

Advocis News

ASSOCIATION UPDATES AND EVENTS

REGULATORY AFFAIRS

Ontario Government Consulting on Regulation of Financial Planners

On March 15, Ontario's Ministry of Finance released its greatly anticipated consultation on the regulation of financial planners. The outcomes stemming from this consultation will have reverberations on the regulation of financial advisors and planners across Canada.

The consultation puts forth three major proposals:

- Restricting the use of the title "financial planner" to individuals holding a recognized financial planning credential. Achieving the credential would require rigorous study and have a continuing education requirement, a code of ethics, and a disciplinary process for revoking the credential when warranted.
- Prohibiting the use of titles similar to financial planner, which would include the word "planner" in combination with any of the following words: wealth, portfolio, asset management, securities, insurance, money, retirement, asset, investment, mutual fund, and mortgage. The government is contemplating special conditions for the use of the title of "financial advisor."
- Creating a publicly accessible central database of financial planners that will provide a one-stop-shop where consumers will be able to verify whether an individual holding himself or herself out as a financial planner holds a recognized credential. This will reduce the burden of due diligence on the consumer and promote increased consumer confidence in financial planners.

Advocis's View

Ontario's consultation carries national implications. Other jurisdictions across Canada have indicated to us that they are watching how Ontario addresses these issues before putting forth their own proposals.

The consultation will also impact Advocis's professions model. We believe our message has been heard on many recent major issues such as the banning of commissions and best interest duty proposals, both of which could be game-changers for financial advisors and planners. Part of our success is owed to the fact that we can point to our professions model as a superior alternative that both protects consumers and ensures the viability of the industry.

As you have recently read about in *FORUM*, our professions model has evolved into Advocis's new strategic vision to move from a trade association to a true professional association. This change is no small matter, as the standards and procedures of a professional association are considerable. In fact, many of the questions raised in the consultation are directly related to professionalism. To that extent, Advocis is well-positioned to show how it is rising to the challenge.

The consultation's call for the protection of the financial planner title accords with our view, but we also see the importance and role

of the financial advisor title. As part of our new strategic vision, we are working on new designations that fill key gaps between licensing and the achievement of quality financial planning designations such as the CLU and CFP. Achieving a meaningful designation and maintaining membership in a professional association should be prerequisites for using protected titles. In concert, they serve to greatly enhance consumer protection and professionalism in the industry.

CHAPTER NEWS

Relationships a Large Part of Succession Planning

The most fulfilling path as a financial advisor today is by starting under the wing of a mentor and nurturing that relationship.

That was the message to Toronto chapter members at a recent *Under 5 After 5* talk by two partners who look at succession planning from an untraditional perspective.



A succession plan can turn into something completely different and exciting when everything aligns. John Osborne (left) and Julian Wise work so well together and are so close, neither of them is sure Wise will ever step back from the practice he started in 1976.

“If you can find someone who has needs that overlap with you in some way, and the two of you have a willingness to deal with each other’s eccentricities, and you have the ability logistically and financially to make it happen, a succession plan or mentorship is hands down better than any prospecting you’re ever going to do, or better than any promotion you’re going to get,” said John Osborne, a partner with Wise Advisory Group.

The key is making the right match.

“If you run into an old guy who has a block of business and he’s trying to create his current income for the rest of his life from it, then walk away. Because it’s the wrong value system for you,” says Julian Wise, who founded Wise Advisory Group in 1976. “You need somebody who cares about their clients and is prepared to sit and negotiate with you so their client gets well taken care of, not one who uses you as an ego feed.”

A 2013 Accenture report noted that the current traditional operating model of wealth management firms enables bad succession-planning decisions to be made. Monetization of a retiring advisor’s book of business, not clients’ best interests, is often the driving factor in finding a successor — who may not necessarily be the right person.

“The current operating model enables this practice and allows advisors to sell their books to the highest bidder without fully considering the impact to their firms.



Osborne and Wise have become close friends. In 2012, Wise officiated when Osborne and his wife, Emily, married.

Advisors are being presented with compelling book monetization options that could influence the outcome of succession for their current clients and their current firms,” the report noted.

Osborne and Wise met in 2004 when Osborne was looking after his father’s estate finances. Wise had been his father’s financial advisor, and the pair developed a mentor relationship.

