



Association of
Financial Advisers

FINANCIAL ADVICE COMPETENCY FRAMEWORK

AN INDUSTRY CONSENSUS
OCTOBER 2017

AFA WHITE PAPER

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/ CONTENTS

About the Authors	03
Acknowledgments	04
Foreword	04
Executive Summary	05
Development	06
7 New Knowledge Domains for Financial Advice	07
Key Findings	08
Adapting to Change	08
Specialisation within Financial Advice?	09
Layers of Expertise	09
The Role of Technology	11
Financial Adviser Career Pathway	11
How Long Does it Take to Develop Expertise?	12
The Role of Experienced Advisers	15
Acquisition of Proficiency	13
The Impact of this Framework	14
General Recommendations	15
Conclusion: A unifying theme for the financial advice profession	15
Outline of the New Competency Framework	16
Technical Services	17
Professionalism	17
Client Focus	18
Self-Development	18
Connecting with People	18
Business Operations	21
Strategy & Leadership	22
Method	23
Consensus Rating Overview	24
Association of Financial Advisers	26
Asteron Life	26
Beddoes Institute	26

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University, Monash University, and Western Sydney University, and many others who have provided advice and support over the past year. Most importantly, the project has been supported by interviewees and over 500 online panellists who have generously donated their time and expertise free of charge.

FOREWORD

For the advisers and industry participants that make this profession great...

Financial services is a constantly evolving industry. Since the early 2000's the industry has been in a constant state of change, across superannuation and investment, life insurance and more predominantly the role of advice. In recent years the industry has been impacted by the Future of Financial Advice (FoFA on 1 July 2013) and in the near future will be impacted by the Life Insurance Framework (LIF) on the 1 January 2018. More importantly, the Professional Standards of Financial Advisers is due to commence on 1 January 2019. Changes to date have generally focused on tactical business changes requiring a business to comply with specific aspects by a certain date. The changes to date have not necessarily benefited from broad industry input to shape the legislative outcome. This paper represents and illustrates the industry input necessary to ensure that the Professional Standards have the required breadth and depth of input which is evident from key stakeholders within the industry. There has been significant feedback received from key stakeholders including AFSLs, consumers, associations and most importantly, from advisers. What we have received can be considered our profession's voice.

So why are we doing this? We think it is important that the most experienced individuals in the industry have the ability to provide feedback and input into what will essentially become the education framework for financial advisers. Feedback from advisers represents the most important factors that need to be considered when developing a client-focused education framework. Purely and simply this is the 'why'.

We believe that this important collection of feedback will be taken into serious consideration by FASEA when developing the framework that will be implemented. Thank you to everyone that sacrificed their time to support this important initiative.

A final thought. Unlike previous legislative changes, Professional Standards will require those individuals providing advice to review their current education to ensure that they understand if they are, or are not, compliant. If not, it is imperative that actions be taken as soon as possible to bridge any gaps that may be evident so that compliance can be achieved before it is too late.

Daniel Waller
Head of Life Intermediaries, Asteron life

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EXECUTIVE SUMMARY

Advice is a humanitarian endeavour. It's about people first and foremost. Good financial advice is based on a combination of knowledge, skills, attitudes and abilities that produce positive outcomes for consumers. The starting point for good financial advice is solid technical skills, Professionalism (i.e. ethical conduct and compliance with regulations), and an unwavering focus on the client, along with strong personal values and judgement and an understanding of the importance of a resolute commitment to increasing the trust of clients and the community.

A number of societal, economic, political and technological forces are shaping the financial advice profession and the way in which consumers seek personal financial advice. The financial advice profession needs to adapt and respond to the changes in consumer demand. The increase in higher education and professional standards to be implemented by the Financial Adviser Standards & Ethics Authority (FASEA) creates an opportunity for the profession to re-think and re-define what advisers should learn and put into practice. A new advice competency framework can create positive consumer perceptions and help grow the demand for quality financial advice.

Frameworks created by various and unconnected industry stakeholders risk being biased by their experience, priorities and outlook. For this reason many frameworks place an emphasis on a specific group of competencies. In contrast, this project engaged an industry-wide group of stakeholders including consumers, advisers, licensees, academics, regulators, professional associations and media in order to develop a comprehensive and holistic competency framework. This new framework contains and validates competencies found in other frameworks, in some cases extending them and adding new competencies to augment them.

The research reframes our understanding of financial advice through the eyes of the consumer and practicing financial advisers. There are very clear and powerful messages from the industry consensus. These include that the future of adviser education needs to be driven by new learnings, often from disparate disciplines of human endeavour including the 'caring professions' such as health, education, psychology, ethics and values, communication as well as the technical skills of managing money, finance and understanding the economy.

To reach this industry-wide consensus view, we started with a blank piece of paper and an experienced panel of more than 500 experts 'filled it' with 1632 written replies and voted on four occasions.

The research established an industry-wide consensus of 36 competencies which have been grouped into seven knowledge domains, five of which are applicable to financial advisers active in the management of clients and two 'managerial domains' for advisers who choose to manage staff and practices.

This study shows that describing a competent adviser is complex. There are many paths to becoming a financial adviser and some advisers may choose to specialise in one niche or another. We've come to believe that our description of a competent adviser should reflect this. Though this doesn't lend itself to an easy task, it is worthwhile none the less as the importance of maintaining existing advisers in their role while equipping a new generation of financial advisers is critical to the well-being of the Australian population.¹

A key finding of the research is that the current educational knowledge areas and professional development competencies are aligned closely to the current required ASIC competencies. In the approval of competencies, technical skills were unanimously approved for inclusion and were clearly identified as the starting point in the career development of an adviser.

The industry-wide consensus results outlined in this paper indicates that for the financial advice profession to develop, a broader range of knowledge domains and competencies, and recognition of adviser attributes that are more reflective of the conversations between advisers and their clients, are required. These attributes and competencies are developed by the adviser in the first five years of their professional career with managerial and business management skills being developed later as the adviser moves into a leadership position within a practice.

The results on proficiency at different levels of experience reflect the importance of combining practical experience in a dynamic and well-equipped advice practice following tertiary education. This is vital as the results of this study show that many competencies, such as interpersonal skills and being able to educate clients in financial matters, take up to five years to acquire highlighting the importance of 'life-long learning' to acquire the attributes most valued by consumers.

The findings of this research were only made possible by the wide range of stakeholders who collaborated to produce a client-centric, pragmatic and sustainable financial advice competency framework. This framework builds on existing frameworks and is a contemporary reflection of today's adviser and client relationship.

By building new education, materials, resources and tools, and monitoring the outcomes of implementing this framework, we believe that this framework can help shape the sector's culture for the benefit of Australian consumers and give consumers greater reason to seek personal financial advice.

The Beddoes Institute and the AFA first collaborated in August 2016 with an idea to form a partnership in the development of the Financial Advice Competency Framework. The concept was endorsed by the senior executives of the AFA Licensee Partners at the 2016 AFA National Adviser Conference. Asteron Life and Kaplan Professional joined as partners to the project in April 2017.

The aim of this project was to:

- **Address the question** *“What knowledge, skills, attitudes and behaviours should an adviser have in order to competently provide advice?”*
- **Define a holistic and contemporary competency framework** for financial advisers developed from a review of existing frameworks, interviews with a cross-section of the sector and consumers, and voting by an online panel of experts;
- **Validate the framework** in the eyes of the consumer, adviser and licensee to ensure the skill set, attitudes, behaviours and knowledge that is being taught to the next generation of financial advisers is reflective of the qualities that consumers value most from their adviser;
- **Identify gaps in the current university curricula** that new advisers must learn as part of their degree to become a competent financial adviser; and
- **Make the resulting framework widely available** to participants and bodies responsible for education, examinations and supervision of financial advisers during their first professional year, and continuing professional development in the years that follow.
- **Make it available to existing practitioners** who wish to further their professional education.
- **Further its use by consumer groups and government agencies to help consumers** understand the role of financial advisers and grow the demand for personal financial advice.

The Financial Advice Competency Framework was designed collaboratively with consumers, advisers, regulators, academics, industry and professional association members.

