

# How to ensure that your practice endures any market cycle

In a recent Glacier webinar, Anton Swanepoel, author and independent trainer, unpacked the fundamentals of practice management – the essential building blocks that ensure that your practice will prevail through any market cycle. The fundamentals are the basics of practice management that apply to new entrants into the industry as well as seasoned intermediaries.

## The fundamentals of practice management

Anton points out that there is a distinct difference between business management and practice management – these two concepts often are used interchangeably but are different. The former ensures that your business survives and thrives. The focus is on financials, legal issues, systems and operations and ensure your business has a plan to grow and flourish. The business provides a smooth platform from which you operate and provide services to your clients.

Practice management relates to your role as an intermediary. It is a collection of responsibilities as a client-facing professional in this industry and should be steadfast regardless of the size and tenure of your practice as a representative.

Anton unpacked the fundamentals as follows, which incorporate the framework for every FSP business, based on consistency:

- Leadership, which includes self-leadership. Anton defines leadership through a quote by Simon Sinek: “leadership is neither a rank nor a title. It is a choice – the choice to provide care and protection for those for whom we are responsible”. Leadership involves defining the reality for your practice – the external forces that impact on your ability to operate effectively as a representative. Examples of this reality could include, among others, COVID, the political landscape, corruption, loadshedding, rising costs, crime and over-regulation.

- Vision. For vision to endure, you need all three of these elements to guide your behaviour:
  - a significant purpose
  - a picture of the future
  - clear values
- Values. Who are you? What anchors you? What do you stand for? Trust, respect, education, commitment to excellence and collaboration are examples. A representative must render financial services honestly, fairly, with due skill, care and diligence, in the interest of clients and the integrity of the financial services industry.
- Value proposition. What do you offer clients that they can't obtain from any other service provider in the industry? What are the benefits for clients doing business with you? What makes you stand out?
- Strategy. Without a clear strategy, an organisation will struggle to find its footing and probably will lose clients and its people. Strategy includes leadership, vision, values, a well-defined value proposition, structure, people development and tools.
- Structure includes people, training, business infrastructure, processes and systems, marketing, risk management and compliance, administration, remuneration and financial management. Here, the practice organigram is important.
- The 10-step client engagement process. The Conduct of Financial Institutions Bill is being presented to Parliament and will likely replace the Financial Advisory & Intermediary Service Act in time to come. The Conduct Bill will bring with it complexity and increased legislation. In light of these changes, aligning to the fundamentals of practice management and the 10-step client process is of paramount importance. Together, they form the sound foundation for growing a practice, and attracting, creating and retaining clients, in a culture of excellence.

The financial planning industry calls for continuous development and improvement, and practice development is an ongoing process to ensure that intermediaries have a lasting business with strong client relationships. With these necessary building blocks in place and that are reviewed regularly, your business longevity can be assured through prosperous as well as challenging economic times.

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