



ANDREW VOGT / *general manager of financial planning / First State Super*

RESPECTING *THE* PROFESSION

WORDS / *Simon Hoyle* PHOTO / *Studio Commercial Photography*

AT A TIME OF HOT DEBATE ABOUT WHETHER CORPORATE CULTURE CAN BE REGULATED, THE HEAD OF AN INDUSTRY FUND FINANCIAL PLANNING BUSINESS REFLECTS ON **WHAT CREATES A HEALTHY WORKING ENVIRONMENT THAT PRODUCES THE BEST RESULTS FOR CLIENTS.**

 Andrew Vogt oversees a financial planning business that provides advice to the 765,000-plus members of industry fund First State Super.

It employs more than 100 people in its advice business, including 55 financial planners, and is growing; and that creates interesting issues in terms of maintaining high standards and – topically – a healthy corporate culture.

First State Super financial planners conduct 1600 face-to-face advice meetings every month. They cover, on average, about 10 meetings a week each. Not every meeting leads to comprehensive advice – some result in general or intrafund advice only – but it's a busy advice network operating from 23 service centres around the country. A significant proportion of its members live outside the metropolitan areas.

First State Super is a Professional Partner of the Financial Planning Association and Vogt says the business has “recently adopted the FPA education standards”. It's the foundation of a culture the fund has sought to build that simultaneously ensures high-quality advice is provided to members and never lets its financial planners forget that they are part of a larger profession and have individual professional duties and obligations.

“First and foremost, it makes a statement to our employees and our members and also to the FPA as to what we stand for and the standards we aspire to,” Vogt says.

“First State Super pays for its planners to be members of the FPA if they are a Certified Financial Planner or Associate Financial Planner. I think the FPA does a great job in representing the profession.”

BELIEF IN FINANCIAL PLANNING

Vogt says a belief in financial planning as a profession – and in financial planners as professionals – runs through the organisation from top to bottom.

“That's my view, and it's the view of my colleagues and leadership team,” he says.

But it inevitably puts pressure on the organisation to recruit the right people into the right positions. It's not only the culture of the organisation that must be preserved, but respect for the profession as well.

“We've really been discussing that we need to put more structure around growing our own advisers,” Vogt says.

“We've really worked at building our relationship with the FPA over the past few years and we support the way the FPA is working to raise professionalism, and standards in the profession, and indeed turn it into a true profession.

“Lifting education standards is a big part of that. It is the types of programs where you take young graduates and train them up and get the right attitudes and approach and culture into the industry and profession, which is really going to underpin that.

“The way people view themselves, and conduct themselves, is going to be just as important as the qualifications they have.”

Vogt says he does not believe First State Super is alone in having that view, nor in putting a greater effort into its recruitment process, and he would be surprised if other organisations weren't equally awake to the issues.

“Most organisations would be in the same boat as us in terms of the investment you put into that; that is our business,” he says.

“The quality of the individual we put in front of our members determines the quality of the member experience, and reflects on us as an organisation. You get a return on the time and effort you put into [recruitment, coaching and training] by multiples.”

WRONG PEOPLE, WRONG PLACES

On the other hand, if you get the wrong people in the wrong places, the cost to the organisation, in terms of reputation, and to the member, financially, can be quite high, as financial planning businesses and their clients are even now learning painfully.

“It can [go wrong], and it’s not realistic to say nothing will ever go wrong,” Vogt says. “We’re dealing with people; sometimes things go wrong.”

“It’s important to have robust structures and all those kinds of things, but the reality is in recruitment if your goal is to have 100 per cent success every time, that’s not realistic.

“What’s gone on in the past few years has had a huge impact on the way all participants in the industry approach various things, and I think recruitment is one where there is movement, in most places I am aware of, to improve and strengthen the recruitment process. It’s a natural response.”

Vogt says the organisation regularly seeks feedback from those members who have received advice, to keep a close eye on whether its culture is healthy and it has the right people doing the right jobs – and doing them well.

“We ask every member who has been in to see one of our planners to respond to a survey. It’s not a huge one, otherwise they wouldn’t [respond]. One of the strongest indicators of success in the survey is the question, ‘Would you recommend a friend or a relative to our service?’

“This is my personal opinion, but I have to really rate something if I’m going to [answer ‘yes’ to that question]. If it’s good I’ll go yeah, great, but I’m not going to rush out and tell my sister to go and see ‘Fred’ or ‘Jane’ unless the experience is a really positive one.”

Vogt says First State Super gets response rates of about 35 per cent, which is a healthy rate, but the key result is that “above 90 per cent of respondents [indicate they] would refer a friend or family member”.

“We survey not so we can say to the advisers this is what you’re doing badly, or wrong, but so we can give the advisers the feedback and say, you’re doing a great job,” Vogt says.

“The feedback we get time and time again demonstrates to us that the members value the service and these advisers are making a difference. That’s all the good stuff.”



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CONTROLLING THE EXPERIENCE

Vogt says all of First State Super’s financial planners are salaried employees. He says this helps the business control the quality of the experience members have when they come to seek advice.

“We’re a superannuation fund, obviously, and we believe looking after the accumulation of somebody’s [retirement savings] for 20 or 30 years is a really important job,” he says. “But just as important is to provide them with support and assistance when they get to retirement to make sure understand their options and maximise the financial opportunities they have.”

“We think that it is not about product; it’s about being a trusted adviser, and making sure the member experience they have is consistent with the experience they’ve had in the past 30 years in the fund. Advice is a core component of our strategy, and we believe salaried advisers are, in our situation, best positioned to deliver that member experience.”

“It allows us to do a number of things: ensure that our members are getting advice that’s appropriate for their needs; we deliver that advice at the most reasonable cost possible; we can make sure advisers are appropriately qualified and well trained.”

SHAPING THE PHILOSOPHY

While Vogt is no longer actively involved in planning, his background as a practitioner has helped to shape the philosophy and culture that First State Super exhibits today. He describes his financial planning career as “fairly typical”.

“I think the statistic is still current: something like 90 per cent of advisers are employed by the banks or life offices,” he says.

“When I started, back in the Dark Ages, there were two life offices. Now there’s only one. I’d been through the bank system and been a bank planner. I was a CFP. I’d been with Bank of Melbourne and then Westpac. They taught me a lot, technically.

“And then I was really fortunate and got an opportunity to move across to the industry fund sector. I hadn’t had any experience, as an employee, of the industry fund sector before then.”

Vogt says that while the banking industry provided him with a great technical foundation, the industry fund structure helped him to understand and appreciate the importance of workplace culture.

He says that before joining an industry fund his impression of the sector was “probably based on ignorance”.

“I’d known a few friends of colleagues who had switched across and talked about it being great, but back then there was Telstra Financial planning, which I have to say was a fairly impressive financial planning business...and well regarded; and there was Industry Funds Financial Planning,” he says.

“But apart from that there wasn’t a lot of financial planning activity going on in the industry funds space.

“You alluded to that ‘them-and-us’ attitude. The attitude was, well, if you’re going to be a financial planner you have to be where it’s happening, and it’s not happening over there. I was young, and that’s what everyone told me.”

That attitude is both outdated and unhelpful, Vogt says.

“I don’t want to see ‘them’ and ‘us,’” he says. “It moves us away from ‘the profession’. If you go to a CPA conference or a Law Institute conference, you’re not designated by the employer you work for. You’re a lawyer or an accountant or a financial planner. We’re all part of it.

“At an organisational level [maybe] it’s them and us, but for planners it’s changed. They move around now very freely between industry fund and retail world.” ■



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