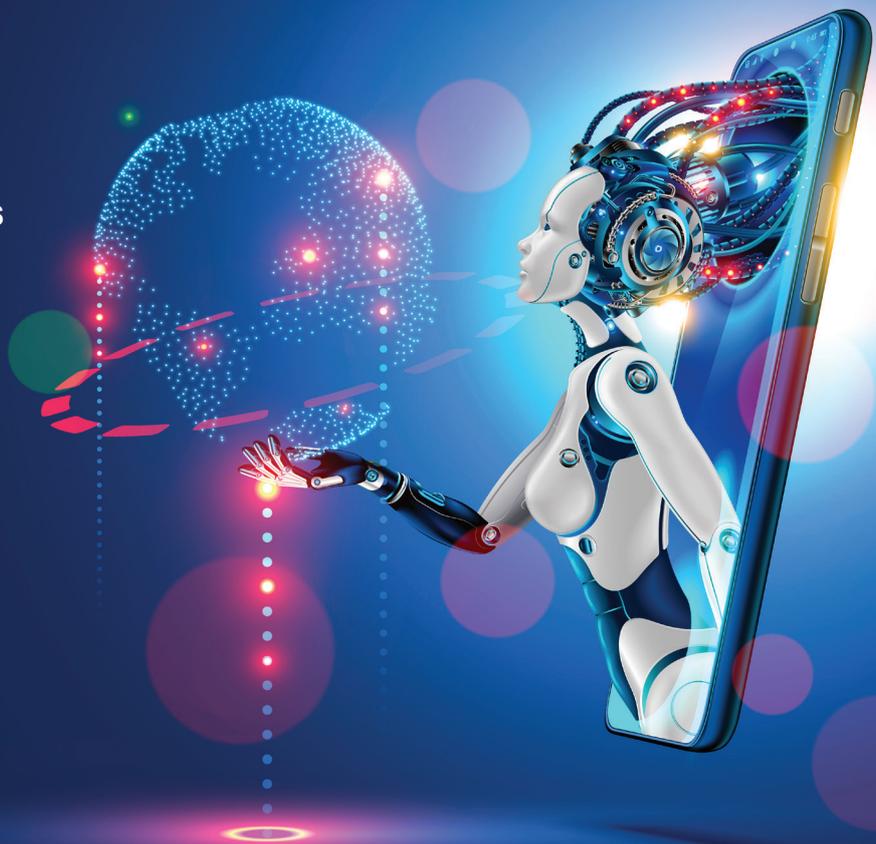


Quicker and more effective solutions - for advisers and clients

Adrian Peh, CEO of Singapore's Synergy Financial Advisers says that consumers now have higher expectations, so financial advisers should seek to continually upgrade their knowledge and skill sets to better serve this new generation of clients.



