



Succession Financial Planning

Financial Adviser Value Proposition

Succession Financial Planning (SFP) is an independent financial services provider with a focus on the Registered Financial Adviser (RFA), looking to grow a professional practice while offering holistic financial planning to their clients. SFP is a wholly-owned subsidiary of the Sanlam Group. Providing SFP the peace of mind that we are part of a greater organisation with multiple resources to our disposal.

We believe in an approach that increases the capacity of both financial adviser and their practices to give advice and run effective businesses that optimise client value. Combining good advice and efficient business processes creates long-term practice sustainability.

Our purpose is to facilitate lasting partnerships between clients and financial advisers, ensuring that each client of SFP achieves financial freedom and wellness; regardless of the life stage they find themselves in.

For Advisers:

- a compelling offering to attract professionally qualified and experienced financial advisers;
- assisting advisers to generate growth and income;
- create an environment where our advisers are supported by a dedicated management team that utilises best of breed practice, advice, compliance and practice development processes to allow for sustainable growth and success.

For Clients:

- Providing truly independent, holistic and product agnostic financial planning by sourcing the most appropriate solutions from a wide variety of product providers while following the industry recognised 6 steps of financial planning.

The SFP offering to advisers:

1. Growing your revenue base

In SFP, we strive to grow the revenue base of advisers and practices that join our company. This is achieved through various initiatives that either builds your business capacity and related processes or assists you to grow your advice capacity.

We assist with following in this regard:

1.1. Optimising your existing client base

By making a structured and thorough investigation of your existing client base we at SFP allow you to make the most of an asset already in your possession, your existing client base. Finding ways to adequately incorporate Practice Development/Management into your business and thus find new ways of interacting with your clients we believe you can increase your revenue and success by being more structured in your approach and interactions.

1.2. Cross-selling

The concept of ring fencing your clients is central to the SFP way of doing business. For many clients their diverse and often complex needs are not addressed by merely addressing single needs. Often specialist intervention in multiple fields is required, and you as an adviser may not have the expertise or wish to operate in these spheres. For that reason we have specific structures and internal referral agreements to allow you to access cross-sell opportunities related to short term insurance, medical, employee benefits or specialist investment advice even if you do not perform these functions yourself.

1.3. Growing a recurring income stream

With successful partnerships with our Investment, Short-Term and Medical Product Providers we have a structured approach to enable you to expand your recurring income streams. With national training programmes and access to multiple specialists we encourage our advisers to investigate this significant opportunity.

1.4. A strong brand

Being part of an organisation with a strong and influential national presence as well as a large adviser force, individual advisers gain access to a brand presence that would be difficult for an individual to create. Branding is critical for all businesses in the modern economy to attract the trust and credibility necessary to create and maintain new client relationships.

1.5. Campaigns

We run regular structured campaigns in collaboration with product providers as well as in-house initiatives where we assist our advisers to utilise your existing client base in order to upsell and generate increased revenue.

2. Direct value to you and your practice

SFP takes pride in providing a wide ranging, balanced and competitive value offering that addresses the needs of both growing and established financial planning practices.

By being a national Financial Planning Practice SFP enables access to benefits that would normally be difficult for single-person practice to achieve. By providing unique support arrangements with multiple providers, we optimise opportunities for all financial advisers in the organisation.

The specific items listed serves as support for you and your practice:

2.1. FSCA licensing

We pay the annual advice and intermediary service licensing for you and any advice associates. We are licenced in most of the financial planning categories as required.

2.2. Advice and CRM suite/tools

We pay for the cost of the web based SanFin CRM and Advice Analysis Tool and assist with its integration in your practice. These CRM systems facilitate effective and efficient financial planning and client management.

2.3. Compliance

We assist your with all FAIS and legislative compliance. Monthly monitoring of advice records are further enhanced by communication on any remedial action that might have been identified during the monitoring. We also conduct on-site compliance visits as needs dictate. Our in-house Advice & Risk Consultants with the assistance of our compliance officer provides objective advice and on-going support on all matters relating to compliance. This also includes a centralised complaints process that supports you with dispute resolution in the event of any client conflict, we utilise an easy to use process making use of standardised advice documentation focussed on making your interaction with the client friendly and fully compliant, and a system that allows you to capture advice events and further enhance your protection.

We handle the annual FSCA reporting on our advisers behalf as part of our central licensing we have.

2.4. PI cover

We hold professional indemnity cover on behalf of all our financial advisers and advice staff. Any large potential exposure should be shared and discussed with us as a matter of course.

