of providers rather than a one-stop-shop.
- To date, SMEs have struggled to find such a blend of providers and finance. But access to genuinely unsecured lending and advice from accountants is now available. So, SMEs can now get the blend of funding that best suits their business.

## **8. PRODUCTIVITY: LESSONS ON HOW TO AVOID COPING WITH OVERLOAD**

- Between people management and meetings, deadlines and random tasks, if you're running a business, it's safe to say you're probably also running out of time. If you thrive in situations like this, that's great but if you don't you are not alone. 87% of gen x, millennials, and baby-boomer professionals surveyed said they encountered technology and information overload that diminished their productivity.
- So, how do so many business owners and entrepreneurs appear to do it all and thrive?
- Here's their secret: They don't.
- The Myth of Multi-Tasking - Trying to "do it all" isn't just mentally and physically draining – it actually prevents you from getting a lot done. Research indicates that productivity can be reduced by as much as 40% when you're constantly switching context and tasks.
- So how about doing less and achieving more? It requires a specific approach to managing time and a commitment to eliminating extraneous, attention-dividing tasks.
- This session will teach you how!

## **9. CASHFLOW MODELLING AND YOUR CLIENTS' CAPACITY FOR LOSS**

- I recently heard Rory Percival address a group of Heads of Wealth and he asked them "Who in their firm should be doing the assessment of their clients' capacity for loss"... and only one person in the room had the correct answer. Can you guess? It was the Paraplanners!
- The suggestion was that advisers should stop asking their clients what their capacity for loss is, as clients have no idea!! And that it should be the paraplanner that tests the plan who can tell the real

capacity for loss. Once this has been proven the adviser should present the results to the client and agree on it. So, what do you think of this approach? Is this how you do it?

- In this session we will discuss what are the best and worst practices when looking at a client's capacity for loss and cashflow modelling.
- Do you take in account how income needs to change over time? Do you assess the degree of flexibility? Do you stress-test all your cashflow planning?

## **10. CENTRALISED INVESTMENT RETIREMENT PROPOSITIONS – MANAGING THE INVESTMENT CHALLENGES OF DECUMULATION**

- This is a great time to be in advice.
- The impact of demographic change coupled with the democratisation of financial risk is driving significant demand for adviser services.
- The impact of regulation on the advice process is considerable and promotes the requirement for a consistent and structured approach to managing retirement clients at scale.
- Given the confluence of these forces, Centralised Retirement Propositions (CRPs) are increasingly being adopted to cater for the key differences between the phases of accumulation and decumulation.
- Importantly it is key that CRPs recognise that decumulation strategies involve the management of a number of significant interrelated risks.
- This session will provide an opportunity to discuss the regulatory change driving the need for adopting a CRP and identify the options available/risks associated with managing portfolios in decumulation.

## **11. THE NEVER ENDING CONVERSATION AROUND FEES AND CHARGES**

Well, this seems to be a conversation we do not seem to be able to escape from. So in this session we will be discussing:

- Everyone's personal opinions on fees and charging and the way they do it.
- How to make sure you are profitable and how to keep an eye on this
- The arguments for and against fixed and percentage-based fees, and
- How do you see things changing in the future?

## **TECH STUFF**

### **12. THE FUTURE OF CYBER RISK: NEW THREATS AND SEIZING OPPORTUNITIES**

During the session we will explore:

- The changing cyber risk landscape and how the growing demand for insurance has shaped the cyber insurance market. Do you have the right cover?
- Cyber solutions; threat assessments, training and response.
- Fighting back against the risks – turning threats into opportunities.

### **13. DISRUPTION IN THE PLATFORM MARKET**

- According to Platform, Adviser platform assets continue to rise – despite some major headwinds. In their published figures for Q3 2019, the total adviser platform market stands healthily over £500bn, of which assets relating specifically to financial advisers represent around £430bn.
- But they have seen a significant slowdown of flows over the course of the year. 2019 looks like it will rank one of the worst years to date in the platform market. Most legacy business has now been migrated onto platforms and DB transfer flows have all but dried up. Political and economic uncertainty felt by advisers and their clients have also been cited by platforms for their unwillingness to invest further.
- Platform consolidation hasn't transpired at the pace many predicted. What they have seen recently, however, is the consolidation of technology suppliers.
- No signs point to any of these headwinds slowing down for platforms in 2020. Client acquisition by advisers is slow, and the consolidation of adviser firms by large, vertically integrated groups also poses a threat. Platforms will hope the cloud of uncertainty clears and flows start to pick up again – potentially wishful thinking.

- Like it or not, platforms are moving towards being a commoditised part of the value chain and we could be already further down this path than many realise. Platforms need to look elsewhere for their margins.

#### **14. FINANCIAL SERVICES TECHNOLOGY 2020 AND BEYOND: EMBRACING DISRUPTION**

- PWC's global report Financial services technology 2020 and beyond: Embracing disruption examines the forces that are disrupting the role, structure, and competitive environment for financial institutions and the markets and societies in which they operate.
- The post-crisis regulatory frameworks have been gradually settling into place, and financial institutions have been adjusting their business models accordingly. It is now becoming obvious that the accelerating pace of technological change is the most creative force—and also, the most destructive one—in the financial services ecosystem today.
- In this session, our expert will walk us through the real world implications of these technological advances on the financial services industry and those who must supervise and use it.

