

News

financialalert Person of the Year 2011

by [David Maida & Deirdre Keown](#) | Thursday, 15 December 2011

It's been a watershed year for the New Zealand financial advisory industry, as the regulation rubber has hit the road, while markets have continued to make life tough for advisers and their clients.



Tony Vidler

"I'm pleased to introduce Tony Vidler, AFA, CFP, CLU as financialalert Person of the Year 2011," said Graham Rich, publisher of financialalert. Tony joins a select alumni of five prior financialalert Person of the Year recipients: Simon Hassan (2010), Garth Clarricoats (2009), Nigel Tate (2008), Cecilia Farrow (2007) and Ross Butler (2006). I think 2011 has been the most demanding year ever for New Zealand's financial advisory industry and, in particular, for investment advisers - and of the several nominees, Tony really stood out for his enthusiastic, energetic leadership at a time when many advisers were struggling with the additional demands the introduction of regulation has brought as well as the challenging market environment."

A 20-year industry veteran, Tony's personal commitment to continuing professional development is obvious by the letters after his name. "His commitment to the industry is first class - a past chair of IFA's Professional Development Committee, the College of Insurance Advisers and the Membership Committee, this year Tony took on chairing the IFA board at the same time as setting up his own business, and continued via both to lead the way for advisers through the early days of regulation. Hence, financialalert joins Tony's colleagues and peers by recognising and congratulating his contribution in the most difficult of times."

What others say

"[Tony] has been a legend this year and pretty good for a lot of years prior," said financial adviser Garth Clarricoats, financialalert Person of the Year 2009. "As the driving force behind FAANZ a few years ago to chairman of the IFA Board this year, Tony's commitment to this profession is without peer. He has been tireless in his drive for professionalism and working to ensure that advisers and regulators adjust to the new reality. His fortnightly newsletter goes out to many advisers I know and his simple "no nonsense" approach has helped many navigate the minefield of a new reality."

"Tony has set up his company 'Strictly Business' to provide advice to the adviser and gives assistance in developing the necessary compliance documentation as well as developing sales aids, sales campaigns and even point of sale assistance. He has also been used by some of the major companies to assist with the development of various campaigns and professional development," wrote Paul Mason, manager-personnel and compliance at Fidelity Life.

"Tony has helped in the evolving of this industry across to a profession," wrote Paula Margot, IFA Canterbury branch chairman, and AFA at Future Life Solutions. "Tony's belief in education set him up with other front runners in this profession who saw the need to raise the bar. He is currently serving as chair of the IFA board. He is on the certification committee and works with

special emphasis on best practice within the profession. He has recently been recognised by the IFA and awarded a fellowship. Tony is a great liaison person and his integrity and ability to negotiate has served the IFA in the relationships with other adviser bodies in the profession through the FAANZ. At the beginning of this year he established his own business as an adviser to the industry/practice coaching and sends out regular complimentary fortnightly newsletters that contain a wealth of information and practical tools."

What the financialalert Person of the Year 2011 says

This year has brought some big changes for Tony. He left Fidelity Life to set up his own business "Strictly Business" which works with advisers to help them become better practitioners and make their businesses more profitable. By the sounds of it, Tony seems quite happy with the move. "Self-employed, staff of one, no employees, it's fantastic. I've got a commute time on a sunny day of ten seconds. If it's raining, it's about four seconds," Tony told financialalert.

How have you fared in the new regulatory environment so far?

Tony Vidler: It has presented more than its fair share of challenges. That's the summation. In general terms, I haven't found it difficult to work with the advice process though it does lengthen any client interaction. There's no doubt about it – a lot more paperwork, a lot more non-productive time. But it does result in a more robust process.

How have you seen the industry as a whole cope with regulation and the changes it has brought?

Tony Vidler: Generally speaking, much better than expected. I think the majority of advisers have embraced the changes reasonably well from what I see. I think it is lifting advice and professionalism standards in general terms.

