



The Retirement Advice Centre



ADVISER PROFILE

David Reed

B.Bus. Adv.Dip.FS. SSA. AFP ®



Personal Profile: Mr David Reed

ASIC Authorised Representative No.263557

Phone 1300 78 55 77

Email david@smartretirement.com.au

Web www.smartretirement.com.au

Head Office Endeavour House, Ground Floor, 3-5 Stapleton Ave, Sutherland. NSW.

What Can David Do For You?

- Design a retirement plan that will prepare you financially for virtually anything that may happen
- Manage your money with the application of evidence-based strategies with the aim of delivering predictable outcomes
- Provide you with comfort of knowing:
 - How much income you can live upon in retirement,
 - How long your money will last, and the
 - Potential to financially assist your family today, a 'living legacy'

What Clients Value Most (so they tell us)

- David explains his advice about money in a way that makes it simple and easy to understand. The lifestyle tips prior to actually retiring are also very handy to know.

What Hangs On The Wall

- 2016 - Global Financial Planning Award Winner - Europe Region (includes Australia, NZ and Russia)
- 2015 – Beddoes Institute - National Most Recommended Adviser
- 2015 – Beddoes Institute Most Trusted Advisers Network - Most Trusted Adviser
- 2014 – Millennium3 National Innovation Award
- 2014 – One of the 50 Most Influential Social Media Users in Finance
- 2006 – IFA Adviser of the Year
- 2005 – IFA Award for Outstanding Achievement
- Bachelor of Business
- Advanced Diploma of Financial Services
- Accredited Dimensional Fund Adviser
- Self Managed Super Fund Adviser (SSA)
- Member of the Retirement Income Industry Association (USA)
- Member of the Financial Planners Association (FPA),
- Member of the Association of Financial Advisers (AFA),
- Member of the Million Dollar Round Table (MDRT)
- Certificate in Retirement Coaching (USA)

David is the author of two books. He co-authored a book 'So You Think You Are Ready To Retire' with Canadian retirement psychologist Barry LaValley, as well as his easy-to-read guide of '50 Tips for Over 50's'.

Expert Retirement Advice



David has appeared regularly in the media to share his expertise in retirement including appearances on the Today Show, Radio 2GB , Australian Financial Review, Sun Herald, St.George Sutherland Leader, Financial Standard Magazine, Money Talk, IFA Magazine and SMSF Adviser and more.



Meet Your Adviser – 8 Questions

Q1 – What are some of your non-financial areas of interest in your work?

I enjoy learning more about Gerontology, and specifically the psychology of retirement.

I had a discussion with a client aged in his 70's. We had only been advising him for a little while, and I asked how his retirement experience was. He expressed a strong dissatisfaction with the early year, and was only marginally getting better now. He held the view that "retirement is like a freight train coming at you full steam ahead. Nobody tells you it's coming, in fact, you think it's all going to be full of golf days, travel overseas and a life of luxury. It really isn't. Even today, I still think there are more disadvantages than advantages to retirement – and it's nothing to do with the money."

Very slowly, I believe that governments and the media are making people aware, but a lot more needs to be done in making pre-retirees aware of how difficult retirement can be. While the focus is on the money, that only tells part of the story.

Knowing what you are retiring 'to', is far more important than knowing what you are retiring 'from'.

I also spend a lot of time examining housing trends as we age. I am a board member of a nonprofit organisation called Home Modification Solutions, which assists people to age at home. The overwhelming majority of Australians want to age-in-place, so researching technological aids and innovations to assist them to do so is an interesting and growing field of study.

Q2 – What do you love most about your career?

The most enjoyable aspect of being a retirement adviser is the profound difference we can make in people's lives.

My belief is that there is no other profession in which you can become so intertwined with a person's past, current and future. To fulfil our role and enhance the value of our advice to client's, we need to know their aspirations, fears and worries.

This gives us the opportunity to align their money with the lifestyle that they wish to lead in retirement, and also have contingency plans along the way built-in for security and peace of mind.

Q3 – What's your favourite way to relax?

Going to the gym in the morning, having a fish from my kayak in Botany Bay or the Port Hacking, or simply having a hit of tennis with the kids.

Q4 – What are common discussion topics with clients?

Generational Wealth is far more commonly discussed than say 10 years ago.

Australian's are not quite as emotionally driven as the United States where legacies can be a significant goal for a retiree. However, with the rapid increase in property prices in Sydney and Melbourne for the past few years, retirees are wanting to help their kids out where they can.

The difficulty for them is that they are worried that by giving them money today, they may impact their own standard of living, and how long their money will last.

The benefit of our approach has been that due to our evidence-based approach with money management, we have a lengthy historical understanding of how the diversified portfolio will fluctuate and the rates of return. Nothing is guaranteed, but we have software analysis that runs many thousands of simulations based upon history to give us a good range of future outcomes for the client's retirement savings.

We can then track this capital regularly to measure how long the retirement savings will last.

At the same time, with the building of a safe floor of income that is unrelated to stockmarkets, our clients then have a clear understanding of how much income that they can have should worst case scenarios arise.

This combination of retirement asset strategies gives our clients confidence, during the good times particularly, to know when they can withdraw money for their family, without necessarily impacting the longevity of their money, or their living standards.

It's a form of a 'living legacy' that the whole family can enjoy.

Without an evidence-based philosophy to support and provide a robust level of understanding, it is unlikely that we would be having these discussions with our clients.

Q5 – If you could spend a week anywhere in the World, where would it be?

Wherever the major sporting event is on during that week.

My wife and I went to the 2006 Soccer World Cup in Germany, and the buzz during those types of events is it's best. always memorable. The other benefit is that you tend to see the host country presented at

Q6 – Where do you see yourself in 5 years time?

