



A CAREER AS AN INDEPENDENT FINANCIAL ADVISER

A CHALLENGING PROSPECT, BUT RICH IN REWARDS

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SEEKING OPPORTUNITY IN CRISIS

Coming out of this financial crisis where job prospects are still bleak, some of you may be thinking of a career change. For some, you may just be entering the job market or facing graduation around the corner. It is a fork in the road, and decision time beckons.

Take heart. Opportunities in a crisis do abound, and I am here to share with you such an experience.

I was a young graduate facing a similar situation in the last financial crisis of 1997-2003. It was a protracted one starting with the Asian financial tsunami, the bursting of the property and dot.com bubbles, and then SARS.

As a relationship manager and corporate banker, I had the unpleasant experience of handling bad debts after loan growth came to a standstill. My corporate clients, already suffering from a drastic drop in their businesses, had the rug pulled out from

under them. The bank started to tighten their loan policy and began to raise interest rates as market liquidity dried up.

I survived two bank mergers and several changes in management. It led me to some soul searching as to whether a career was more than just making a living. I felt stifled working in a bureaucratic environment with my hands tied, unable to help my clients. I craved for the autonomy of being part of the decision-making process. I was a salaried employee, working according to the dictates of my superiors and clock-punching a 9-to-8 routine.

I wondered if there was something better out there, where I had control over my income and the flexibility of time to decide my own work schedules. I wanted to be able to help my clients in their financial objectives, to be part of the solution, and not part of the problem. A positive work environment, free of office politics, would be a big plus.



THE SEARCH AND DISCOVERY PROCESS

I narrowed my selection criteria to three career options:

CAREER PROSPECTS	BANK RELATIONSHIP MANAGER	INSURANCE AGENT	INDEPENDENT FINANCIAL ADVISER (IFA)
Ownership of client	May not be the case	Yes	Yes
Autonomy and Freedom	Limited, may be subject to quotas along product lines	Yes	Yes
Control over income	Yes + a base salary	Yes, potentially higher but no base salary	Yes, potentially higher but no base salary
Working environment	Have to conform to rigid rules	Better work environment	Best environment, if there's no agency demarcation
Potential career growth	Limited	Good	Best, as evidenced by rapid growth of IFAs in Australia, USA and the UK
Lifelong job security	No	Yes	Yes
Breadth and depth of products	Limited	Limited	Most comprehensive, due to its multiple provider platforms across insurance, investment and banking product lines
Advisory or product bias	Mainly product-based	Mixed	Mainly advisory-based with customised solutions
Servicing Client's needs	Good	Good	Best, in terms of product range and unbiased advice, thereby saving client precious time and money in the process

Clearly, the IFA route was the best option to take, but was it the right time to make a career move? And how would I choose from the many Independent Financial Advisory (IFA) firms out there?

QUALITIES OF AN INDEPENDENT FINANCIAL ADVISORY – THE WINNING FORMULA

A successful IFA, in my estimate, had to possess the following qualities:

- Established market leadership, with a strong reputation and track record
- Sound business philosophy and high ethical standards
- Attractive reward system and career advancement opportunities
- Systematic, comprehensive skills training with on-going mentorship programme
- Proprietary systems and strategic research methodologies to ensure clients benefit from the best quality advice
- Strong administrative, sales, IT and CRM (Customer Relationship Management) support
- Positive, supportive work environment, free of office politics

I did not need to cast my net too far as First Principal Financial was one of the earlier established companies with a proven track record.

TAKING THE LEAP

2003 was the year when everything changed for me.

Disenchanted with my job, I plucked up the courage to make the move. I decided that being your own boss was the way to go, to achieve the kind of career satisfaction I so desired. There was no time to waste and the only way was forward.

Moving from salaried employment to self-employment required a total change in mindset, strong discipline and sheer determination to succeed. The encouragement of loved ones, and some financial support were also essential elements that helped me make that transition.

OPPORTUNITIES AND CHALLENGES FACED

In this business, success is dependent upon how much you put in. With the right training and attitude change, you can cultivate the requisite skills in salesmanship. Reserved by nature, I committed to a mindset change and to relearning things anew. This salesman was not born, but made.

