

Are you aiming to thrive (or just survive)?

Tony Vidler | Strictly Business | 10 September 2012

What will differentiate the advisers of tomorrow who thrive from those who merely survive? This question was debated recently amongst a group of very experienced practitioners, and the majority settled on a consensus view. The generally agreed point of difference was that the advisers who will thrive in the future will be those who have managed to separate advice from product sales, and who are genuinely being valued by their clients for the wise counsel they deliver to them.

I can't disagree with that line of thought – clearly, there is a strong interest emerging amongst advisers in working out how to separate advice from product in their business models.

But, I don't believe however that this will be THE big differentiator, the element that separates the big winners from the run-of-the-mill financial advisory businesses.

If we consider that each forward step we make as a profession does, in time, become the new norm, it is difficult see that moving to the point where we have all separated product from advice and are being paid for the advice we provide will create any significant differentiation between advisers. It is indeed a likely step along the evolutionary path, but it is not THE step that will separate those who prosper from those who subsist. Ensuring you are well valued and remunerated for the coaching and advising element of business relationship, without relying on revenue from product sales or merely selling time, IS a big issue. In whatever manner we eventually achieve that as an industry, the result from the consumers' perspective is that this will simply become the new normal.

We'll also leave to one side (for now) the difficulty of convincing consumers of the actual value of advice. It is a huge topic in itself to resolve, and the subject of countless articles in its own right.

I believe the real differentiator between those who thrive vs merely survive will be brand. To be exceptionally well-valued in the intangible world of delivering professional services, branding will be the thing that makes the substantive difference.

Advisers or, perhaps, their businesses will have to evolve from just providing technically excellent service to doing that as well as having a presence that means something in consumer's minds. When the dust has settled in the new normal, it will be those advisers who grasp the power of this concept and are able to build meaning into their own brands (rather than try to use the bland and somewhat anonymous brands of product manufacturers or dealer groups) who will be the market leaders in terms of new business acquisition and consumer participation. They will be the leaders who thrive in a world of utter transparency mingled with general cynical distrust of corporates by consumers.

Innovative advisers will convey an image that will have its own personality, demonstrate values and principles, and is engaging with consumers. When an adviser begins to build his/her own brand that means something and resonates in the consumer's mind, then the business has a genuine value. It is something eminently more precious than a vested or contractual right to a historic income stream.

To create this type of presence and meaning within a brand requires clear vision, purpose, investment and patience. It is not an easy or a swift thing to achieve.

In time, when all advisers are considered professionals by consumers and the advice they give is valued in its own right, the big winners will be those who decided early on to build a brand that separates them from the other professionals, and means something to a consumer trying to differentiate excellence from professional competence.

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