When Osborne decided he no longer wanted to be a captive advisor, he joined Wise Advisory Group in 2007. For seven

years, Osborne and Wise worked side by side, sharing the same desk.

It was a tough time for Wise. His wife Dinah had died in 2005 at the age of 55, leaving him in personal turmoil.

“Some years later I decided it made sense to sell the practice, but the circumstances never seemed in our clients’ best interests. Everything turned around when John and I took our existing relationship to the next level and became partners,” he says.

They signed a formal partnership agreement in 2014.

Wise adds, “When you’re true partners, half and half, you’re each going to push and pull. You’re going to under-deliver and over-deliver; you’re going to view a situation differently. And that really solidified the decision we’d made in terms of working together.”

Says Osborne, “As much as we’re similar, we’re different. All of a sudden, me sitting at the table brought a slightly different dynamic, set of expectations and ideas to it.”

Unexpected, positive, and exciting things can happen when a practice owner and a successor are a perfect match. Wise told members that although he had built a very successful practice over the last 42 years, it — and he — have grown in ways he never imagined possible since he and Osborne became partners.

It started as a mentor relationship, became a business partnership, and that evolved into a close personal friendship as well. In 2012, Wise officiated at Osborne’s wedding.

Theirs is a story of how a succession plan can turn into something completely different and unexpected when everything aligns.

IN MEMORIAM

Russell A. Neale, 1928–2018

Known to his family, friends, and industry colleagues for many years in the Peel Halton chapter as Rus, Russell Albert Neale, CLU, passed away at the age of 89 in January. Rus was a member of Advocis for 61 years. He joined the association in 1957 soon after starting a successful life insurance career with Confederation Life. Rus later went into financial services practice (Neale Insurance and Financial Brokers Inc.) in Mississauga, Ont., with his son David. He remained active in the practice until well into his 80s. Before going into financial services, as a young man, Rus worked in the family business, helping his father run the Park Meat Market in Etobicoke (Long Branch), Ont. Rus’s passions were his family, reading, history, playing hockey and baseball, and the Toronto Blue Jays. He is survived by his daughter, Pamela; his sons, David and Jeffrey; five grandchildren; and five great-grandchildren.





Summit chair Patrick Cziolek (at podium) takes a moment to recognize the efforts of his organizing committee. Left, Barry Trischuk; right, Mehul Gandhi; far right; Jeny Yeung.



A session on ethics wasn't boring: Canada Life speaker Jos Herman engaged advisors in testing their ethics knowledge with gamification using an interactive tool called Kahoot. The large screens showed who was answering questions, and how many they were getting right.



It was a packed room at the Hyatt Regency. The inaugural financial planning summit sold out in 10 days.

Vancouver Chapter Hosts First Financial Planning Summit

A financial planning summit organized by the Greater Vancouver chapter sold out in 10 days, with more than 200 advisors attending.

"Holistic planning has become essential to the well-being of clients' financial health," says Patrick Cziolek, the chapter's professional development chair, and chair of the summit. "As a result, knowledge in the varied areas of financial planning has become more important than ever. This summit was designed to provide a landscape of topics that covered many areas of a comprehensive financial plan. Even if an advisor only specializes in only one area, our intention was to provide valuable information that could help them enrich their clients' experience in working with a professional advisor."

Speakers were Jos Herman, wealth and tax planning lead at Canada Life; lawyer Amy Mortimore, who specializes in estate and trust litigation; Brent Joyce, the chief investment strategist for GLC Asset Management Group; and Cindy David, a financial planner

and industry consultant who led a session on retirement planning. Keith Brown, an advisor and industry leader in tax and estate planning, led a session on risk management and financial planning for business owners.

The summit's keynote speaker was Jamie Golombek, *FORUM* tax columnist and the managing director of tax and estate planning for CIBC. Known for speaking with flair, he made a 2018 tax update for advisors both informative and entertaining.

Although there was no official fun zone, there was gamification built into some of the speaker presentations. In her talk on ethics, speaker Jos Herman used Kahoot, a game-based, interactive learning-and-trivia tool. Advisors logged into a game room on their smartphones and answered ethics questions based on a case study. The main screen showed how many participants answered questions, and how many points each player accumulated. It proved that a session on ethics doesn't have to be dry.

"It was a fun experience and a good opportunity to brush up on ethics," Cziolek explains.