### **ESG – THE NEW ZEITGEIST**

#### **15. ARE YOUR CLIENTS EXPECTING YOU TO ENSURE THEIR PORTFOLIOS ARE ESG? OR DO THEY STILL JUDGE SUCCESS UPON THE BASIS OF PERFORMANCE? AND IF THEY DO ASK FOR ESG JUST HOW JUDGEMENTAL ARE THEY? THERE IS A LOT OF “GREENWASHING” GOING ON – ARE YOU FOR REAL?**

- This is a session around impact investing. Do you have the conversation? You will have to at some stage this year.
- Does your client expect you to be the arbiter of whether or not they are invested in a company whose practices are acceptable?
- Do they want to know whether the asset manager has considered the knock-on effects on the local economy/society?
- Do you (and they) consider the potential for lost jobs and greater hardship? Is some work better than no work, even if the employer is not operating best practice? Negative impact investing.
- One example recently suggested was that if we refuse to invest in the arms industry, what happens to the companies responsible for providing the UK's defences? This sort of decision places a phenomenal weight on the shoulders of the analysts and their portfolio managers.
- So how do you monitor your investments to ensure they are doing no harm either to the planet or the local community?
- Do you have a policing process in place?
- It is quite a weighty responsibility.

### **EXTERNAL INFLUENCES**

#### **16. MANAGING RISK IN CHALLENGING ECONOMIC ENVIRONMENTS**

- The regulatory and business environments have become more volatile and unpredictable than in recent memory. The wave of ever stricter regulatory requirements, the increase of geopolitical risk, the threat from FinTechs to disrupt traditional financial services business models...
- Today, risk management is at a crossroads. Financial institutions need to decide if they will continue with business as usual or instead fundamentally rethink their approach to risk management.
- The current volatile business environment has made it more difficult than before for risk management capabilities to keep up. The new environment provides strong incentives for financial institutions to transform how they manage risk to become substantially more effective and efficient.
- This will require institutions to seize opportunities related to strategy, people, the three lines of defence model, and technology in a coordinated way. Institutions will need to embrace emerging technologies — such as robotics process automation, artificial/cognitive intelligence, natural language processing, and machine learning — that can reduce costs, while also offering foresight into emerging risk issues.

### **REGULATION**

#### **17. REGULATORY IMPACT WITHIN THE NON-WORK PLACE PENSIONS MARKET**

- There has been huge growth in the retirement income market since the introduction of Pension

Freedoms. The retirement landscape has become more varied and complex, with retirees facing far greater choice around how and when to retire and, in particular, how to secure the income they need to sustain them in retirement. An increasing amount of clients are also attempting the planning of their retirement finances on a DIY basis – in effect becoming “Do It Yourself Actuaries”.

- In this session we will explore the concept of “The Secret of Happiness is Freedom?” exploring behavior across all areas since April 2015 and accounting for many areas around the complex web of pensions taxation.
- It is worth remembering that this new landscape remains in its infancy. Whilst there has been many Regulatory interventions to date, further change is still to come – and it is significant change. Amongst other proposals the recent Retirement Outcomes Review will usher in a further round of industry change – primarily aimed at non advised drawdown clients and at real pace. We will discuss the likely future trends in a part of the market that will provide the greatest challenges in the short to medium term and how the Advice market can navigate and embrace the opportunities ahead.

## **18. WHY COMPLY: THE VALUE OF AN EFFECTIVE COMPLIANCE PROGRAMME**

The compliance team is often unfairly seen as the ‘business prevention unit’. But its role is increasingly important as are its methods of moving from tick-box compliance to a culture of compliance.

- What does an effective compliance programme really mean?
- Where do you start? Should you redesign your programme from the beginning or prioritise components according to your risk?
- How do you identify which components are most important knowing your organisation’s risk and resource constraints? What about the availability of your internal resources?
- What is your current programme’s weakest link? How do you identify the current weak spots in your compliance programme? What resources do you have to improve them?

## **19. DB TRANSFERS: A 2020 VIEW**

- According to the FCA, three out of five DB transfers are unsuitable, and with “unsuitable” they don’t count technicalities, like they forgot to tick a box.... They refer to those where the transfer wasn’t the best thing for the client.
- The FCA won’t let this issue rest until the suitability ratio goes up to at least 85%. The current 48% is far from target. An expert on the matter said that the only way to get better is for firms to stop thinking that this is the result of “bad firms” doing dodgy deal and for everyone to review their current processes.
- Everyone is part of the problem!!
- So, when was the last time you reviewed some of your advisers’ files?
- Are you aware of what goes on in your business? Is everyone following protocol?
- Do you even have a clearly defined protocol?
- We are aware that the FCA hasn’t published a best practice guide, so it’s hard to benchmark your business. But what is the industry doing to improve?
- What is the issue with contingent charging?

## **LOOKING AHEAD**

### **20. WE NEED TO HELP CHILDREN AND YOUNG PEOPLE UNDERSTAND MONEY...**

- Apps like GoHenry are apparently “on a mission to help millions of kids be good with money”; MyBnk delivers “expert-led financial education programmes to 7-25 year olds in schools and youth organisations”; The Money Charity “develops and delivers products and services which provide education, information and advice on money matters in an appropriate way for young people and adults”; a few examples following a fairly quick scoot through the internet.
- How about an update on who is doing what and how, followed by a wider discussion on whether or not the industry could be more active?