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WEALTH MANAGEMENT

AXA takes care of business

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AXA comes to the rescue of financial planners who are time and resources poor after it launched a series of initiatives that can help improve planner profitability, productivity and quality of advice.

After twelve months of development and rigorous testing, AXA has unveiled a three-pronged business improvement program designed to help its 900-strong financial adviser network run their businesses more efficiently and outstrip their competition.

It seems obvious but AXA national manager financial advice network Paul Robertson said that advisers spend much of their day-to-day providing advice that they often have little time left to monitor how their business is faring. And that's when AXA comes in.

"It comes back to what's the purpose of a licensee and our vision is that we want to be recognised as the leading provider of adviser services. It's a big claim to make but our offer to advisers is to help them build a better business," said Robertson.

In the case of business operations for example, AXA has developed an IT program that allows planners to monitor the level of service they offer to clients and how much that is costing them.

Scott Haywood, a financial planner for 15 years and advisor at Haywood Financial Planning, was among the planners from 15 financial planning businesses who piloted the program.

"The argument I would have is that financial advisers are fundamentally trying to help people save for their retirement and protect their assets but we don't necessarily have the training nor the facilities to be running our business profitably."

By following AXA's program, Haywood made a painful discovery. "We found that we were overservicing our clients to the point that they [clients] thought were unnecessary. We also found that over 70 per cent of our clients were unprofitable so that we weren't producing the income for our time. It's mindblowing," he said.

That led Haywood to implement a series of changes including setting new guidelines on minimum service standards and minimum advice fees.

But one of the highlights of AXA's new initiatives is the feature that allows Haywood to provide better transparency on the charges for clients on fee-for-service. Previously, Haywood fee-for-service clients are charged based on manually calculated spreadsheet models. By contrast, AXA's solution was automated and allowed him to better price the advice while allowing the clients to see how they are being charged in dollar terms.

Haywood said that it's a win-win situation because by using AXA's enhancements, his fee structure is more transparent. "It's been fully implemented and we've found that our clients are happier, and we know that we're giving advice that is related to the cost of running the practice."

Robertson said that AXA's improved services to their aligned financial planners have added to the bottom line. For example, those who pass AXA's certified quality advice program (CQAP) pay less professional indemnity (PI) rates.

"It's recognised by our PI insurer that businesses who achieve that status represent a lower risk and therefore receive a 10 per cent discount in their PI premium."

Michelle Baltazar

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