



## Media Release

### FoFA Delivers Positive Industry Evolution

**Thursday July 18, 2013.** Seaview Consulting Directors Bob Neill and David Fotheringham are of the opinion that contrary to much of the angst amongst dealer groups and advisers, FoFA is in reality a catalyst for long term business transformation that will actually improve operational efficiency and customer service.

According to Neill and Fotheringham, practice owners are falling into one of two distinct groups – the first regards FoFA as an opportunity and are utilising the changes to review all their activities and implement strategies to build long term, sustainable and ‘leverageable’ businesses of the future.

The second group are addressing how best to meet the regulatory requirements forced upon them and generally making the appropriate adjustments required to meet the minimum of those obligations.

Seaview Consulting is of the view that the next 5 years are going to reward the advice ‘innovators’ – those who acknowledge that the models of the past are not the solutions for the future.

“The one certainty in what is a rapidly changing financial services landscape is that business is going to get more challenging and more competitive for the participants and those that adapt to meet the change will have greater prospects of success,” said Bob Neill.

For those financial services businesses with growth aspirations Seaview Consulting maintains that they will be faced with three choices to achieve their goals:

**More from More      More from the Same   or      More from Less**

Historically businesses seeking to expand focus on building value through the generation of more revenue and putting in place the resources to manage the activity created.

David Fotheringham added, “Traditionally 75% of the costs in an advice business are staff related expenses, and consequently as the needs grew so did staffing levels, i.e. the **More from More** approach.”

“These resources incurred large initial costs and utilisation grew until the business hit the next ‘step’ again requiring further investment and so the cycle repeated. The business constantly collides against the glass ceiling.”

**Efficiency (More from the Same)** is an approach which looks to create more from the resources that the business has available to it by working smarter, adopting more efficient practices and utilising technology better.

**Effectiveness (More from Less)** is an approach which looks to bring innovation to the business and change the nature of some of the things it does.

Opportunities exist in all businesses to take advantage of efficiency gains, and it is important to note that a dollar of expense saved is far more valuable than a dollar of revenue gained as the saved dollar goes to the bottom line whilst only the margin from the dollar earned makes it there! While there is a

limit to the amount a business can save, the journey to implement savings results in efficiencies and savings that can be re-invested into larger more innovative change.

The gains from efficiency are incremental but cumulative and the benefit to the business is the ability to increase capacity and to stretch the glass ceiling higher whilst creating more profit and more value.

David Fotheringham said, "Innovation will be rewarded but the real challenge for business is to look at the cost of implementing change as an investment and not an expense, focus on identifying ways to be more effective and to commit to making the required changes. There exists today opportunities to utilise support such as outsourced solutions, technology interfaces and alternate communication mediums in redefining how owners conduct their business."

"The willingness to embrace change and at times radical change may well be the catalyst that transforms the business in the new paradigm and delivers significant out performance in a new environment. Achieving change requires business owners to acknowledge the need to seek and utilise experts in communications, marketing, technology, process design and other specialist disciplines. Managing experts and continuing to maintain a client focus requires faith in their own ability to generate new business and the skills of the expert."

In order to obtain **More** from **Less** through improved effectiveness, radical change and business transformation is necessary, this will only be achieved by business owners displaying real courage to address challenges that may well require – halving the client base; integrating some direct channels to their offering, changing the service proposition; and so on.

Bob Neill concluded, "Initially, we expect only a small number of financial services businesses will take advantage of the opportunity FoFA will provide to implement lasting business change and transformation."

"Ultimately, the willingness and commitment to embrace the effort involved in implementing the necessary changes will be paramount to utilising FoFA as the catalyst for business transformation and long term business viability and success."

**Issued by Seaview Consulting    [www.seaviewconsulting.com.au](http://www.seaviewconsulting.com.au)**

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