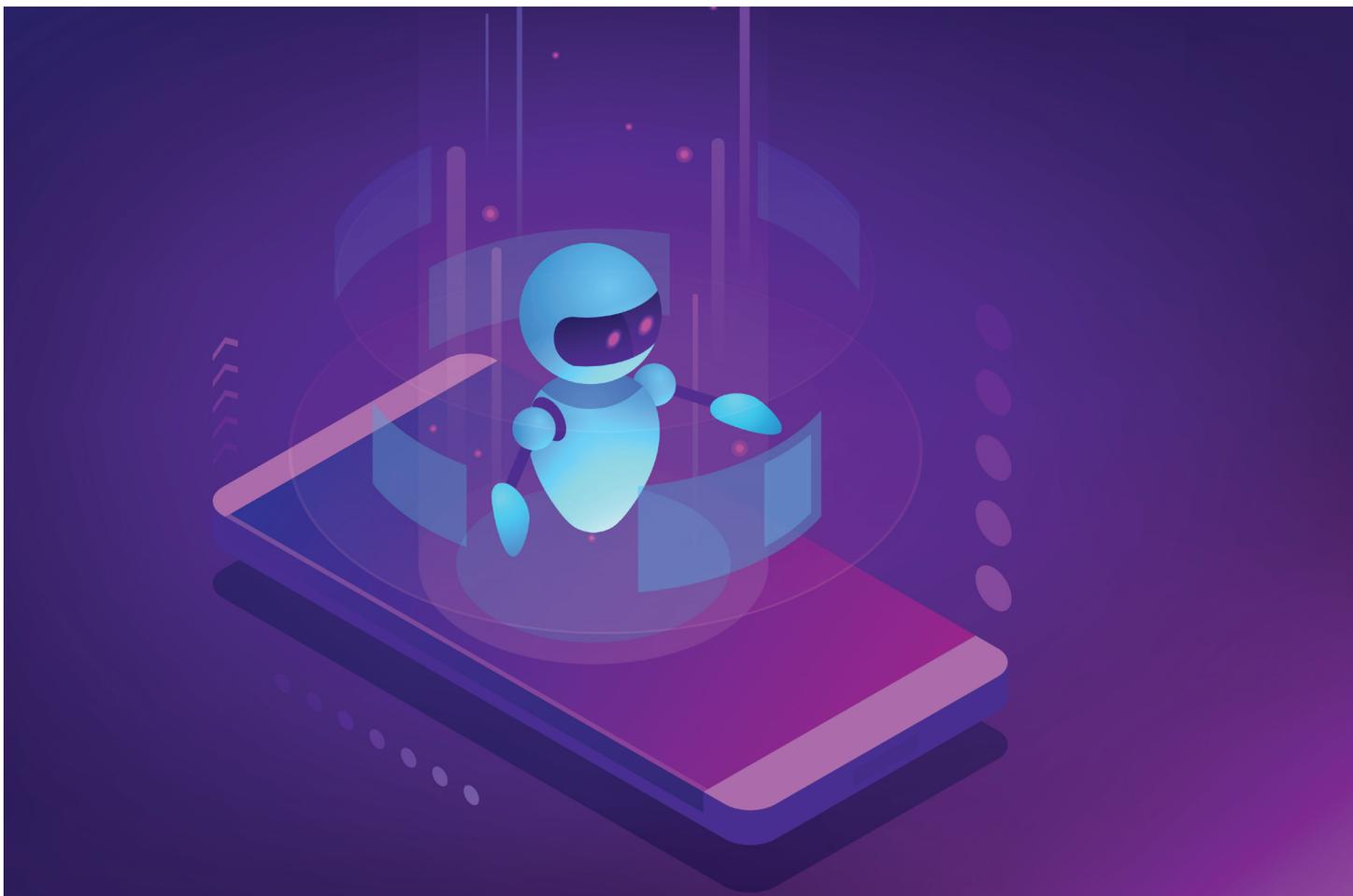
Executive Summary

Adrian Peh, Chief Executive Officer of Singapore's Synergy Financial Advisers, speaks to Hubbis about the latest trends in the wealth and insurance advisory industry in Singapore. Clients have become savvier, better educated and better informed, and financial advisors should seek to continually upgrade their knowledge and skill sets to better serve this new generation of consumers.

Where the focus was once on standalone products and services from companies, information across the spectrum of offerings in the marketplace is now readily available online and, with this comes higher expectations from clients.

Synergy gained its financial advisory license from the Monetary Authority of Singapore in 2014. Led by self-confessed 'tech guy' Peh, the company remains on the forefront of technology in its industry, recently launching its online chatbot tool, Autobot which uses proprietary technology to allow help its advisory team in identifying the best solutions for clients and their individual needs.

While such tools are, as yet, not required by the current changes in regulations affecting the financial services industry, it demonstrates to clients that his company has a first-to-market advantage in being able to offer true, unbiased advice in its product offerings because, Peh points out, the FA industry in Singapore is currently divided into two camps: FAs 'tied' to a single insurance company that exclusively sells its investment product or service offerings, and 'real', independent FAs which sell across the spectrum of offerings from different companies. He believes that some form of regulatory-led disclosure would help towards improving transparency and true independence within the industry.



ADRIAN PEH, CEO OF Singapore's Synergy Financial Advisers, says that the biggest change in the financial advisory market in the last decade has been that clients have become savvier, better educated and better informed. Before they speak to a financial adviser (FA), they are very likely to have done their own research on what financial product offerings are out there in the marketplace.

This is why Peh insists that the more than 200 advisers and wealth managers who work with him should continually upgrade their own knowledge base and skills. In this way, he says, they can be more confident in giving advice to clients.

“Where the focus was once within a single sphere of products and services, these days the information across the spectrum of offerings is now readily available online and, with this, clients now have higher expectations.”

“As a firm, we encourage a lot of reading and training. When there are conferences on, we encourage them to attend these. They now need to be - for want of a better word - smarter, so that they can give better advice to clients. When clients look for you, they expect you to show more independence in advice, and therefore your solution is no longer geared towards sales, but more towards a solution that will meet the needs of your client.”

Previously, FAs were only expected to have knowledge and expertise related to a single, standalone investment product, and were expected to sell that. Where the focus was once within

a single sphere of products and services, these days the information across the spectrum of offerings is now readily available online and, with this, clients now have higher expectations.