Here are some areas I think are worth cultivating as you build up your career practice:

1 HAVING THE RIGHT ATTITUDE

Old habits do die hard, especially when one is making a mid-career change. Yet this is doable. I mustered the discipline in carrying out the daily tasks of calling and meeting clients and being proactive in seeking solutions. Exercising humility and patience were hard won, and I believe made me the better person I am today.

To fast track my career, I sought to learn from the best by speaking with industry veterans and poring through countless books and CDs on sales and motivation techniques. I was determined to do well, and the quicker I got down to learning the trade, the quicker I would see success for myself and my family.

2 PRACTISING WHAT I PREACH

This was not an issue as I have always been proactive in financial planning. In fact, I am always open to meeting new advisers when I receive cold calls, as a way to learn about new products to complement my financial plans.

I actively purchase life insurance and invest my money. I realise it is in my interest to ensure that I am adequately protected, while accumulating funds for marriage in the early years, followed by housing and retirement.

Because I had a habit of maintaining adequate buffer funds, I was able to sustain myself in the initial months of becoming an IFA. There were no ready clients and no base salary to begin with. This was, after all, part and parcel of the process of starting one's business. With the adequate funds, I did not have to liquidate my insurance policies nor my investments with this career change.

I believe as a financial adviser, one should lead by example. Where would I have the conviction and moral authority to help my clients, if otherwise?



3 **MARKETING AN INTANGIBLE BUT INVALUABLE PRODUCT**

We often include a core product in our recommendations, and that is, Insurance. We believe it is a fundamental need but one that is not readily understood. It is therefore not surprising that 90% of the clients I meet do not have comprehensive insurance coverage. My greatest satisfaction is when I help them secure the needed coverage because I know it will help provide financial security for the family that no other financial instrument comes close to. As for investment, it is an ongoing challenge to manage clients' expectations away from a solely returns approach to a managed risk approach.

4 **OVERCOMING THE COMPETITION**

The industry is certainly not short on competition, faced with thousands of financial advisers, insurance agents and bank relationship managers. As a new adviser, the competition can be daunting. But I took up the challenge to prove my mettle, my mantra being: "If others in this industry have succeeded, so can I!"

I sought to differentiate my practice by having a good understanding of my clients' needs. Having a systematic and objective process in place helps my clients to better understand their needs, and together, we work towards achieving their financial goals.

5 **OVERCOMING APPREHENSION AND SELF DOUBT**

There will be days in the initial stages when doubt may creep in as things appear slow in coming. This is to be expected and you will need to dig deep to tough out this phase. Persevere, stick the course and you will likely find the fruits of your labour.

MILESTONES ACHIEVED SO FAR

- **JOB SATISFACTION** – In six short years, I have built up a sizable clientele, many of whom have become friends. The satisfaction I get from helping my clients achieve their financial goals is a reward in itself, as I know I have made a difference in the lives of others.
- **PROFESSIONAL RECOGNITION** – Thanks to my mentors, clients and ongoing referrals, I was able to qualify for the Million Dollar Round Table (MDRT) award six times, and now enjoy a comfortable six-figure income.
- **CAREER ADVANCEMENT** – I have just taken up a management position and am in the process of growing a team of advisers.
- **SHARING PROFESSIONAL EXPERTISE** – In the course of public speaking, I have had my professional opinion sought by the press on issues pertaining to financial planning.
- **GLOBAL EXPOSURE** – In the course of work, I have had the opportunity to travel more frequently than in my previous jobs.



Clearly, this is not a career for the faint-hearted. It requires an independent mindset, the willingness to work hard and sheer grit when the going gets tough. However, as you can see, a career as an independent adviser has immeasurable rewards for those who put their mind to it.

Should you wish to find out more, do call us at **6220-5333**, or email **hr@firstprincipal.com** where a career adviser will be happy to speak with you. You can also visit the Career section of our website at <http://www.firstprincipal.com/career.htm> where you can find information pertaining to career prospects as an IFA and our assessment criteria.

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