The development of the framework was informed by:

Consultations

Road show presentations conducted by the AFA throughout Australia and numerous presentations to working committees and educational bodies:

- Showcased at the AFA National Practitioner Roadshow to a combined practitioner audience of over 1,600 (17th – 27th July 2017, 7 capital cities);
- Presented to the academics of the Financial Planning Education Forum (23rd June 2017, University of Wollongong);
- Several consultations with the AFA Professional Standards Working Group Steering Committee;
- Ongoing consultation with the AFA Licensee Leaders Forum;
- Several invitations to the AFA Membership through EDM Member Updates;
- Presentation to the AFA Board Meeting (8th May and 16th Aug 2017); and
- Presentation to adviser audiences through AFA participation in several licensee PD days.

A Review of Existing Frameworks

Numerous internal training materials and curricula, standards and frameworks received following submissions to licensees and associations, including FPEC and ASIC RG146.

Interviews

The specific competencies measured were constructed from 60 in-depth interviews with sector-wide representatives in order to understand the knowledge, skill set, attitudes and behaviours required to deliver quality financial advice to consumers. These included consumers, members and staff of the AFA, Members of the FPA, ASIC, CPA institutional and non-institutional licensees, independent and self-licensed advisers, members of the Beddoes Institute’s Most Trusted Advisers Network, academic and university staff responsible for training undergraduate advisers, long-time observers of the advice sector e.g. journalists.

Expert Panel

Through wide-spread consultation an expert panel of over 500 members was formed in order to vote on elements of the framework. Four rounds of voting were conducted. In addition to voting, over 1600 written comments were received and these were used to further shape the framework.

Input During the Project

Dr Mike Evans (Kaplan) provided advice and assistance during the fieldwork, reporting and development of this publication.

DEVELOPMENT

7 New Knowledge Domains for Financial Advice



AFA National Practitioner Roadshow

with practitioner audience of **1600+**
17th – 27th July 2017,
7 capital cities



AFA Board Meeting
8th May & 16th Aug 2017




Consultations with the AFA Professional Standards Working Group Steering Committee and AFA Licensee Leaders Forum



60

qualitative interviews with consumers, practitioners, licensees, academics, regulators, and professional associations

1632 
written submissions

AFA Membership involvement through Member EDMs



Expert panel of 500+

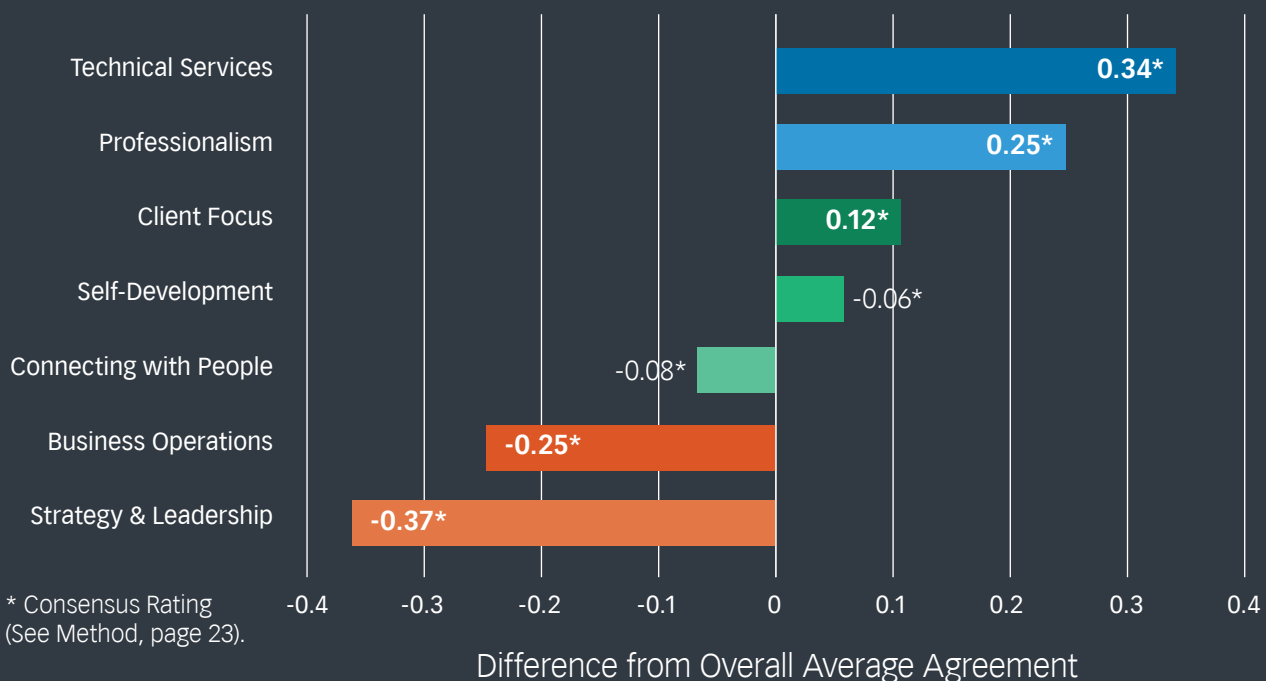


Licensee **Professional Development** days

Presented to the academics of the Financial Planning Education Forum
23rd June 2017, University of Wollongong



← **Approval** →
≈ 77% ≈ 99%



KEY FINDINGS

The research established a consensus for 36 competencies which have been grouped into seven knowledge domains, five of which are applicable to financial advisers active in the management of clients and two 'managerial domains' for advisers who choose to manage staff and the delivery of advice within practices.

Many advisers may accept responsibilities for the advice process, managing teams and businesses and add managerial skills to their role as an adviser. Some may even choose to work in a role, such as a business owner, where managerial responsibilities replace those of client-facing interactions.

While assuming a managerial role with increasing experience is common, it is not universal. During interviews and panel voting, the inclusion of managerial competencies in the framework was approved but always by fewer of the panel than those approving competencies relating to those of the practitioner i.e. Technical Services, Professionalism and Client Focus.

This was reflected in the competency ratings of individual managerial competencies and also for the domains that contained these competencies.

In a previous academic study², Brimble and Murphy suggested that future financial planning graduates would have the following attributes:

- *"Have a balance of technical skills with practical knowledge in a wide range of disciplines, including traditional areas (taxation, accounting, structures, pensions, annuities, superannuation, investment, risk management and estate planning), but also includes areas like ethics, behavioural finance, consumer law, consumer psychology, case management and professionalism;*
- *Have strong generic skills including communication and interpersonal skills, analytical and judgment skills and critical thinking ability;*
- *Acknowledge and accept the importance of independence, honesty and integrity, and their professional and social responsibilities;*
- *Have a strong ethical framework from which to operate; and*
- *Are committed to lifelong learning."*

Importantly they observed, *"Perhaps most important however, is reaching consensus on the skills, knowledge and attributes that entry level financial planners should possess on a national level. This does not exist currently, and will be critical in the process of integration of higher learning with the professional environment to provide consistency, best practice and the production of a core body of knowledge for a financial planning profession."*²

This research builds upon previous research and importantly fills the 'gaps' identified by a broad section of stakeholders, creating a new advice competency framework applicable to the financial advice sector into the future.

Adapting to Change

A common held view expressed by the panel was the importance of a cultural mind shift towards embracing higher education and professional standards. There was strong agreement that the environment in which financial advice is delivered is being transformed, and that the profession needs to invest in education beyond the traditional technical knowledge areas in order to adapt to the forces shaping financial advice. A comprehensive education framework is therefore needed that strengthens and extends the existing technical knowledge areas of advice while also equipping advisers with knowledge and tools that enable them to adapt and thrive to rapidly changing consumer demands.

The research highlighted the importance of peer-to-peer learning in the process of adapting to change. Practitioners are often the best source of knowledge as they are closest to the client conversation. In defining a new advice competency framework, this research demonstrates that practitioners are calling for new knowledge domains that fill the 'gap' between technical services and the attributes that clients value most.

Financial advisers occupy a unique and privileged position; they have insight into the financial and well-being situation of Australian families. There is a growing body of evidence that the value of financial advice is not only financial but also has positive effects on the overall health and well-being of clients.¹

The staged development of competencies outlined by the participants in the expert panel underscored the importance of the **new domains of Self-Development, Client Focus and Connecting with People** following the acquisition of Technical Services and Professionalism competencies. These included novel competencies such as the acquisition of resilience and learning to be increasingly adaptable. We believe that these new descriptions of self-development, interpersonal, and 'client first' competencies zero in on the right attitudes and behaviours necessary to create a positive cultural shift for the profession.