“They expect more from us,” says Peh. “Clients expect independent unbiased advice across a spectrum of products and services. So independent FAs who are not attached to a single insurance company would obviously need to know more and understand more about what’s out there.”

New methodologies

Synergy was established in 1998 as a traditional agency tied to an insurance provider. It gained

its full financial advisory license from the Monetary Authority of Singapore in 2013, and Synergy Financial Advisers now provides independent financial advice across a spectrum of companies, providers and products.

Synergy is currently actively upgrading its services, recently launching a private advisory team specialising in insurance and investment. It has also been investing in some of the latest technology, including a chatbot called Autobot, which the advisory team now uses to advise clients and recommend the most appropriate products.

Peh gives an example of the process involving the new tool.

“There are four things people usually look at: how affordable a plan is, what the features are, what the coverage is, and what the payout cash value is.”

“We may have a client who says, “I just got out of school, or out of National Service”. At this time, they would like to look at retirement planning, but they can’t really afford much yet, so the premium is their number one consideration,” he cites. “Or someone else might say “I think it is important for me to get cash, because returns are more important to me.”

“So, with the help of the chatbot, we can quickly see the combination of products we can look at for these two clients. These are the products have the cheapest premiums, or the most attractive in terms of payouts.”

Peh says his company focuses on making things as easy as possible for its advisers to help their clients. “We provide them with a template to work with. It just speeds up a lot of things, and in this way, our advisers can better help their clients.”

Peh acknowledges that it would be “almost impossible” for advisers to remember every detail about the products available in the market, and so tools such as the chatbot have made it “a lot easier” in helping advisers in their relationships with their clients, in choosing the best available products to meet clients’ needs and making recommendations about them.

Two camps

Peh says that while such tools are, as yet, not required by the current changes in regulations affecting the financial services industry, they do have a role to play from a marketing point of view as a



ADRIAN PEH
Synergy Financial Advisers

first-to-market demonstration to clients that his company is indeed able to offer true, unbiased advice in its product offerings.

“In the FA market in Singapore, there are two camps: one is comprised of tied FAs who are with a single insurance company and who act on its behalf, exclusively selling its investment product or service offerings,” Peh explains.

“These are the big insurance companies who have bought up tied agents through their firms. These agents may have business cards that say, ‘Financial Adviser’ and laymen may not understand this differentiation and may see the financial advisers of an insurance company as independent financial advisers. But they are in reality tied FAs, because their firms are majority owned by the insurance company. When they make recommendations, they are really only selling products from one company.”

“The bulk of us are not tied FA companies however,” he points out. “There is really no bias. But we do need to show the consumer that there really are two camps around, ‘tied’ FAs and ‘real’ FAs.”

Key Priorities

Synergy is a financial advisory (FA) firm that prides itself on being ‘the new standard in financial guidance’; and strives to be proactive and progressive in technology updates, training roadmaps and support platforms for both its advisers and its clients. The company has recently invested in proprietary technology to help make workflows easier and increase the speed and efficiency with which its advisers serve clients.

This investment in future-forward technology has resulted in the company’s brand-new chatbot tool, Autobot in Singapore, which maps the full spectrum of offerings across available products in the firm to help advisory team in crafting the best propositions for their clients according to individual needs.

The company is also focusing on increasing its environmentally-friendly practices by striving to go paperless and is seeing increasing pick-up rates in the use of its app with its secure interface and user-friendly convenience without the need for printed forms.

Another important area of focus for Synergy is investing in the training of its advisers and upgrading their skills, in order for them to better serve a new generation of increasingly sophisticated and well-informed clients. The company believes that well-trained advisers would also be better equipped to navigate new regulations in the industry and it motivates them by fostering a corporate philosophy of ‘doing the right thing’ in terms of compliance and integrity while putting clients’ interests first.

A longer-term priority for Synergy is planning for the inclusion of a fee-based model in its offerings, which will coexist with its other models in order to reach out to a wider client base. This is aimed at laying the foundation for the future of the company and moving it in a positive and productive direction along with the evolution of the industry.

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Peh adds that insurance companies buying stakes in FA firms is a trend that is “quite concerning” and believes that this may be something that regulatory authorities will be looking into, because consumers may not be

aware of the difference, or know whether the advice they are getting from an FA is biased, or truly independent.

Tied FA firms, he adds, have “huge financial resources” to continue growing in Singapore,

but he hopes that consumers will continue to do their research in order to be able to tell the difference between the two. He also believes that some form of disclosure, when tied FAs sell products to clients, would help towards improving transparency and true independence within the industry.