What is the biggest challenge you face in 2012?

Tony Vidler: There's any number of them. I'd say the biggest one is good old fashioned getting back to basics and being busy. There have been too many distractions and we need to get busy again on being face-to-face with clients. That's the number one thing is getting back into the habits and having the confidence to be busy with clients.

What do you see is the future of financial advice industry going forward?

Tony Vidler: The biggest thing going forward in the short to medium term is going to be a segregation of advice types. It's starting to come through very strongly now. You're seeing a lot of advisers narrowing their offering and becoming far more specific about particular product lines or particular lines of advice. You're seeing others widening their scope and becoming far more holistic in how they approach the market. I think there's going to be some very strong segregation amongst the advice offerings being put in the marketplace. There are a number of Category-One advisers (AFAs) operating in very narrow fields - for example, they're only working in particular types of managed funds or KiwiSaver. So some of the advisers are getting very, very focused in their business regardless of whether they're Category One or Category Two. Some of the Category Two advisers are also getting very narrow in their focus while some are looking to broaden their advice base. We're probably just at the bow-wave of some consolidation in the industry - both in terms of distribution networks, distribution structures. I think there will be more people heading towards institutional membership - more people heading towards groups and groups evolving into stronger offerings. I do feel that there will be fewer independent advisory businesses out there in the marketplace in a year or two than there are today.

Honourable mentions

Each year, financialalert also recognises others who've made a difference to the New Zealand financial advisory industry over the year. This year's Honourable Mentions are:

1. all AFAs and RFAs - for successfully making it through the transition to a regulatory world;

2. Brian Coker, AFA, CFP, with Perpetual NZ - for overcoming the odds to return to work as an adviser, including achieving AFA registration, despite sustaining the loss of both legs in February's earthquake;

3. Peter Chote, AFA, CLU, director of AdviceFirst - for his commitment as a financial adviser in the greater Wellington area, and work as a mentor to many advisers;

4. Carey Church, AFA, CFP, CLU, managing director of Moneyworks - for enduring a painful process that, whatever the legal rights and wrongs, has given the NZ advisory industry its first civil law case and precedent related to the quality of financial advice.

5. the Christchurch-based wealth management community - whether product/service provider or adviser, for showing tremendous resilience and endurance, and commitment to continuing to serve and support clients in the face of an appalling environment, on top of all the other challenges 2011 brought.

How have you fared in the new regulatory environment so far?

Brian Coker: Essentially, I've fared fine. I was actually out of Christchurch for three months and while I've been back at work for the past six months, I've been on a part-time basis. I'm only in the office between two and three hours a day. While I have gone through the AFA authorisation thing, I had the extension because of the Christchurch circumstances. But I'm now an AFA. Really, [the new regulatory environment] is not an issue for me. I'm part of the Perpetual Group, and we have processes in place anyway. It essentially hasn't meant doing anything differently apart from actually going through the authorisation process. Essentially, what we're doing is what we did before.

Peter Chote: I think, fairly well. It was a lot of work initially understanding the framework, more so than actually getting the studies and things completed. I was personally well on the path anyway. I certainly had some misconceptions about cross crediting and some of the requirements that had to get ironed out early. I gave myself a nasty surprise about what might be cross credited from the CLU/CFP across to the certificate and got that a little bit wrong. But I think it's been good for the business. I think people are doing a more thorough job. I'm not sure that we've got it 100% right yet but I don't think 100% right has been defined yet, has it? I believe we get better and better at complying with regulation every week. We're looking at it regularly. We haven't yet had the privilege of an audit from the FMA so I'm kind of looking forward to that first visit really just to either reinforce what we're doing is correct or to point us in the right direction if we're getting something slightly wrong.

