Re-thinking and redefining adviser education: A New Advice Competency Framework

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AFA National Practitioner Roadshow 2017

MONDAY 17 – THURSDAY 27 JULY
Agenda

Redefining Financial Advice

A Revolution in Adviser Education

A New Advice Competency Framework (AFA White Paper)

The Practical Designation for the Modern Adviser

Shape Your Future
Redefining Financial advice
What defines a great adviser?

- Reputation?
- Technical Skills?
- Service?
- Problem solving?
- Knowledge?
Helping clients create positive change

More than simply ‘financial advice’ ...advisers today are expected to:

- Identify issues
- Clarify goals
- Manage behaviours
- Tailor solutions
- Achieve a sense of financial and emotional wellbeing
The Trusted Adviser: Honouring the client at every turn

The single most important attribute of a trusted adviser? Interpersonal skills:
- Communication
- Building Rapport
- Listening
- Understanding needs
- Caring about our clients

82% Interpersonal skills
19% Professional reputation
17% Quality information and advice
15% Service
11% Knowledge
4% Technical skills, expertise and experience
7% Other
Trust is about caring, understanding, listening and explaining what is required

(Client)
A Revolution in Adviser Education
To adapt and thrive requires new knowledge

- Interpersonal skills
- Communication skills
- Personal attributes
- Business Acumen
Education for higher professional standards

Professional Standards Legislation

5 key elements

1. Code of Conduct
2. Bachelor Degree entry
3. Professional Year
4. Registration Exam
5. Ongoing Continuous Professional Development

Supported by…

FASEA

A Commonwealth Company formed to:
Govern the conduct of financial advisers
Create a Code of Ethics
Set mandatory educational and training requirements
Develop and set industry exam
Operationalise the legislation

Professional Standards Working Group and sub-committees will:
Ensure the adviser voice is heard, and then
Build the AFA policy position
The journey towards higher education & professional standards

1 Jan

2019
FASEA: legislation comes into effect
Start of degree entry, Professional Year, CPD & exam for NEW advisers

2020
Commencement of code monitoring scheme

2021
Existing advisers pass exam
Existing advisers complete bridging courses at AQF7 or above

2024
Existing advisers to achieve ‘degree equivalency’
Start of degree entry, Professional Year, CPD & exam for NEW advisers
Changing needs and demands call for a revolution in education

RETHINKING
What we want advisers to learn and to put into practice

CREATING
An education pathway based on what consumers value from their adviser
A New Advice Competency Framework (AFA White Paper)
Using new knowledge to develop great financial advisers

A patchwork landscape
Varied & complex

Industry led consensus
Encompasses attitudes and behaviours
Simple and pragmatic
Industry-led
Drawing on industry-wide collaboration

AFA and the Beddoes Institute with research partners, Asteron Life & Kaplan Professional

**Stage 1**

Interviews with over 40 CEOs, senior executives, consumers, advisers and other industry groups

**Stage 2**

An expert panel of advisers and licensees to help shape the industry consensus view

“We’ve turned into a templated society and new advisers coming into the profession need relationship, listening and client skills. This new framework is really, really needed.”

(Head of Licensee)
Built by our profession, for the future of our profession

“Advisers are the best source of knowledge as they are closest to the client conversation.”

Financial wellbeing

Emotional wellbeing

ADAPTIVE CHANGE
Taking advice beyond the horizon

afa
Great advice for more Australians
Providing resources for success

- Evidence-based industry consensus white paper
- Competency Framework
- Implementation kits
The Practical Designation for the Modern Adviser
Financial adviser education levels in 2017

- Diploma of Financial Planning: 25%
- Professional designations: 22.5%
- Advance Diploma of Financial Planning: 21%
- Undergraduate Degree (financial planning related): 12.5%
- Undergraduate Degree (non-financial planning related): 9%
- Post-Graduate: 10%
Future thinking for the future of your profession

TAKING
Australian advice to the world
APFinSA 2018 AGM to be held in Sydney
Signed MOU with the European Financial Adviser Association

INNOVATIVE
A comprehensive and forward-thinking learning framework

PRACTICAL
Balances postgraduate academic rigour with practical development and business projects
KUDOS exam
DFP pathway for experienced advisers to achieve FChFP & Graduate Certificate
Enhancing your value and professional reputation

Better advice + Better decisions + Improved client wellbeing → Increased demand
Shape your future
Participate in our online expert panel!


Join the revolution

- The way we do business is being transformed
- This is an unprecedented opportunity for growth
- Get a head start on your education
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