

● OPINION

# Long way to the top

The road to a successful IFA business can be difficult, but some of our favourite rock stars may provide inspiration



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**IF THERE** was ever a song that completely encapsulates the struggle one meets on the way to success, surely it's AC/DC's 'It's a long way to the top'.

The anthem chronicles the hardships of a band on a gruelling Australian tour and the acceptance of those hardships as inevitable whilst on their path to stardom.

Now, the worlds of rock 'n' roll and finance may be universes apart in nature, but hear me out: I do see some striking similarities between the plight of these rockers to the top of the pops and the journey to independence for an adviser. Am I saying IFAs are rock stars? Perhaps not in the conventional sense (some may disagree!) but I do think they seem to share some of that courageous rebelliousness we all admire in our favourite musicians and bands.

Having spent much of my career talking to advisers, I understand many of the difficulties associated with being an IFA - and as many

of you already know, it is 'harder than it looks'.

Starting an independent financial advice business is uniquely different from starting up other businesses.

Small businesses have a clear objective: to maximise profits and economic returns to shareholders. However, for advice firms this profit goal is secondary to ensuring that they always act in the best interests of their clients. And if this didn't make things complex enough, they can't afford to see profit as a taboo concept either.

## 'Stop in all the by-ways'

Successful IFAs also have to be very clear on what their value proposition is. In addition to giving advice, they have the added responsibility of deciding what to take to the marketplace and how to deliver it; how to attract and retain clients; how to market their business so that their clients understand what they do/can do for them; and how to price their services.

**"[IFAs] SHARE SOME OF THAT COURAGEOUS REBELLIOUSNESS WE ALL ADMIRE IN OUR FAVOURITE MUSICIANS OR BANDS"**

## 'Hotel, motel, Makes you wanna cry'

Along with the business of advice comes the minutiae of business ownership - managing the office, the employee codes of conduct, hiring and firing staff, IT security and privacy policies. The journey to independence means quickly developing skills in things that have very little to do with asset allocation and transitioning into retirement. Your livelihood becomes reliant on a lot more than merely your ability to make accurate recommendations to your clients.

## 'Gettin' old, Gettin' grey'

The choice to start an independent advice business means the buck stops with you.

It's your AFSL - you're probably the responsible officer. Your name is on the front page of every plan that is delivered to a client. You will be the one answering the phone during the next market correction. With this additional responsibility

comes additional stress, as you shoulder a great deal of the financial and emotional responsibility of your client's assets.

And then, there is also that quiet period - the years where there will be little you can do for a client, with no great event approaching in their life. But you will still have to be able to demonstrate value during the slow period of activity. Rent still has to be paid.

## 'It's a long way - you should've told me!'

'Is it worth it?' the naysayers may ask....

Hell yes!

The good news is that with the extra challenges come the rewards, and as the song goes - it may be a long way, but the direction they're headed in is worth the trials and the tribulations.

## The top

IFAs are seen by many as being in the driver's seat, having had a head-start in the best interests, post-FOFA world. Having had no luxuries afforded to them in recent years, they tend to have an intrinsic understanding of the value of a client - and what it takes to get them to want to sign a fee disclosure statement.

Once the hurdles are overcome, IFAs are limited only by their own desire, work ethic and resourcefulness in their ability to build a valuable business.

A little bit like rock'n'roll superstars, all you IFAs out there are in the enviable position of being able to make a significant impact on people's lives. You may not be doing it by writing a timeless classic, but you are a different drummer of sorts. ●