2.5. E-mail

We pay for the cost of the email accounts of our advisers at the “sfpadvice.co.za” and “sfpwealth.co.za” domains.

2.6. Web presence & Direct Marketing

We provide a SFP advice website that you can refer clients to assist you in enhancing credibility. This can be found at www.sfpadvice.co.za and www.sfpwealth.co.za. SFP has a quarterly newsletter aimed at its clients and is drafted and presented as if they were compiled by the adviser, providing direct marketing solutions for your practice

SFP has specific agreements with digital providers to reduce the cost of adviser own websites and digital business cards for direct to consumer marketing.

2.7. Training

SFP prides itself on being an organisation with an understanding of the importance of continuous education. Improving and maintaining professional knowledge of the highest standard is central to the success in our industry. To ensure that our advisers are able to achieve this we have specific arrangements with various knowledge providers and run on-going programmes (in person or web based) to assist our advisers in addressing any shortfall in terms of their knowledge.

The events held regularly during the year supports this drive by providing free training on relevant topics and encouraging positive interaction with fellow advisers and industry experts. This training includes (but is not limited to):

- a. Compliance
- b. Advice
- c. SanFin
- d. Practice Development/Management
- e. Regional Meetings
- f. National Conference
- g. SFP Wealth Summit
- h. Road shows

2.8. Technology consulting

To assist advisers with general technology implementation in their practices we have negotiated a dedicated support agreement on both the software and use of planning tools, while striving to optimise the hardware already present in the businesses.

2.9. Commission system

We have an integrated commission system, CommPay, which provides our advisers with a monthly commission statement indicating all policies and commission received. Structured commission information enables advisers to effectively manage business planning to create sustainable value in your practice.

3. Creating value & succession

Several of our arrangements create long-term intangible value. The items listed below are critical to create a valuable asset in your practice.

3.1. Investment advice support

The investment planning arena can be daunting for a novice adviser or an unqualified one. It is for this reason that SFP has its own investment wrap fund solution. Catering for the wide variety of client risk appetites, our solutions offer you the adviser, with peace of mind. Our SFP investment committee meets quarterly to discuss performance of the solutions and implements strategy going forward and to regularly rebalance (where necessary) the SFP Range of Solution Funds hosted on multiple platforms. We make use of Seed Analytics for the management of Investment practices, and as an adviser with SFP, you enjoy a subsidy of the monthly cost of the MIS.

3.2. Regulatory policies

To ensure the highest standard of legal compliance we record various policy documents that are required from a FAIS perspective thus saving you time and money, as this is covered and maintained by SFP head office.

3.3. Contracts with most product providers

We have contracts with the majority of product providers in the industry. This would be difficult for individual planners in small practices to maintain. Through SFP, you can offer a wide spectrum of choice that would otherwise not be available.

3.4. Practice development and Succession Planning

We assist our advisers to continue with the building of their practices. We assist with goal setting and tracking utilising focused management interventions. This may sound simplistic, but research indicates that less than one in five advisers have a business plan that they use to manage their business. A business plan is the first step in running an effective business.

Our approach to Succession Planning is based on the principle of finding a suitable successor in the advisers business. In the process of ensuring succession, we wish to enable the planner to gain a perspective on the real value of the great asset that is the practice itself.

3.5. Leadership and practical management support

We have management and administrative staff in place to support your practice through this journey with us. We believe this has become an important part of managing your business. It is in line with our belief that managing advice in a professional practice is no longer merely the domain of a single person and that there should be a team to assist you.

Annexure A – Commercial Terms

Our basic commission agreement is designed for independent advisers to generate maximum commission flow.

The commission splits is as follows:

% split applies from R1

Adviser Split / SFP Split	Commission Written per Annum	
	Lowest limit	Upper limit
70/30	-	400,000
80/20	400,001	763,200
82/18	763,201	1,144,000
84/16	1,144,001	1,590,000
86/14	1,590,001	1,908,000
88/12	1,908,001	2,226,000
90/10	2,226,001	∞

Other important terms:

- Client ownership of all SFP provided leads and source clients' remains with SFP. This custodianship is to protect strategic partner interest and will be enacted within the principles of the FAIS act and other relevant legislation.
- The practice belongs to the individual financial adviser within arrangements agreed including terms mentioned above w.r.t. leads and sources.
- SFP has a disciplinary code and process that all contracted intermediaries are party to.
- Advisers are independent contractors for labour law purposes.
- Advisers are treated as personal service companies if they have less than 3 non-related employees for PAYE and tax purposes.

