



# Growth through technology

Marta Wiacek

## THE PRACTICE

Technology can make all the difference to the way a business is run and expanded, according to licensee Robert Cummings of HNW Planning.

He says there is always a battle between growth through technology or growth through manual systems, and the best strategy is to get the right technology in place and make it work harder for your practice.

Cummings was so disillusioned with what he calls the incumbent software packages available to the market that he decided to invest in a company that has built an alternative to the three dominant systems. Software system SynCRM FPS, which is currently being tested and is not yet available commercially, fully integrates with familiar Microsoft Office products and better uses existing IT infrastructure, he says.

"A big problem with the incumbent software is the personnel risk faced with the level of specialisation required to operate the systems and also the associated direct and indirect training costs. Other big problems are the level of integration with other applications and being able to skip rapidly between, or have open, multiple client records," he says.

The software integrates with other applications in the office such as document management systems, SharePoint, Outlook, Word and Excel, he says. "[The software] is also 'Microsoft intuitive' so almost anyone can drive it and I can have many client records open at any one time, while several others in the office can have the same record open," he adds.

With the new software in place, he says he very recently had the confidence to appoint an authorised representative (AR). "I plan to

build a small manageable group of ARs if I can see that I will add value to them and them to HNW," he says.

HNW Planning, which is based in East Gosford, New South Wales, is also currently a member of PIS's associated adviser practices (AAP), he says.

"AAP promises to be an interesting opportunity; the talk's been talked and I'm keen on the concept. I'm now looking forward to the walk being walked," he says.

Cummings applied for his own licence as soon as the Financial Services Reform Act came into being, but says he has nothing against larger dealer groups. "I may one day return to one but for now I'm very happy on my own," he says.

HNW Planning offers strategic advice as its central theme, followed by investment, finance and insurance advice. "Increasingly, I see intergenerational wealth transfer and estate planning coordination and organisation for family group 'micro-dynasties' being important. This then turns back to the argument about having comprehensive client relationship management-focused software," Cummings says.

With the practice's need to service complex family group structures, self-managed superannuation fund (SMSF) administration and to advise SMSF trustees, he says he wants to capture significantly more information than possible with incumbent software. "Now I can capture information on individuals, companies, trusts or other structures, members, trustees, portfolios, debts and insurances and the interrelationships between each," he says.

"Such information is essential for the preparation of strategic advice. Easy access to the information is important for business efficiency."

HNW Planning has carved a niche for itself with pharmacists and dentists, who combined would make up roughly two-thirds of its business in funds under advice, insurance, finance or SMSF administration.

Roughly \$40 million or half the practice's FUA is on the Praemium platform, while the balance is spread between Mac Wrap, Asgard, BT Wrap, Fusion, Reflexion and a smattering of other platforms, Cummings says. "I think the platforms do an excellent job but I did a back-

of-envelope calculation and noted my larger clients were paying the platforms \$200,000 per annum that they needn't," he says.

He then transferred these wholesale managed funds off the wraps and now monitors the investments on Praemium for a fraction of the cost. "I feel this gives me many strategic advantages to cope with SMAs (separately-managed accounts), ETFs (exchange-traded funds), LICs (listed investment companies) and direct shares as well as the wholesale funds," he says.

"It also enforces that I work for my clients, not the product manufacturer and not for dealer group volume incentives, for which I used to but no longer qualify."

While there are problems with information management creating an extra workload in the office, those problems are not so insurmountable to ignore the \$200,000 savings a year, he says.

HNW Planning employs one planner who started late last year, one personal assistant and one part-time general office hand.

Cummings got his start in financial services by answering "an appealing advert for what turned out to be a 'boiler room' sales structure called Saxby Bridge". He says he survived it for four years before going out on his own.

The best advice he's been given in the years since is to always draw two upside down pyramids in the negotiating process. The objective is to then rank your agenda in one and your understanding of a client's agenda in the other.

"Weight the agenda points according to the 80/20 rules, identify agenda where interests are aligned and where they are in conflict. This gives a simple summary and clarity to negotiations with friends or foes that is hard to replicate," Cummings says.

The practice's value propositions are not necessarily unique, but the focus is always on empowering clients to make rational decisions, he says. "This I think is appreciated and makes management of the client relationship so much easier in the long term," he says.

The key is to have great people around you and Cummings attributes any success he has experienced to his past and present staff. □

## SNAPSHOT

**Name:** HNW Planning

**Location:** East Gosford, NSW

**FUM:** Equates to about \$80 million with insurance renewals of about \$250,000

**Clients:** About 100 active advice clients plus around 200 policyholders

**Software:** SynCRM FPS in trial stage

**Research:** Morningstar

**Platforms:** Praemium, Mac Wrap, Asgard, BT Wrap, Fusion, Reflexion and others.

**Staff:** 4