

KP FINANCIAL PLANNING

Keeping it in the family

Written by: Jessica Gadd

When Greg Roberts finished high school and undertook an engineering degree, he had no idea his career path would eventually wind its way to his father Pat's financial planning business.

And while keeping the business in the family may have been a goal for Pat, his eldest son had other ideas. After studying, Roberts pursued a career in real estate.

Occasionally Pat would give a gentle nudge – “Why don't you join the business?” – and his son would respond firmly in the negative.

“My father Pat has been in the industry for 40 years now. I guess he wanted to see a continuation line for the business. But though he asked me several times over many years, I always said no. I'm not sure what changed. I think I wanted to do something different and, in 1998, he caught me at the right time,” Roberts says.

When the rose-coloured glasses came off and the reality of working full-time together became clear, both men had to adjust their expectations. To their surprise, they found they had completely different perspectives on the way things should be done. The solution was to find ways to make their skills work in a complementary way, rather than focusing on the differences. “Dad was the people person, I was the nuts-and-bolts man, and this actually worked quite well eventually,” Roberts explains.

“For a period of about six months I think we got every new client we sat down in front of because we worked really well as a team. We still work together occasionally when we can see a client will need both our skills. It makes sense for each of us to play to our strengths.”

In his early years at KP Financial Planning, and while studying for his diploma of financial planning, Roberts worked in many different roles within the business so that he could gain a 360-degree understanding of how it operated. He credits the 100 per cent strike rate with new clients to his time in the paraplanning role, which allowed him to have more control over the quality and substance of the work that was presented, and the technical perspective he brought to the business. Roberts was also learning a lot



from his father. “One of the best bits of advice dad gave me is that people buy people. And he's right – at the end of the day, if they don't like you, it won't happen. You've got to have a good relationship with your client for it to work,” he says.

At the time Pat was on the lookout for a fresh-thinking financial planning group – one without ties to financial institutions. Along with a group of like-minded advisers, he became a founding member of Matrix Planning Solutions in 1999, bringing KP Financial Services (or Kalamunda Insurance and Consultancy Services as it was known at the time) along with him.

It was to Matrix chairman Pieter Franzen that he turned for advice when his mind turned to the issue of succession in 2006. Franzen sat down with the two Roberts men and helped them come up with a succession plan, and as a result, Roberts purchased 40 per cent of the business in 2006 and a further 10 per cent in 2008, so he now has a 50 per cent stake.

Almost immediately after Roberts first bought into the business, his brother Damien left a 10-year career in IT to join KP Financial Planning in 2007. Different again, Damien brought another new perspective to the business, and Roberts says the family's no-holds-barred approach is all for the better. “Because we're family, we can speak openly and frankly with each other, which results in a creative, ideas-sharing environment,” he says.

The other benefit of being a family business is the continuation for clients. As Pat reduces his workload, clients are being passed to his sons (and employee Jane Boyce, a paraplanner and qualified adviser). According to Roberts, this is ideal for the financial planning industry, given financial planning is such a long-term, moveable feast that may require adjusting or revising as the years pass.

SNAPSHOT

Company name: KP Financial Planning

Location: Western Australia

Total funds under advice: \$60 million

Number of clients: 1200

Platforms: Oasis, First Choice, BT

Software: Xplan (IRESS)

Research: van Eyk

Staff: four advisers, three staff

Dealer group name: Matrix Planning Solutions

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Another natural continuation is that as Pat approaches retirement, so do many of his long-term clients. This is one reason Roberts flags retirement as a growing source of business – another is that KP Financial Planning is located in a retiree area so it's a big part of their client demographic. But the main reason, Roberts says, is the number of their clients who have postponed retirement.

“There's been a real trend among our clients to delay retirement due to the tight financial times over the past few years, so we're gearing up for that as the next big push in the market. There's only so long retirement can be delayed,” he says.

While Roberts describes himself as a holistic financial planner, he says his specialisation is in developing individual strategies that enable clients to control their debt, while increasing their wealth and reducing their tax. He has found ample opportunity to put his love of problem solving to good use following the changes that have rocked the finance industry in recent years.

“The last few years have taught me more than the whole decade beforehand,” he says.

“I've realised the world doesn't operate in a nice straight line. As financial planners, we need to understand the consequences at play and protect our clients from being exposed to them. We also have to work harder for financial returns for our clients than we used to. It's no longer a case of things like manage funds being the easy answer – a diversified, tactical approach is required now, even one that incorporates things we never used to consider. Lucky for me I'm not your typical planner. I spend more time than I should exploring different strategies. To me, that's the fun part. I try to identify all the ins and outs, the different courses a particular strategy might take, and I ask: ‘What can we do to make this better?’” «