Choosing a financial adviser

So, what should a consumer look out for when they are choosing a financial adviser, and what are the sorts of questions that they should be asking?

“The first thing to ask is, which company do you use to shape your recommendations?” says Peh. “This is to see if there is only one company, like what I have just said.”

The second question to ask is how the FA is remunerated. “Most people today still work on a commission basis, but the question is, is it a ‘preferred’ commission with shareholder-insurer, or is there special compensation compared to the rest? These are the things a consumer should look at.”

“The rest is really the consumer making a judgement call, based on experience, with the person,” he adds. “Do they put your interests first, do they do the fact-finding with you first before offering financial advice?”

“I think a good financial adviser should focus on finding out what a client has, what objectives they have in mind and what they can do to complement what the client has, in order to help them achieve those objectives.”

At Synergy Financial Advisers, this fact-finding is articulated as a process called ‘GAP’.

“GAP is about the client’s Goals, their Attitudes towards risk: the timing, the horizon. And

Getting Personal

Singapore-born Adrian Peh is the Chief Executive Officer at Synergy Financial Advisers. In 2013, Synergy gained its full financial advisory license from the Monetary Authority of Singapore.

A keen learner who believes in trying anything at least once, including bungee jumping and running marathons, Peh has always combined work and study over the course of his career. Once he has decided that this is the field that he is committed to, he went to earn higher certifications in the financial services field. He now holds certifications as a Chartered Financial Consultant (ChFC), Chartered Life Underwriter (CLU), Fellow Chartered Financial Practitioner (FChFP), Certified Manager of Financial Advisors (CMFA) and Chartered Insurance Agency Manager (CIAM). He is also accredited with the Life Underwriter Training Council Fellowship (LUTCF).

A highlight of his career was when he was elected president of General Agents Managers Association (GAMA) Singapore in 2005, which was renamed the Financial Services Managers Association (FSMA) the following year. His pursuit of excellence extends beyond his personal accreditations, and in 2015 he led Synergy to its ISO9001 certification, the only one held by a Singaporean FA company. Synergy also holds the Singapore Quality Class (SQC) standard by Spring Singapore, an award which recognises high levels of performance and business excellence.

Peh is married with two daughters aged 19 and 21. He says his family is one reason for his work and studies, setting the benchmark as high as possible for himself and hoping his children will surpass him. He also strives to be an example to his Synergy team, and says he finds immense satisfaction in seeing younger colleagues join the industry and doing well for themselves and their clients.

Peh is a self-described ‘tech guy’ and loves anything to do with technology and the latest gadgets. He owns one of three Tesla Model S cars in Singapore, and has placed bookings for two Tesla Model 3s, which could arrive by next year.

the last one is Priorities, which is about budgeting; we all have limited budgets, but we want to do so many things, so we have to prioritise,” Peh says. “So, a financial plan is finding what the GAP is for your clients, and from there you can formulate a plan, and make your recommendations.”

Increased awareness

Peh believes that the media has played an important part in increasing awareness among consumer of having adequate coverage and says that he has seen a general trend towards this. However, he says, the hype around buying term and investing the

difference has been around for years, and although it “sounds good in theory, very few people actually do it.”

“If I buy these products, it means that I would have to consistently invest a certain amount every month, regardless of price fluctuations,” he explains. “Many people would think you know what, because it has been dropping the last several days, it could drop again. So, let’s wait three more days.” And then - and this is normal for most people - because of work or other demands on their time, they forgot about it.”

Thus, Peh hasn’t seen much indication of consumers starting to use the strategy of buy term and invest the difference. Instead, they are more interested in higher coverage, whether as limited pay or whole of life plans, which he says is an interesting trend.

On whether companies in Singapore will start charging fees for advice, and whether this would ever replace the traditional transactional or advisory fee model, Peh says that although the authorities are endeavouring to move in this direction, whether the general population is ready for this “is a different thing altogether”.

“There are people who will buy products from the internet, without fees, but not all will do this,” he notes. “Investments and financial products are not something you wake up to and

decide you want to buy. They aren’t a phone, or a car.”

“Sometimes it is from someone coming to you and saying, “Are you interested, can I reach out to you, can we talk about this?” Or it could be because of something that has happened,” he adds.

“The process is usually triggered by events - someone has gone to the hospital, someone has passed away, something has happened in the news. People get shocked by the cost of these things, and they start thinking about getting higher coverage. So, I think it’s a case of different strokes for different folks.” ■

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