Carey Church: I thought we gave our clients a lot of paper and documentation before 1 July 2011, but regulation has increased the amount of paper that we give them at each annual review, the number of disclosure documents we give them, and how often we give them to them. Fortunately, because of our 'special education' (via the court case), our basic everyday procedures had changed a lot prior to 1 July because we have learned so much, so we haven't had to change too much as a result of regulation. With our knowledge from the last two years with our court case, we are now aware that every word counts and, if it isn't in writing, it doesn't count. This has changed many of our practices and procedures. I'm thrilled that the new education requirements are providing a much greater selection of education, some great, some not so great, but there is a lot more choice, which hopefully will continue. It will be nice to have a period of stability for a while. It is interesting that having pursued the court case and having a judgment that was quite a surprise to us, I now have an adverse finding from a court and am required to declare this in my disclosure for the rest of my career - that provides a challenge for prospecting for new clients.

How have you seen the industry as a whole cope with regulation and the changes it has brought?

Brian Coker: I've seen some rationalisation - from what I have seen, where some sole-practitioner advisers have opted to either join groups or sell their practice or amalgamate. Essentially, I've seen it as an opportunity for advisers to review their practices and ensure that

they're in line or that they adopt those of some other group.

Peter Chote: I think the industry has coped. Some sectors have coped better than others. Understandably so, some of those industry participants that have been long-time industry participants have found it very, very difficult to upskill. It has not been easy for them. But I think most have seen this coming for quite some time and most have set themselves on the path prior with a little bit of guesswork and a little bit of foresight and are probably pretty well-placed to deal with what's happened.

Carey Church: I have found it interesting reading the blogs and comments on the industry websites during the past year, while we were fighting our court case. Based on the topics discussed, and what we have discovered the 'real issues' are if you are involved in legal action, I think there might be a number of people in the industry who will have some surprises in the future. It is sad to see the industry arguing over RFA and AFA status and requirements - but I'm also sad to see how the QFE environment is starting to change the environment that we operate in significantly.

What is the biggest challenge you face in 2012?

Brian Coker: The biggest challenge is essentially dealing with the current economic environment and ensuring that clients' risk is minimised and their level of risk is appropriate for their situation. Of course, current market conditions make that quite difficult in terms of constantly monitoring that. I'm in rehab several hours a day so that's my personal challenge at the moment, getting that balance between my rehab work which is going to be on-going for at least another six months on an intensive basis. So it's a matter of balancing that against my financial planning work, my business and, of course, my home life.

Peter Chote: From a business perspective, I think recruitment is probably one of our greatest challenges. Finding and attracting quality people to our industry is a really big challenge. Good people are choosing other paths ahead of financial advice - I think mainly because of the publicity that financial advice has attracted. I guess maybe some of the excitement in the financial advice business has dissipated a little bit. I don't know that our business as a career is on the radar screen other than perhaps through banking where people sort of migrate to front end financial advice through their banking career. Certainly outside of the non-bank providers, recruiting, training and retain advisers is a big challenge for us.

Carey Church: Getting some work/life balance. I haven't had it for some time! Also, taking time to enjoy my work and clients without the constant stress of the court case. I'll also be studying a few law papers, as this whole process has made me well aware of how much I didn't know about the legal and justice system.

What do you see is the future of financial advice industry going forward?

Brian Coker: I see it as very positive going forward. I see that the new regulation is going to help to professionalise the industry and we will gradually be seen to be professionals across the whole range of the investment advice area.

Peter Chote: I think it will change. I think that with the advent of KiwiSaver and the continued advance of KiwiSaver and, thank goodness, the government making additional efforts to promote KiwiSaver, New Zealanders will eventually seek out financial advice that they tend not to do currently. People who create a reasonable amount of wealth will start to concern themselves about what they're doing with that wealth, where at the moment they perhaps are reluctant to seek out financial advice because of cost. In the short-term, I think there's probably just a little bit more pain, there will be too few of us and we'll still be perceived a little bit by the public as being too expensive. In the longer-term, I think with increased wealth, people will naturally start heading towards financial advisers by choice.