/ KEY FINDINGS

Specialisation Within Financial Advice?

This research has shown that the financial advice profession requires a large and complex suite of concepts, skills, attitudes and behaviours. In fact, it is so large that some advisers choose to master portions of the full spectrum of the financial advice discipline and limit their technical service offerings according to their personal preferences or the type of consumers they choose to advise.

The topic of insurance became a touch-point for the issue of specialisation within advice, with financial advisers viewed as generalists and risk advisers described as specialists. Within this debate there were a number of advisers that were described as specialists e.g. retirement specialists, SMSF specialists, cash flow/budgeting advisers. It was widely agreed however, that all advisers must share a broad level of knowledge across all knowledge areas; advisers must be careful to acknowledge their limitations and/or preferences and advise their client of the areas they do and don't work in.

The online panel felt that advisers should not give advice outside of their area of expertise and that it was in the clients' best interests to refer them to legal and accounting professionals or other advisers with more specialised skills from time-to-time. Furthermore, the importance of referring clients to other professionals such as insurance advisers, accountants, tax agents and solicitors was considered vital by the panel. It was felt by some that despite specialising, advisers should still maintain a foundation level of understanding of the other technical service areas.

For example, the panel agreed that advisers should have a 'general understanding' of taxation as far as it related to the type of advice that they provide. Acknowledgment was made that advisers should understand how taxation related to the specific scope of advice being given to the client. The client should then be referred to the appropriate accountant or lawyer when more complex or 'specialised' personal advice needs to be given to the client.

Ultimately, one respondent returned the debate to the goal that *"the client is left in a better financial position after meeting with their adviser and acting upon the advice they are given whether that be via risk insurance, investments, and superannuation"*.

Layers of Expertise

This white paper started as a blank canvas with the intent to form an industry consensus view of what constitutes a competent financial adviser. It describes the different stages of an adviser's development as they initially gain basic proficiencies in the Technical Service and Professionalism domains and then go on to acquire levels of capability described within the Client Focus, Self-Development, and Connecting with People domains. Furthermore, for advisers that choose to follow a managerial career pathway, this research describes a set of competencies contained in two managerial domains, Business Operations and Strategy and Leadership.

This research showed that during the first five years of practice, an advisers' growth and development occurs rapidly and concurrently on many fronts at the same time. Importantly, as advisers begin to practice, and the acquisition of client-facing competencies such as interpersonal skills become highly relevant, their need to further develop competencies in Technical Service and Professionalism doesn't diminish but needs to continue apace. This research shows that skills are not learnt one after another but that advisers increase in proficiency as they move from developing competencies to becoming proficient and finally acquiring mastery of many competencies simultaneously. So, at any point in time advisers can be viewed as possessing many competencies, with differing levels of proficiency that change over time.

/ KEY FINDINGS



/ KEY FINDINGS

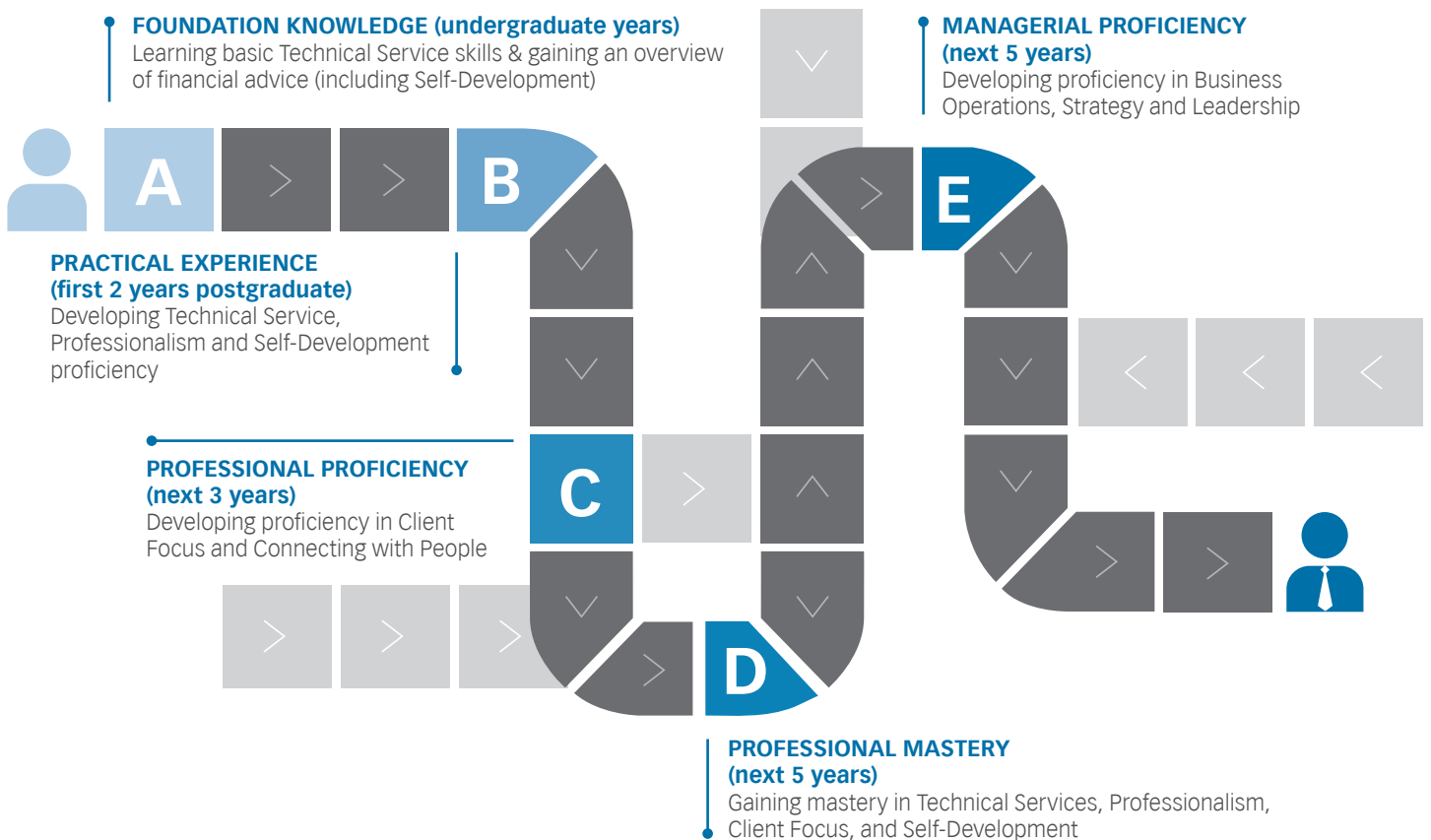
The Role of Technology

The use of technology within Technical Services was proposed by some panellists, particularly the use of risk analysis and psychological software, though most felt that it was the adviser's ability to ask the right questions and understand the client's priorities that was the most important part of the process.

The issue of using technology in place of training is likely to become a prominent issue in the future. The challenge for educators is whether to train advisers in the use of technology or to provide training in the background principles and methods likely to be used by technology. Understanding technology was important in the Technical Services and also Business Operations domain where the use of business tools and technology featured prominently.

Cash Flow Management was considered a core competency by many panellists and the use of technology was seen as important in this regard. It was felt to be particularly relevant to young clients who may not have well developed budgeting skills, and was a high touch-point opportunity for ongoing client engagement. That said, it was considered time consuming and the difficulty in charging clients for this service was discussed by the panel. This, among others, is an area where technology may provide efficiencies to both advisers and clients. Many felt that if software was used, understanding and implementing the fundamentals of cash flow management was the most important element particularly as society becomes cashless.

Financial Adviser Career Pathway



KEY FINDINGS

How Long Does it Take to Develop Expertise?

The proficiency component of the research shows it can take several years to achieve many of the competencies described in this framework, and even longer to become an expert. As a result, the majority of learning, growth and development will occur while working as an adviser.

