

Ready to pass the torch

ASSET INNOVATION AWARD FOR SUCCESSION PLANNING

WINNER

rmg financial services (licensed by Charter Financial Planning)

FINALISTS

Landmark Financial Management (Apogee Financial Planning)



ERIN JONASSON

OWNERS OF financial advice businesses owe it to their clients to plan for the continuity of their practice after they retire.

For most businesses, this means putting in place an effective succession plan. The *Asset* Innovation Award for Succession Planning recognises businesses that have taken active steps to manage this process.

Perth-based rmg financial services, which is licensed by Charter Financial Planning, was the winner in this category of the awards for 2008.

rmg financial services general manager Patrick Canion says that while succession planning has been a hot topic for more than five years, many financial planning businesses continue to procrastinate about the future.

But rmg set out in 2000 to solve the issue and started a process of investigation and negotiation that culminated in an equity partnership with financial planning group ipac in 2003.

"The most important factor was to have a plan that gave us and our clients a partnership with a large organisation without

compromising our professional independence," Canion says.

"This combination of control and security is unique and allows us to focus now on providing the highest-quality advice relationship possible for our target market."

Good for staff, good for clients

An effective succession plan not only provides an exit strategy for the principals and a career path for staff. It also gives comfort to clients, Canion says. "We engage people in a lifelong advice relationship," he says. "They've told us that they value knowing that this service is not dependent upon the idiosyncrasies of one person or the involvement of another.

"Having a corporatised advice offer with a fully funded succession plan gives us a competitive advantage because our clients

From left to right: Dave Stone, Patrick Canion and John Donald from rmg financial services.

know that they'll continue to receive quality advice even after we've retired ourselves."

The judges agreed that rmg's succession plan was clear and well-documented, and that it has a degree of flexibility for accommodating unforeseen change.

Landmark Financial Management, which operates under Apogee Financial Planning's licence, was a finalist in the succession planning category. The judges thought this business had put in place a practical strategy to sell down equity to an internal client service manager.

Asset did not name a second finalist in this category. ★

We engage people in a lifelong advice relationship; our service is not dependent on one person or another.

Patrick Canion, rmg financial services