Carey Church: I think there will be fewer and fewer smaller operators (can't say independent) who aren't tied to a provider, which is disappointing. We've seen the same happen in Australia but, in my opinion, the QFE environment encourages this. We are already seeing stockbrokers

advertising for financial advisers to bring their businesses into a 'safer' environment. The 'non-aligned adviser' will have to become a true professional to survive going forward. I'm concerned that the 'aligned adviser' will try and delegate much of their role to their providers, and that the public won't know the difference. There is a big need for education about the different kind of advisers going forward, and I am not sure who is going to be in a position to do that education. We'll be continuing to focus on educating our clients and prospective clients, but other practitioners will need to ensure that they are doing the same. I believe that the profitability of investment advisers will be challenged, with lower potential returns in the foreseeable future. However, advisers who can truly add value to their clients in helping them work out their goals and objectives and work with them to achieve them will have ongoing strong businesses. In five years, the New Zealand financial advisory industry will be very different to how it is now. KiwiSaver will be a core part of the industry and it looks like it will be difficult for new entrants to enter and get trained up and set up outside an aligned provider situation. Therefore, for those people who can retain their non-aligned status, there will be rewards in the future.

Have we missed someone? Add your own Honourable Mentions in the Comments area below.

© 2011 financialalert, Brilliant Investment Publishing Ltd.

7 comments

by Simon Hassan 05:26PM 15th Dec '11

Well deserved, Tony! Good on ya mate. Sincere thanks for your instinting work for our fledgling profession, and all those hours of devoted work.

by Rosemary Hassan 05:29PM 15th Dec '11

Congratulations Tony!

Such enthusiasm whilst keeping your finger on the pulse. A Well deserved honour!

by Gary Skeates 06:03PM 15th Dec '11

Well done Tony

Congratulations Tony, you bring a lot of passion, integrity and professionalism to our industry.
R. Gary Skeates

by Nigel Tate 06:19PM 15th Dec '11

Well done Tony!

Great recognition for the countless hours your have given to develop the profession. You get the carry the torch for the next year.

by Barry Read 07:54AM 16th Dec '11

Cometh the hour cometh man.

Couldn't have thought of anyone better. Well done fella!

by Peter Lee 08:00AM 16th Dec '11

Congratulations, Tony - well deserved!

It's no accident that the winners in each of the past six years have been members of the Institute of Financial Advisers - and even more significantly, Board members. They have shown exemplary commitment. They have been willing to stand up for high standards, for bringing the best from overseas to New Zealand, to continually raise the bar.

Tony and his predecessors have spent a huge amount of time, selflessly, at quite some considerable cost to themselves and their businesses. At a time when some misguided and ill-informed advisers love to hurl ill-informed and spiteful comments at financial planners and advisers, here's living proof of the quality and professionalism that exists.

They and other members of the Institute have collectively done a huge amount of work on behalf of the profession, not for themselves but because they believe in the need to create a strong, profesionally-based advisory profession. They've made life better for everyone. It's also no accident that so much of the new regulatory regime, from the term "structured credits" to the six-step process that underlies Standard Set B, comes from their hard work.

Professionalism counts. professionalism shows.

by **Carey Church** 08:44AM 16th Dec '11

Well deserved Tony

Well deserved Tony, I am honoured and humbled to be nominated in the company of yourself and Peter Chote who have put in so much work with the industry, including with the IFA and MDRT respectively, and to further the industry and profession, and with Brian Coker, who has suffered much personal trauma and remains committed to the welfare of his clients.

Having not commented publicly to date on my last couple of years, I would like to take this opportunity to give a thanks to all those in the industry, particularly the advisers, who have given me so much support this year.

In particular, I would like to thank Graham and Dee from financialalert for your support and advice over the years, to Warrick Funnell for your support and assistance and friendship and also to my fantastic business partner and husband Peter.

Well done Tony and Chotey, thanks for all your work on behalf of myself and other advisers, we appreciate it.

Have your say (5000 characters)

Subject

Post comment