The need for staged learning, growth and development is clearly envisaged in the Professional Standards Legislation requiring Bachelor entry, a Professional Year, a Registration Exam, a Code of Ethics and Ongoing Professional Development. While proficiency may be acquired by the new adviser within the professional year, many other skills may take as long as 2-5 years to master. This is particularly the case for non-technical skills.

There was substantial debate within the panel regarding whether soft skills could be taught. Many believe soft skills are innate and a person is either born with them or not. There is no doubt that some personality traits are inherited and natural ability in competencies such as interpersonal skills and communication makes the acquisition of proficiency in them to a professional level easier for some advisers than others. This however doesn't displace the importance and role of education in developing proficiency in these competencies. Practical experience and academic studies prove that most people improve with educational interventions such as coaching, role play and skills training.

Unsurprisingly, managerial competencies (Business Operations and Strategy and Leadership) take the longest to gain proficiency in, while Technical Services competencies appear to be acquired early. The challenges of attaining what some call "soft skills" has been highlighted by this research.

This has implications for both the professional year and for proposed examinations. Should most of the education required to become a competent financial adviser occur after the first year and following a mandatory examination, then the importance of ongoing professional development may need to be re-evaluated for younger advisers and elevated in relation to ensuring that newer advisers become fully trained.

This finding also has implications for the placement of graduates and new advisers, as their need for prolonged supervision beyond the professional year requires businesses that are resourced and capable of providing the ongoing education, coaching, and support they require. Stronger linkages between businesses and universities holds the potential for creating more formal placement programs for new advisers that will ensure a more prolonged and robust professional development.

The Role of Experienced Advisers

This research highlights the value that experienced advisers bring to both clients and new advisers. It describes the proficiency of provisional advisers fresh out of university, what is needed to become proficient advisers, and extends the duration previously thought for new advisers to be confidently considered to be proficient.

While the adviser rated as 'developing' needs coaching, help and support when performing their job, the adviser rated as 'expert' is not only able to analyse complex and novel situations but is also able to coach others and create resource materials.

Experienced advisers, if harnessed in ongoing mentoring and coaching roles, may be able to provide the longer term professional development necessary for the acquisition of competencies in the Client Focus, Self-Development, and Connecting with People domains by younger advisers.

The consensus established by the expert panel formally recognises the need for these new domains. For experienced advisers, there is an opportunity to embrace and learn the coaching and leadership attributes contained within the research and to transfer their knowledge to the next generation of advisers. These practitioners are an easily overlooked asset in planning for the future of advice and succession of practical financial advice knowledge, skills and abilities within young financial advice professionals.

Over the next few years, there will be a natural acceleration of 'baby-boomer' advisers exiting the industry. This could produce an industry-wide "memory gap" (as one panellist called it) resulting from a lack of experienced practitioners available to mentor and coach. Being in the minority, this is particularly relevant for women who may find it harder than men to find another female adviser with enough experience to mentor and coach them. These are key risks in the transition to the new standards.

/ KEY FINDINGS

Acquisition of Proficiency



The Impact of this Framework

Consumers

When we were looking for an adviser, we were looking for someone who understood our needs but was technically competent and had a thorough knowledge of the financial planning industry to enable us to meet our financial objectives.

Friendliness and making you feel comfortable was very important to us. We needed an adviser that taught us, explaining things without rushing and being able to have a friendly conversation on things other than financial matters.

The breadth of the discipline and the time it takes to become proficient is not well understood outside the financial services sector. It has now been established that prior to engaging an adviser, many consumers are unclear as to what an adviser does, the services they offer or the value they bring.³ If consumers were to appreciate the extent of the knowledge base, skill and ability required to provide quality financial advice, the value they would attach to financial advice and to the profession may rise and become comparable with other professionals. Awareness of this would go a long way to increasing consumer trust in the sector. Therefore, the relevance of this research in establishing new knowledge domains may be a driver of increasing the demand for personal financial advice.

Trust is an important element in the development of any profession. An important ingredient in building consumer trust is the culture of a profession. Professional culture can be defined by the knowledge, attitudes, behaviours and accountability of all practitioners. The research highlights the importance of adviser attributes in helping to build consumer trust and positively influence the culture of a profession. Importantly, the implementation kit to follow this white paper will provide advisers, licensees and educators a road map of how to assess the knowledge, skills, attitudes and behaviours needed.

In perhaps one of the most comprehensive text books available to Australian aspirational advisers, the authors conclude,

"If nothing else can guide your decision-making as you embark on your professional career, remember that no amount of financial reward for you will outweigh the knowledge that your clients have trusted you and that you have genuinely improved their lives – be that financially or emotionally. In closing, I ask one thing of you – and that is for you to honour and protect the trust your clients will have in you. You owe that to the clients and to your professional colleagues across Australia whose collective professional reputation is dependent upon the actions of every individual financial adviser."⁴

Advisers and Practices

Real professionalism is not prescriptive, it's cultural and we've got side-tracked in recent times. I think we're at a place now where this work is largely done and we can be unshackled to get back to the things that really do make a profession at the end of the day, clients and our relationships with them.

I think this framework is a fantastic tool to reinforce the current thinking of so many of us.

Engaging in high quality, continuing professional education has been shown to be vital to the development of advisers. Advice is changing rapidly and advisers not only need to keep up with changes in technical competences and professional standards but also need to equip themselves with skills that have been shown to increase the sustainability of their practices and create greater value for their clients such as developing, managing and monitoring trust and reputation.

By conducting a self-evaluation or 360 degree feedback advisers may select areas for focus and plan their own continuing professional development for the coming year. Advisers and practices can use the competencies in this framework to revisit job descriptions within their practice, including their own, and integrate elements into their performance appraisals. Coupled with client feedback or a client survey, the framework could be used to identify capability gaps within their team and, matched against client feedback, locate key drivers for growth within their market. Used together, these initiatives could be coordinated to engage staff in reward and recognition programs that create meaningful performance improvement.

Licensees

We've turned into a templated society and new advisers coming into the profession need relationship, listening and client skills. This new framework is really, really needed.

This research elevates the importance of continuing professional development. This framework creates the opportunity for licensees to review their support of advisers within their network and create a new service offer for both advisers and practices.

The framework may be used to quantify the educational needs of advisers regularly, or conduct an isolated 'pulse' assessment before and after an educational intervention. The results can be used to design and implement new educational interventions which are tailored to the results of such an educational needs analysis. For example, professional development days may come to focus on areas such as resilience, adaptability or how to manage trust to create better client outcomes and improved business profitability. A managerial stream may focus on leadership, culture or reputation.

KEY FINDINGS

New initiatives such as structured peer-to-peer coaching, mentoring or supervision using experts identified within the network and who have assessed against the new behavioural competencies may be introduced to not only increase adviser capability but improve their compliance. By monitoring and benchmarking these activities across the network, the framework can be refined internally and re-aligned to key strategic priorities and needs of the network. Then through the development of bespoke tools and resources, the licensees may increase their competitiveness in the market.

Educators

It's a really exciting initiative and a very important part of all of the moving components at the moment.

It's been built well and now needs to be systematically transitioned into the workplace as practices learn to become learning environments for new advisers.

This framework identifies the key educational requirements of advisers as described by a cross-section of advice-sector stakeholders. While it supports the ongoing need for gaining and growing competencies related to Technical Services at undergraduate level and in the first five years of practice, it also points to the need for educational courses, materials, and resources that support advisers in their ongoing professional development in new areas. These include interpersonal skills, effective communication, resilience, the management and measurement of trust and for advisers that chose a managerial career path, materials that support the development of competencies such as understanding client management systems, human resource management, leadership and reputation.

General Recommendations

The sector and in particular financial advisers, have dealt with a lot of regulatory reform over the last decade. Recent experiences with legislation have demonstrated to the industry that being well informed and taking a pro-active approach to adapting to the new legislation is important. This is especially true in light of the commencement of the Professional Standards legislation on January 1, 2019.

We recommend that regulatory and professional bodies, licensees and educators carefully consider the findings of this research and how it can be implemented to help grow the demand for quality personal financial advice.

We have opened the door for future studies that pilot the implementation of this framework and measure its impact on adviser development, performance and compliance as well as consumer engagement and welfare. The assessment of the proficiency of existing advisers within networks, the evaluation of a practices' ability to support younger advisers over 2-5 years, and the impact of long term interventions such as structured coaching and mentoring are open questions in need of further exploration.

