Giving as a way to get ahead in financial planning

Adrian Peh of Synergy Financial Advisers talks to Hubbis about some of the firm's strategic goals and priorities in growing the firm and delivering on its advisory promise.

Social causes and financial advisory don't go hand-in-hand, but they have one thing in common that is making it a priority at Synergy Financial Advisers.

This Singapore-based financial advisory (FA) firm believes that taking up social causes will help it attract and retain a troop of advisers who will be empathetic to the needs of the less fortunate. In other words, they will be more willing to put themselves in the shoes of their clients.

Indeed, to seize the opportunities springing up in the local advisory landscape, the firm is harnessing such empathy as a new tool in its growth strategy. "The desire to plan for many key financial goals like retirement planning and child education is driven by emotions," says Adrian Peh, chief executive officer of Synergy. "So advisers who contribute to society and empathise with the less fortunate will be able to understand their clients better."

This will also mean that they will place their clients' interest first, above all.

GETTING ON A STRONG FOOTING

For a relatively new firm that set out on a journey to become an FA in 2014, this less-trodden path to growth is not its only hallmark.

Peh has been carefully pulling together a team of people who have up-to-date knowledge of financial products; and he is building processes supported by the latest technological solutions for asset allocation.

Synergy's recruitment policies are in line with the efforts of the regulator via its Financial Advisory Industry Review, to raise the standards of advice and professionalism in the industry.

"The government wants to make financial planning a dedicated profession," explains Peh. "I am excited about that

ADRIAN PEH
Synergy Financial Advisers

because this will weed-out people who are part-time in the business. Those who remain will be full-time and well-trained," he adds.

His criteria for selecting advisers in terms of their professional qualifications is an exhaustive one. In all, an adviser is expected to complete a total of 11 examinations, though not all of them are required to make the cut for the job initially.

Advisers need licences such as those from the Capital Markets and Financial Advisory Services (CMFAS) Examination, the licensing body for advisory services in Singapore; in Rules and Regulations for Financial Advisory Services (module 5); in Life Insurance and Investment-Linked Policies I (module 9); and in Life Insurance and Investment-Linked Policies II (module 9A).

As the firm constantly looks to upgrade the skills of its staff, advisers are further required to have the Certification in Health Insurance from the Singapore College of Insurance, and a separate licence in Collective Investment Scheme from CMFAS in order to sell unit trusts.

Peh adds that some of his advisers also then go on to undertake a licensing exercise in general insurance from the Singapore College of Insurance, comprising three modules: Basic Concepts and Principles of General Insurance; Personal General Insurance; and Commercial General Insurance.

After this, in order to offer advice on specialised matters such as bonds or securities, there are separate licences based on proficiency in two modules (6 and 6A) offered by CMFAS that deal with securities and futures products.

Two other pillars to Synergy' growth plans put the firm on a strong footing in Singapore.

One is its systems and processes, which would befit a firm of much larger size and scale. "If you want to build a sustainable, successful organisation, you need to have the systems in place, and you would never know if you have got it right unless you go for certification or external audit," explains Peh.

The other differentiating factor is on the advisory front. The firm looks to take a holistic approach by taking into account not only the investment a client decides to make with Synergy, but also the overall portfolio across financial advisers to ascertain their risk profile. Such an approach, say Peh, helps the advisers guide their clients better.

distribution, I think that will change very quickly," he says. "The share tied agencies have has been dropping and I see that continuing."

Despite there only being around 3,000 advisers working for FAs at the moment, this segment accounts for 17% of the overall market, while tied agencies with almost five times more people but make up only 37%.

Further, while tied agency business dominates in terms of market share, the new business sales (premium) is 2.15 times more per FA headcount.

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ROOM FOR GROWTH

Peh – and therefore Synergy – is in an expansive mood. The firm has plans to increase its overall headcount from 270 to 600 to keep pace with its ambitions.

A key driver is the surge it foresees in the need for quality advisory services in Singapore, where the population is ageing fast. "Singaporeans clearly need to talk a lot about retirement planning and wealth generation," explains Peh.

At the same time, he is looking to enter other markets in ASEAN, although this is likely to be at a later stage.

His optimism stems from recent developments in the advisory business in Singapore, where tied agencies are losing ground to FAs. "If you look at

"This is due to the fact that a FA rep has more to offer in terms of solutions for their clients, while tied agents are limited only to their respective insurers' offerings," explains Peh.

Plus, he adds, it has also become more noticeable that more insurers are giving up their tied agencies, such as Zurich and HSBC, for example.

This appeal of FAs, Peh believes, is timeless, and will not be impacted too greatly by disruptive digital technologies. "Generally, most people still want advice," he explains. "But we want to embrace fintech and not worry that it will disrupt our business. We are looking at how we embrace it and use it to complement our advisers in the years ahead." ■