In another session about planning software and the value of advice, Dave Faulkner,

an insurance-advisor-turned-software-consultant, raised advisors' comfort level with robo-advice technology.

"He focused on how much more value a financial advisor can offer than a robo-advisor can," explains Cziolek. "He didn't discourage you from using a robo platform; rather, he encouraged using it in conjunction with your practice."

Living Legends Share Success Stories

What does it take to make it in our industry? Top advisors Veena Daddar and Helene Meyer shared their experiences and insights with **Toronto** chapter members at a "Living Legends" breakfast event on March 8.

"It takes a lot of discipline," says Daddar. "You can be comfortable in this business, or you can keep striving. It depends on where you want to be."

Both advisors believe it's a lot harder starting out as an advisor today. Daddar believes the compliance, ethics, and regulatory issues facing advisors today have "taken the fun out of the business."

Meyer has been an independent Manulife Gold Elite broker advisor for the last 18 years. Before that, the South African native was an agent for Liberty Life, a company based in Johannesburg.

Daddar has been a London Life advisor for 31 years, looking after a high-net-worth (HNW) clientele. She got into the industry through a University of Toronto career fair at which London Life was recruiting. Daddar was in her fourth year at U of T pursuing a degree in actuarial science and environmental studies.

For Meyer, there's a golden key to successful longevity as an advisor. "Don't fight change. Embrace it with confidence and a positive attitude," she says.

Welcome technology, she stresses. "If your office isn't electronic yet, go electronic. Just do it."

Daddar attributes much of her success to using the One Card System (OCS) by American industry legend O. Alfred Granum, CLU. Granum developed the 10-3-1 ratio: it



(left) Veena Daddar says long-term success as an advisor takes discipline, passion and a proven system that shows you exactly what you need to do to constantly build your clientele.

(right) Helene Meyer believes there's a golden key to successful longevity as an advisor: Don't fight change. Embrace it with confidence and a positive attitude.



takes 10 leads or suspects to generate three prospects, and one client.

Granum insisted every agent he worked with keep detailed records about calls, referrals, leads, and cases opened and closed. His research and data analysis over 25 years confirmed the 10-3-1 ratio. It stays the same no matter what stage advisors are at in their practices.

From his research and its results came the OCS and Granum's iconic book for financial advisors, *Building a Financial Services Clientele*. Daddar still uses a modified version of the OCS, which advisors often refer to as

the Granum System. She says a lot of her peers don't. "You know if you didn't phone, you're not going to get a lot of appointments today. It's not rocket science."

Daddar has some clients who prefer getting right down to business at meetings. HNW clients are very process-oriented at first meetings, she says.

Other meetings are more like old friends getting together: catch up first, then get down to business. "That's the amazing part," she says. "You know when you have a good friend and you haven't seen each other for quite some time? You just sit down and reconnect."

Meyer stresses it's always important to value a client's time. "Time is precious," she says. "Everyone is busy. Older clients have time for three-hour coffees, but Millennials want to be in and out."

And if you're meeting with corporate clients or there are more than just the two of you, have a formal meeting agenda, Meyer adds. "You want to keep control of the meeting, and make sure you cover all the areas you need to. It's easy to get off-topic."



Getting a LAMP Nashville Welcome

In March (March 11–14), 160 Advocis members who are also GAMA Canada members converged on The Gaylord Opryland Resort and Convention Center in Music City, U.S.A. They were there for GAMA International's 2018 Leadership and Management Program (LAMP) conference in Nashville. The annual conference just for managers and leaders in financial services is the only one of its kind in the industry. It's designed to inspire managers, giving them the opportunity to network with and learn from peers and leading speakers so they can build stronger teams. The highlight every year for the LAMP Canadian contingent is a kick-off private reception evening. Here, Canadian attendees at the Water's Edge Restaurant within the Gaylord Opryland get a welcome from Norm Trainor (third from left, with microphone), founder and CEO of The Covenant Group, a reception sponsor. The 2019 LAMP conference will held in Grapevine, Texas, on March 17–20, 2019.

Eric Lidemark, CLU, CFP, CHS, director-at-large, TFAAC Board of Directors was invited to attend the opening of the B.C. legislature on Feb. 13, 2018.



Marc Burchell, riding association president, Tracy Redies, MLA for Surrey/White Rock, Eric Lidemark