Conclusion: A unifying theme for the financial advice profession

This research acknowledges other frameworks and provides a pragmatic and fresh approach, as defined by the profession, to understanding the competencies required to be a competent and trusted financial adviser.

It also provides new subject matter for educators to consider when developing their curricula and competency areas that may better prepare new advisers for their professional year. Many of the online panel affirmed the necessity for tertiary education and a degree, however, they also emphasised the need for continuing education in the workplace to enable advisers to gain the skills and abilities necessary for a client-centred practice.

This study has created new connections between a wide-range of stakeholders, a community of practitioners, academics and industry stakeholders. In re-imagining the knowledge domains and competencies required to be a competent financial adviser, new areas have been described that require new tools, educational materials and courses.

Through engagement with an expert panel that refined and evolved this framework, we have had the privilege of interacting with experienced practitioners, consumers and those supporting the advice sector through standard setting, compliance, professional associations, education and media.

For Beddoes Institute, this research project started seven years ago by asking advised clients for their perspective on the performance of the advice sector and continues through the engagement of an increasingly large group of stakeholders in a process of ongoing exploration and dialogue.⁵

Through the participation of consumers and a cross-sector panel in ongoing, iterative and reflective dialogue, this landmark research uncovers a new competency framework for the financial advice profession.

This is important because it reflects what experienced advisers, consumers and other industry stakeholders believe is needed to further gain the confidence of consumers and ensure the successful delivery of quality advice.

We are very excited to deliver these findings and research to the Australian financial advice profession; and perhaps, more importantly, to the Australian public. It is yet another reason for all Australian consumers to have confidence in, and to seek out, the skills and expertise of financial advisers.

OUTLINE OF THE NEW COMPETENCY FRAMEWORK



The ability of an adviser to provide technical financial advice services was the first item mentioned by all interviewees and invariably described as a “hygiene factor”, “must have” and basic expectation. This study found nothing to alter the importance of advisers being technically able and competent. While technical competencies remain core to the successful performance of advisers, the new Financial Advice Framework includes thirty additional competencies that were introduced and approved by the expert panel. In the interviews, these additional attributes were considered to be as important as technical abilities in the daily management of clients and provision of financial advice services.

The financial advice process was seen as the core competency by all members of the panel who focused their discussion on the importance of being able to elicit the client’s values, use research to assess the client’s situation, and provide unbiased advice.

The Professionalism domain followed the Technical Services domain closely in being readily approved by the expert panel. Both of these domains are easily recognised as fundamental to the provision of financial advice services.

Client Focus emphasised the importance of maintaining the centrality of the client in the advice process. This was described in interviews as the cornerstone of all client activity. These competencies are possibly a response to a constantly changing political, regulatory, social, and economic context and the importance never losing sight of the client in this. Being able to provide individualised, proactive, responsive and reliable client service was considered key to building trusted client relationships. This finding is supported by a previous study where the factors contributing to trust were quantified and it was shown that trust not only resulted in more satisfied clients but also created an environment where clients experienced better economic outcomes and practices found it easier to operate.⁶

It may seem controversial to place Personal Values within a domain of Self-Development but interviewees often spoke of the need to understand the impact of personal qualities on the client and their professional relationships. The theme of change continued in the Self-Development domain with recognition of the importance of resilience, being flexible, adaptable and responsive in the delivery of service and knowing how to use sound judgment when providing advice and practicing.

The centrality of trust was almost universally discussed in all interviews and an understanding of the role of trust within their client and professional relationships was unanimously considered vital by the panel. Within the Connecting with People domain, communication and interpersonal skills, strong listening skills, being able to use clear and articulate language, being able to develop a personal connection and strong relationships with clients, were considered some of the biggest challenges experienced by many advisers especially during the early years of practice.

Understanding behaviour patterns and psychology when providing advice to a client were competencies that generated a robust discussion in this framework because of the many ways in which they were described. In contrast, the ability to coach others in support of their goals was readily understood and accepted.

The Business Operations and Strategy and Leadership domains were accepted as essential to sustainability of businesses but not felt to apply to all advisers, only those that chose to work in a managerial capacity.

OUTLINE OF THE NEW COMPETENCY FRAMEWORK

Technical Services



1. Financial Advice Process

Financial Advice Process: being able to critically apply the financial planning process and create solutions tailored to client's needs and circumstances including determining the client's needs and goals, preparing, presenting and implementing a Statement of Advice, as well as monitoring and reviewing the plan over time.

This statement developed from the theme that advisers should be able to create customised advice for each client and track the outcome of this advice over time. The expert panel approved this statement with 91.5% strongly agreeing and 8.5% agreeing (100% approved: Consensus Rating 0.50). The Consensus Rating (CR) is a standardised scale of expert panel approval between -0.5 and +0.5 enabling easier comparison of the approval between competency statements (see Methods).

2. Insurance

Insurance: being able to analyse their client's needs in relation to insurance, apply the principles of risk management, understand the types of insurance and know how to evaluate insurance products. This also includes the requirements for clear documentation and disclosure in relation to insurance, the implications of taxation on premiums and benefits as well as an understanding of personal insurance (life, income protection, and health), general and compulsory insurance products and the management of claims.

The expert panel approved this statement with 82.2% strongly agreeing and 16.9% agreeing (99.2% approved: CR 0.41).

3. Cash Flow Management

Cash Flow Management: being able to manage cash flow including budgeting, securing and managing credit and understanding the impact on social security and government benefits e.g. superannuation

This theme developed from discussion on the need to create and monitor budgets and cash-flow in support of a client's goals. The expert panel approved this statement with 79.2% strongly agreeing and 19.2% agreeing (98.3% approved: CR 0.37).

4. Investment

Investment: being able to critically evaluate investment decisions including measuring risk tolerance, understanding the psychology relating to investing and the cost of investment. This also includes understanding the principles of portfolio construction

and asset allocation, gearing, diversification, managed investment, securities, derivatives, shares, real estate, cash, foreign exchange, and international investments.

Interviewees were most interested in this competency with consumers in particular believing that advisers must be able to create investment strategies that are customised to the client's needs rather than templated and standardised. The expert panel approved this statement with 65.3% strongly agreeing and 32.2% agreeing (97.5% approved: CR 0.22).

5. Retirement and Estate Planning

Retirement and Estate Planning: being able to evaluate retirement and estate planning practices including superannuation structures, taxation and investment strategy, wills, trusts and powers of attorney, administration of an estate, business succession, asset protection, SMSF, taxation implications, superannuation and death benefits.

The interviews described the importance of being able to provide comprehensive retirement and estate planning advice. The expert panel approved this statement with 71.2% strongly agreeing and 21.2% agreeing (92.4% approved: CR 0.21).

6. Taxation

Taxation: being able to apply the requirements of taxation to individuals, companies, partnerships, trusts and superannuation as far as these relate to financial advice including deductions, rebates and credits, fringe benefits tax, GST, salary sacrifice, assessable income, and superannuation.

Some interviewees considered that advisers should be able to evaluate the impact of advice on taxation. The expert panel approved this statement with 55.1% strongly agreeing and 35.6% agreeing (90.7% approved: CR 0.05).

Professionalism



1. Professional and Ethical Conduct

Professional and Ethical Conduct: adhering to relevant codes of professional conduct. They must uphold professional ethics and values and understand, and be able to implement, the relevant ethical Code of Ethics relating to their professional conduct.

Being aware and operating according to the codes of professional and ethical conduct was commonly mentioned by interviewees. The expert panel approved this statement with 85.2% strongly agreeing and 14.2% agreeing (99.4% approved: CR 0.44).

OUTLINE OF THE NEW COMPETENCY FRAMEWORK

2. Regulations and Compliance

Regulations and Compliance: understanding the importance of compliance with legislation and regulations and ability to be compliant throughout the advice process and in all interactions. Specifically it involves the obligation of disclosure to clients, the use of clear documentation (including the SOA), and an understanding of the regulations in relation to taxation, superannuation, investment and insurance.

Being aware of, and complying with regulations and legislation was also mentioned by interviewees. The expert panel approved this statement with 76.3% strongly agreeing and 22.4% agreeing (98.7% approved: CR 0.35).