Annexure B – Our Approach to Advice & Compliance

SFP follows a recording process that strives for completeness when it comes to client advice and this allows us to take responsibility for the advice of our financial advisers that operate as representatives of our licence.

We handle compliance and professional indemnity on behalf of our representatives.
We provide the client advice and management suite, at no cost to you.

This program enables advice risk management for advisers in the following manner by having a:

- Record of Advice
- Record of Needs Analysis
- Record of phone calls
- Record of e-mails
- Record of SMS's sent
- Record of all quotations
- Record of client documents (ID, Brokers Note, signed documentation, etc.)

Our advice-monitoring programme provides a service that gives pro-active feedback on areas of improvement. This is important as the legislative environment continuously evolves.

Annexure C – Our Approach to Practice Development

Running a profitable financial planning practice is challenging. SFP can make a tangible difference in your practice by assisting you to:

- Focus on working on your business, not just in your business
- Developing leadership behaviour and accountability in your support team
- Clearly defining your practice's purpose, value proposition and brand position within the SFP context
- Build a sustainable business and marketing strategy
- Ensure accountability through key measures and performance indicators
- Map your key processes and business structure.

SFP offers a formalized FPI registered course on matters pertaining to Practice Development. The course is modular and consists of the following

Module 1 – Using change to your advantage

Module 2 – The future of your business

Module 3 – Your advice process

Module 4 – Client reviews

Module 5 – Basic business planning

Module 6 – Basic financial management

Module 7 – Ideal client and value proposition

Module 8 – Client segmentation & service differentiation

Module 9 – Fees for services

Module 10 – The succession plan

SFP gives you access to the resources (course material & templates) to assist you with business growth.

Annexure D – Product Provider Agreements

Life

Absa Fund Managers	Discovery	Momentum	PSG Effekte Trust
Absa Part Bond	Discovery Dollar Life Plan	Nedgroup Investments	PSG Wealth
Absa Trust	Dynamic Wealth	Old Mutual	Resolution Gap
Aims	Fedgroup	Old Mutual Group Schemes	Sanlam
Allangray	Fmi	Old Mutual Employee Benefits	Sanlam Sky
Ashburton	Hollard Life	Old Mutual Investm	Sasfin
Assupol	Hollard Wealth	Optivest	Satrix
Brightrock	Investec	PPS	Stanlib
Cadiz	Liberty Life	PPS Invest	Tra
Capital Legacy	Marriott	PSG (Asset Management)	TSA (Hollard Group Risk)
Cientele	Metropolitan	Prudential	Turnberry
Coronation		PSG Collective Investments	

Short Term Insurance

1Com	Ctu	LUM	Resolution Gapcover
AIC	Cycle-Sure	KEU	Santam
AIG	Diagonal	Lansure	Santam Referral
Amua	Disc Dips	Lombard	SAU
Auto & General	Discovery Insure	Matrix	SHA
Aviation	Echelon	Mirabilis	Stratum
Brolink	Execuline	Merx Hcv	TIC
BSG	Hollard	Momentum	Tracker
Camargue	Genric	MUA	Unity
CIA	Hcv	Mutual & Federal	VUM
CIB	I-Cycle	One Sure	Wheels
Constantia	Indequity	Orico	Xelus
Credit Guarantee	Insure Serve	PPS	Zurich
Cross Country		PRA	

Medical Assurance (available on request)

African Unity	Medihelp	Momemtum Health	Topmed
Bestmed	Medscheme	Prof-Med	TRA
Discovery Health	MedShield	Resolution Health	Universal Health Services
Keyhealth	Medquote	Selfmed	
Liberty Health	Med-Way	Sizwe Medical	

Annexure E – Succession Planning (Successorship) approach

We follow an approach that require financial advisers and practices to positively participate in a process to (a) prepare, (b) value (c) create an environment where successors could enter their practices at various stages and (d) that all financial advisers register their respective succession/successor plans with SFP

Financial planning practices have various component and all are required to operate effectively to ensure that an ownership transition does not unsettle the value that was previously created. These components include: clients, on-going client relationships, dedicated staff, financial planning professionals, contractual relationships with product provider or advice firms and lastly the shareholders/owners.

Central to the extraction and transitioning of value is the belief that the individual planner alone does not hold the value but the business and that all the components together create value to be transitioned.

Should you wish to explore the various scenarios of succession planning and our approaches to each, please ask your local SFP Regional Manager to provide you with our more detailed guidance note on succession planning in an SFP world