3. Professional Development

Professional Development: understanding the need for ongoing professional development and reflective learning including assessing their own strengths and limitations and engaging in ongoing learning through activities such as structured feedback, self-assessment activities and peer to peer learning activities.

Interviewees described the need for advisers to be able to keep abreast of new developments through ongoing professional development. This ensured that advisers not only kept abreast of regulatory requirements but also developments that impacted the delivery of Technical Services. The expert panel approved this statement with 52.6% strongly agreeing and 43.6% agreeing (96.2% approved: CCR 0.08).

4. Training & Expertise

Training & Expertise: understanding the role of training and qualifications in the delivery of financial advice including understanding the limits to the advice they are qualified, authorised and skilled to provide.

This issue emerged in interviews in relation to the challenge that specialisation with advice presents i.e. if an adviser considers themselves to be specialised, what level of competency should they have outside of their chosen specialty e.g. risk advice, and how should they limit their practice? This issue was summarised simply as “being aware and operating within the limits of their training, expertise and qualifications”. The expert panel approved this statement with 62.2% strongly agreeing and 32.7% agreeing (94.9% approved: CR 0.17).

Client Focus



1. Client Needs

Client Needs: being able to correctly identify a client's needs by being present and flexible when listening to the client's concerns, goals, values and beliefs, helping them to articulate their needs. This may involve deconstructing a complex situation, uncovering and anticipating needs through extensive questioning, active listening, and testing ideas through the presentation of easily understood scenarios.

This was described in interviews as the cornerstone of all client engagements. It was most simply expressed as being able to accurately identify and anticipate a client's needs. The expert panel approved this statement with 85.3% strongly agreeing and 13.5% agreeing (98.7% approved: CR 0.43).

2. Client Management

Client Management: understanding the importance of maintaining a client-centric approach to the delivery of financial advice services including always acting in the client's best interest, clearly explaining the services and the remuneration to be provided, identifying conflicts of interest and openly disclosing them to clients and not permitting these to influence any decision or action.

Providing advice based on a client's needs alone, openly discussing how fees are structured and paid is now mandated. The expert panel approved this statement with 76.9% strongly agreeing and 19.2% agreeing (96.2% approved: CR 0.32).

3. Contemporary Advice

Contemporary Advice: being able to apply the impact of major social, demographic and economic shifts to the financial planning process including shifts such as divorce, the prevalence of blended families and an ageing population.

The social and economic context in which advice is provided is constantly changing. Being able to take new social, demographic and economic shifts into account when providing advice was considered important by interviewees. The expert panel approved this statement with 48.3% strongly agreeing and 47.5% agreeing (95.8% approved: CR 0.03).

4. Customised Service

Customised Service: being able to evaluate how client-centric an advice practice's client services are, including evaluating the extent to which an advice practice provides individualised, proactive, responsive and reliable client service.

OUTLINE OF THE NEW COMPETENCY FRAMEWORK

Being able to provide individualised, proactive, responsive and reliable client service was discussed during interviews as a key contributor to building trusted relationships with clients. The expert panel approved this statement with 41.9% strongly agreeing and 49.6% agreeing (91.5% approved: CR -0.08).

5. Client Education

Client Education: Being able to educate their clients in financial matters. This includes assisting clients in making informed financial decisions by helping them to understand their present and future needs and the risks and implications of their decisions. This may involve exploring their perceptions, learning style and personality in order to facilitate greater understanding, awareness and clarity.

While being able to educate a client in financial matters was only considered essential by some interviewees, the expert panel approved this statement with 54.5% strongly agreeing and 35.3% agreeing (89.7% approved; CR 0.02).

Self-Development



1. Judgement

Judgement: demonstrating sound judgement when applying the discipline of financial advice to each client's situation.

The ability to use sound judgment when providing advice emerged within interviews. The expert panel approved this statement with 72.9% strongly agreeing and 24.5% agreeing (97.4% approved: CR 0.30).

2. Personal Values

Personal Values: understanding the role of personal values and personal conduct in the provision of financial advice including showing genuine care for each client's welfare and future, demonstrating personal integrity, honesty, empathy, respect, maintaining confidentiality, keeping promises and acting proactively.

It may seem controversial to place 'personal values' within a competency framework however interviewees commonly spoke of the advisers need to understand the impact of these qualities on the client and their professional relationships. The expert panel approved this statement with 60.9% strongly agreeing and 35.9% agreeing (96.8% approved: CR 0.17).

3. Adaptability

Adaptable: Advisers must be adaptable and flexible. This includes providing individualised, proactive and

responsive advice to clients and building new systems and processes in response to a changing regulatory, technological or commercial landscape.

In light of recent structural and regulatory changes and an ever changing social, political and economic environment, being flexible, adaptable and responsive in the delivery of services and advice was considered important. The expert panel approved this statement with 48.1% strongly agreeing and 44.9% agreeing (92.9% approved: CR 0.01).

4. Systematic

Systematic: Being organised and systematic when managing clients and staff. In relation to clients this includes creating agendas for meetings, clearly articulating the financial planning process (and its value), establishing whether there is a match between each client's needs and the adviser's services, clearly articulating what service is, and is not, being offered, and confirming the responsibilities of the adviser and the client.

Being systematic and organised in all interactions with clients and staff was raised by interviewees. The expert panel approved this statement with 44.9% strongly agreeing and 46.2% agreeing (91.0% approved: CR -0.06).

5. Resilience

Resilience: understanding the role that resilience plays in maintaining performance and quality under difficult circumstances including understanding the impact of uncertainty and change on people, relationships, systems and economies and the need for flexible and adaptable solutions. On an interpersonal level this includes being effective in managing difficult conversations and resolving conflict.

The expert panel approved this statement with 35.5% strongly agreeing and 57.4% agreeing (92.9% approved: CR -0.13).

Connecting with People



1. Trust

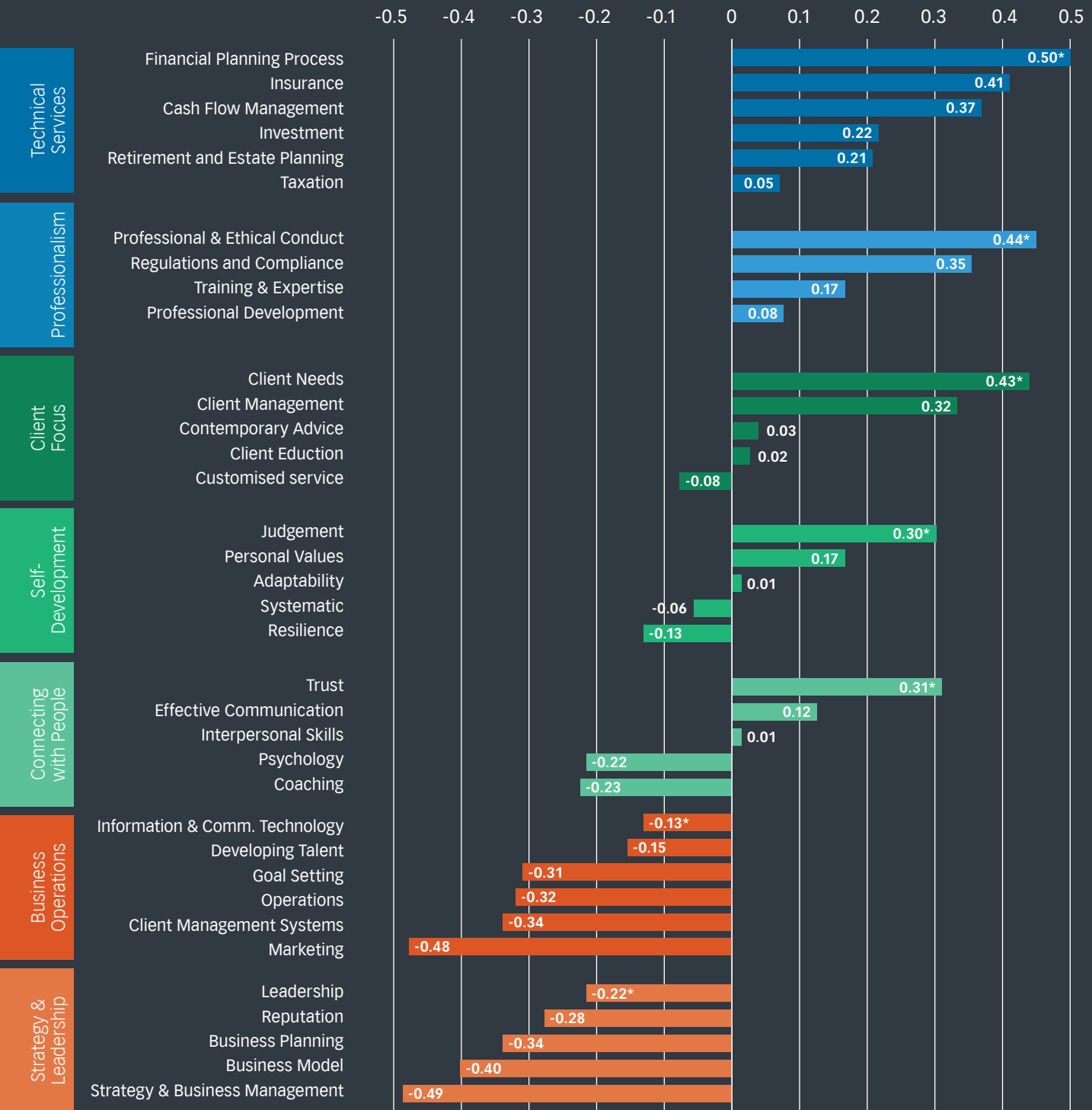
Trust: understanding the role of trust within their client and professional relationships including understanding what trust is, why it is important and how it can be managed. Advisers must understand the impact on trust of integrity, credibility, caring, client service and the business model used by the financial adviser.

The centrality of trust was almost universally discussed in all interviews. The expert panel approved this statement with 75.0% strongly agreeing and 21.8% agreeing (96.8% approved: CR 0.31).

OUTLINE OF COMPETENCY FRAMEWORK

Competency Framework by Consensus Ratings

Difference from Overall Average Agreement



* Consensus Rating



OUTLINE OF THE NEW COMPETENCY FRAMEWORK

2. Effective Communication

Effective Communication: effectively using strong interpersonal communication skills with clients, colleagues, partners and other professionals including the use of clear, articulate, respectful and appropriate language, re-framing feedback and providing helpful metaphors and analogies to paint a verbal picture, and understanding the role of tone and body language in communication.

Having strong listening skills and being able to use clear and articulate language when talking with clients was volunteered early in most interviews. The expert panel approved this statement with 59.0% strongly agreeing and 34.0% agreeing (92.9% approved: CR 0.12).

3. Interpersonal Skills

Interpersonal Skills: effective in developing strong relationships with their clients, colleagues, partners and other professionals including the use of strong interpersonal skills to build a personal connection with people, the effective use of emotional intelligence, empathy and rapport. It in part involves the ability to understand who a person is, their values and beliefs, and the context in which they live.

Being able to develop a personal connection and strong relationship with clients was considered one of the biggest challenges experienced by many advisers especially during the early years of practice. The expert panel approved this statement with 48.7% strongly agreeing and 44.2% agreeing (92.9% approved: CR 0.01).

4. Coaching

Coaching: understanding the principles of coaching in their interactions with clients and staff. When working with clients this includes being responsive to their client's needs and working with them in a clearly defined manner to achieve their goals. This may involve understanding behavioural patterns in order to effectively motivate clients to act in their own interest.

Being able to coach a client in support of their goals was approved by the expert panel with 34.8% strongly agreeing and 49.0% agreeing (83.9% approved: CR -0.23).

5. Psychology

Understanding psychology, behavioural economics, and individual behavioural patterns as they apply to themselves and to their clients and colleagues. This includes being able to listening to your own intuition and modifying your approach to others based on this information. They must appreciate how behavioural patterns are influenced by gender, culture, age and socioeconomic demographics.

Understanding behaviour patterns and psychology when providing advice to a client is one of the more controversial competencies in this framework because of the many ways in which it was described. The expert panel approved this statement with 38.5% strongly agreeing and 42.3% agreeing (80.8% approved: CR -0.22).

Business Operations



1. Information and Communication Technology

Being able to evaluate the role that information and communication technology plays in delivering financial advice including being able to critically evaluate new technologies and adopt them as needed.

Being able to communicate and provide services using the latest technology and innovation was easily approved by the expert panel with 35.6% strongly agreeing and 56.8% agreeing (92.4% approved: CR -0.13).

2. Developing Talent

For advisers that intend to manage staff, being able to apply human resource management techniques within a financial advice practice including evaluating a practice's organisational structure, position descriptions and roles, induction and staff feedback processes, staff training, development and performance management programs and applying these tools to create a successful team.

This statement was revised and restated for a second vote. Whilst it was considered important that staff are focused, coordinated, productive and happy in their role of providing services, the expert panel felt it important to acknowledge that not all advisers would have to manage staff. In this form, the expert panel approved this statement with 38.0% strongly agreeing and 53.2% agreeing (91.1% approved: CR -0.15).

3. Goal Setting

Being able to create clear performance goals for their clients, themselves and their team and critically evaluate change using robust performance measures.

While being able to formulate clear goals and effectively track progress was considered important, the challenge of selecting robust tools to measure outcomes was considered challenging. The expert panel approved this statement with 29.3% strongly agreeing and 53.4% agreeing (82.8% approved: CR -0.31).

OUTLINE OF THE NEW COMPETENCY FRAMEWORK

4. Operations

Being able to evaluate the elements of a financial advice practice's operations including workflow management systems used to coordinate the practice team, complaints handling processes, CRM systems, data security systems, compliance systems, practice policies and procedures.

This statement, including being able to manage client's information in a safe, secure and productive manner was nominated by some interviewees. The expert panel approved this statement with 29.7% strongly agreeing and 50.8% agreeing (80.5% approved: CR -0.32).

5. Client Management Systems

Being able to evaluate client management systems including client feedback plans, client segmentation and communication plans, and referral partner strategies. This includes processes to optimise the client experience and facilitate the acquisition of new clients through quality service delivery.

The means to creating and managing feedback processes to ensure that client's needs are constantly being met was considered important. The expert panel approved this statement with 28.0% strongly agreeing and 51.7% agreeing (79.7% approved: CR -0.34).

6. Marketing

Being able to apply marketing techniques for financial advice services including identifying a client segment to service, developing a marketing plan, using available market intelligence and industry benchmarking reports, creating a social media and direct marketing strategy and tracking the results.

All interviewees acknowledged the need to proactively offer services and communications that are relevant, accessible and affordable by using marketing skills and abilities. The expert panel approved this statement with 21.2% strongly agreeing and 50.8% agreeing (72.0% approved: CR -0.48).

2. Reputation

Understanding the determinants of practice reputation within the client segment they choose to service including understanding the role of public relations, leadership in the media, communicating excellence in all operational standards, as well as demonstrating corporate social responsibility in attracting and retaining clients.

Having a solid reputation, high credibility and being active in the community was volunteered by some interviewees. The expert panel approved this statement with 29.9% strongly agreeing and 54.7% agreeing (84.6% approved: CR -0.28)..

3. Business Model

Advisers should be able to evaluate a business model including being able to evaluate the impact of service offer, perceived value and fee models on efficiency, profitability and sustainability.

Being able to provide innovative, high-value services that are cost-effective, ensuring that practices are secure and sustainable was rated highly by many of the interviewees. The expert panel approved this statement with 23.9% strongly agreeing and 53.0% agreeing (76.9% approved: CR -0.40).

4. Strategy and Business Management

Being able to evaluate strategy and business management techniques in relation to financial advice practices. This also includes corporate governance, financial management and tracking systems to monitor practice performance against forecasts, a competitive (SWOT) analysis, a business emergency/recovery plan and a succession plan.

This business discipline was raised by some interviewees, particularly in relation to the issue of commercial sustainability and succession. The expert panel approved this statement with 18.6% strongly agreeing and 55.9% agreeing (74.6% approved: CR -0.49).

5. Business Planning

Being able to create a business plan by being able to analyse and evaluate commercial, industry and regulatory information within a changing environment and use it to create new business strategies for their advice practice.

The expert panel approved this statement with 33.9% strongly agreeing and 39.8% agreeing (73.7% approved: CR -0.34).

Strategy and Leadership



1. Leadership

Being able to evaluate the leadership role within a financial advice practice team and its impact on culture and team performance.

Having a highly functioning team, positive culture and strong leadership was considered important during interviews. The expert panel approved this statement with 32.2% strongly agreeing and 55.9% agreeing (88.1% approved: CR -0.22).

Rather than cataloguing competencies in existing curricula, the project started with a 'blank canvas' to ensure there was space in the framework to include previously unresearched competencies, skills and abilities in addition to the competencies that advisers are currently being taught.

Beddoes collated and reviewed the competencies contained in existing educational syllabuses and curriculum as well as the available frameworks used by licensees.

To provide for inclusion of new elements, Beddoes engaged in a structured process of industry-wide consultation involving consumers, professional associations, academics, industry, licensees and advisers.

Qualitative interviews with 60 advisers, academics, consumers, regulators, licensees, associations and other stakeholders defined current and future competency needs. They also provided an analysis of current frameworks and identified gaps and issues with existing checklists of adviser competencies. The interview data, along with financial advice literature was used to draft the competency framework. The authors acknowledge that this is a work in progress and that with regular reviews new competencies may be added to this framework and others removed.

Each competency statement was presented to each member of the expert panel who were asked whether they;

1. **Strongly agreed**
2. **Agreed**
3. **Disagreed**
4. **Strongly disagreed**

The order of the statements was randomised for each member of the expert panel on each occasion. Consensus was defined a priori as 70% or more of the respondents selecting either "strongly agreed" or "agreed". If this criteria was met then the statement was rated as approved for inclusion in the Financial Advice Framework and is described in this publication.

All respondents were invited to comment on the statement. If the statement didn't achieve consensus then it was redrafted in consideration to the comments received and posted for re-assessment by the expert panel.

Rounds of voting and feedback from an online expert panel of over 500 stakeholders including advisers, regulators, academics, industry and professional association members resulted in 36 competency statements being 'approved' for inclusion in the framework i.e. achieving greater than 70% consensus. In addition to the votes, over 1600 written comments were received by the Beddoes Institute and these have further helped shape the new framework.

This publication represents the findings following four voting surveys. The 36 statements that achieved consensus ranged from 74.6 - 100.0%. To assist in illustrating and comparing the level of consensus from one statement to another, the

"Consensus Rating" (CR) was developed. To calculate the CR from the panel votes, each vote was transformed where "strongly agreed" equated to 4, "agreed" equated to 3, "disagreed" equated to 2, and "strongly disagreed" equated to 1. The difference from the average of all ratings was then scaled to (-0.5 to +0.5) with the mid-point of zero equated to the average consensus rating. This result was used to illustrate the differences in consensus between domains (the average CR of all member competencies) and competencies.

The competencies were grouped into domains using a card exercise with small groups successively grouping competencies based on semantics. These groupings were then tested for consistency by comparing the consensus rating.

Following this, the Harvard Competency Scale⁷ was adapted to create the Financial Advice Proficiency Scale. This was used to gauge the competency expected from graduates, trainees with 1 and 2 years working experience, advisers with five years working experience and advisers with ten years working experience. The Financial Advice Proficiency Scale was defined as:

- 1. None:** Does not have this competency or ability.
- 2. Developing:** Needs coaching, help and support when performing related tasks. Understands terminology, concepts, principles, and related issues.
- 3. Proficient:** Usually performs related tasks independently but may need guidance from time to time. Able to apply knowledge to predictable and everyday situations.
- 4. Expert:** Able to work independently without assistance. Able to coach others and create resource materials in relation to this competency. Able to analyse complex and/or novel situations relating to this competency. Recognised as "a person to ask" when questions arise regarding this.

Members of the panel were asked to rate the level of competency expected from advisers with each of the above level of experience using the Financial Advice Proficiency Scale. All competencies were shown to panellists in randomised order.

To illustrate the level of competency expected the Financial Advice Proficiency Rating was converted into the Proficiency Rating. This is a 0-100 score derived from the Proficiency Rating Scale as follows; "none" equates to 0, "developing" equates to 33.3, "proficient" equates to 66.6, and "expert" equates to 100. This rating was used to compare competency levels at each stage.

CONSENSUS RATING OVERVIEW

Consensus Rating Overview

Domain	Unanimous	% Approved	CR (0.17 to 0.50)	Strong Consequence
Technical Services	Financial planning process	100.0%	0.50	Taxation
	Insurance	99.2%	0.41	
	Cash Flow Management	98.3%	0.37	
	Investment	97.5%	0.22	
	Retirement & Estate Management	92.4%	0.21	
Professionalism	Professional & Ethical Conduct	99.4%	0.44	Training & Experience
	Regulations & Compliance	98.7%	0.35	Professional Development
Client Focus	Client Needs	98.7%	0.43	Contemporary Approach
	Client Management	96.2%	0.32	Client Education Customised Services
Self-Development	Judgement	97.4%	0.30	Adaptability
	Personal Values	96.8%	0.17	Systematic Approach Resilience
Connecting with People	Trust	96.8%	0.31	Effective Communication Interpersonal Skills
Business Operations				Information & Communication
Strategy & Leadership				

Consensus	% Approved	CR (-0.13 to 0.17)	Moderate Consensus	% Approved	CR (-0.15 to -0.49)
	90.7%	0.05			
Artise	94.9%	0.17			
Development	96.2%	0.08			
Advice	95.8%	0.03			
ion	89.7%	0.02			
ervice	91.5%	-0.08			
y	92.9%	0.01			
c	91.0%	-0.06			
	92.9%	-0.13			
nication	92.9%	0.12	Psychology	80.8%	-0.22
Skills	92.9%	0.01	Coaching	83.9%	-0.23
ation Technology	92.4%	-0.13	Developing Talent	91.1%	-0.15
			Goal Setting	82.8%	-0.31
			Operations	80.5%	-0.32
			Client Management Systems	79.7%	-0.34
			Marketing	72.0%	-0.48
			Leadership	88.1%	-0.22
			Reputation	84.6%	-0.28
			Business Planning	73.7%	-0.34
			Business Model	76.9%	-0.40
			Strategy & Business Management	74.6%	-0.49

Association of Financial Advisers

The Association of Financial Advisers Limited (AFA) has been the authentic voice on the value of financial advice for over 70 years. Today, the AFA is a vibrant, innovative association, where the underlying driver of policy is the belief that great advice transforms lives. To this end the AFA is striving to achieve the vision of Great Advice for More Australians. The AFA's ongoing relevance as a professional association is derived from our success in engaging with the major stakeholders in financial advice including advisers, consumers, licensees, product and service providers, and the regulator and government. Culturally we believe in the value of collaboration to create powerful outcomes and this drives how we achieve influence and work towards our vision.

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Asteron Life

Asteron Life has been a life insurance specialist for more than 175 years. In 1833 we wrote the first life insurance policy in Australia. And we paid the first claim shortly after. True to the promise we make to our customers, we've been paying claims ever since. We can protect your lifestyle, and your long-term financial security with life insurance. But more than that, we want to make your life better today. To us, life insurance is all about 'celebrating life' and getting the most out of today – knowing that if anything ever does go wrong, you're covered.

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Beddoes Institute

The Beddoes Institute has a long history of research within financial services. Our goal is to drive positive change in the financial services sector so that as many Australians as possible may be helped by great advice practices and advisers, supported by like-minded peers through professional networks such as licensees and professional associations, and by an industry with great products and services.

The Beddoes Institute supports excellence through industry benchmarking, white papers, presentations and awards programs. As a result of its work, the Beddoes Institute regularly gathers feedback and ratings from thousands of advisers, advisers' clients, policyholders, claimants, and consumers. The Beddoes Institute maintains a register of the "Most Trusted Advisers" – advisers that seek feedback from their clients regularly and achieve the highest standard of trust.

The founders of the Beddoes Institute have designed and managed some of Australia's most important life insurance company benchmarking programs, including the Consumer Choice Awards, and have been involved in research and benchmarking for more than 15 years across several industry sectors including healthcare and education. Beddoes is not owned by any of the stakeholder groups it assesses.

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www.beddoesinstitute.com.au

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