I would like to develop our Retirement Coaching service.

While I will always enjoy assisting retirees manage their money in an evidence-based approach, I believe that there is much more work to be done in not only educating prospective retirees, but also providing them with tools to implement the choices along the way. It's a massive project, but one in which I am find rewarding as we begin a brand new business and service idea from scratch.

Q7 - What's your favourite restaurant?

My daughter loves sushi, so the local Sushi Train is always popular after a game of tennis.

My son enjoys breakfasts down at Nulla Nulla Café, Cronulla and their funny kids pancakes, while my wife enjoys any opportunity to have a rare evening away from the kids.

For a family, probably one of my favourite venues is The Deck at Luna Park. Awesome views.

Q8 – Where are you likely to bump into David outside of work?

My weekends are generally taking up by my second job as a concierge for my son and daughter. If it's not going to their friend's place, it's off to sporting events.

My daughter is an avid tennis player, so that involves travelling all around Sydney and Wollongong, while my son loves to just kick a ball around the park.

When I get time in Summer, I try to get out on the Port Hacking River for a kayak and fish. In Winter, I try to take the kids out to a sporting event such as the St. George-Illawarra Dragons game or Sydney Swifts netball.



/smartretirement



David Reed



@smartretirement

Professional Service Information

This document must be accompanied by the Financial Services Guide of Millennium3 Financial Services Pty Ltd.

Who is your adviser and how is he authorised?

Your adviser is David Reed.

He is providing retirement advice services to you as an authorised representative of Millennium3 Financial Services Pty Ltd AFSL No. 244252. David Reed is the director of Original Blue Pty Ltd ATF Reed Family Trust T/as The Retirement Advice Centre ABN 73 758 235 532 ASIC Authorised Representative No. 260538.

How is David paid?

David is a director of the company and is paid director drawings and/or dividends.

What fees will you pay for the services David provides?

We are typically paid on a fee for service basis. It is not permissible for product providers to remunerate your adviser with any in-built commission on investment and superannuation products.

Fees that may be applicable for the preparation of your advice are:

Retirement Planning Strategic Advice:

Range from \$2,950 - \$4,250 (inclusive GST)

Includes 90 days at-call, unlimited access for any queries.

Stay On-Trac Management Service:

Dependant your choice of service, this fee may be:

Gold Service

- Recommended for up to \$1m household assets
- \$416 per month (plus GST) - Yearly review

Platinum Service

- Recommended for \$1m to \$3m household assets
- \$895 per month (plus GST)
- Negotiable fees for above \$3m in assets.

Alternatively, assets under management fee may be preferred for 0.55% to 1.1% (inclusive of GST) dependant upon household retirement assets under advice.

It may be the case that of a personal insurance product paying commission to your adviser as this is in-built within the product. However, if your adviser is recommending insurance, then this will be disclosed to you at the time your adviser provides the advice.

Commissions

Some product providers pay commissions to Millennum3. The amount of commissions received will depend upon the type of product and the amount invested or premium paid.

If we receive commissions as a result of recommending a product to you, we may reduce our fee for service. In the event that we reduce our fee for service in this manner and you decided not to proceed with our recommendations, or if your Insurance policies are cancelled within the first 2 years' of acceptance (in which case the insurer claims back all the commission paid to us), we may invoice you directly for the cost of our service.

What other benefits and interests may David receive?

I manage, and will clearly disclose to you anything that might reasonably be capable of influencing my advice or creating a conflict of interest; I will clearly disclose our interest or the nature of the conflict to allow you to make an informed decision about my advice. I may also receive other benefits such as awards; invitations to training conferences, social or sporting events; receive marketing support and gifts from product providers.

- I am also a director of Keyperson Life Insurance and Polaris Financial Solutions.
- I also hold authorities to provide advice with Keyperson Life Insurance, Capricorn Financial Advisers Pty Ltd and Polaris Financial Solutions Pty Ltd.

Additional Privacy Disclosure - Our operational business partners

In order to keep our costs competitive your adviser utilises specialist business support resources that are located in the following countries:

- United States of America, Philippines and Singapore

The organisations we have contracted to support our business have confirmed to us they will adhere to the Australian Privacy Principles when dealing with your personal information. They will not contact you or share your information with any other party unless they have your express approval.

Services I Can Provide You

Advice Services	Products
<ul style="list-style-type: none"> • Advice Services 	<ul style="list-style-type: none"> • Products
<ul style="list-style-type: none"> • Retirement Planning 	<ul style="list-style-type: none"> • Superannuation Funds
<ul style="list-style-type: none"> • Superannuation Advice 	<ul style="list-style-type: none"> • Retirement Savings Accounts
<ul style="list-style-type: none"> • Centrelink Planning 	<ul style="list-style-type: none"> • Pension Funds and Annuities
<ul style="list-style-type: none"> • Self Managed Super Funds 	<ul style="list-style-type: none"> • Securities
<ul style="list-style-type: none"> • Corporate Superannuation Advice 	<ul style="list-style-type: none"> • Deposit Products
<ul style="list-style-type: none"> • Wealth Accumulation Strategies 	<ul style="list-style-type: none"> • Managed Funds and Investments
<ul style="list-style-type: none"> • Personal Risk Protection Advice 	<ul style="list-style-type: none"> • Personal risk insurance products
<ul style="list-style-type: none"> • Tax Effective Strategies 	<ul style="list-style-type: none"> • Margin lending products
<ul style="list-style-type: none"> • Direct Shares/Equities advice 	<ul style="list-style-type: none"> • Life insurance investment products
<ul style="list-style-type: none"> • Debt Reduction strategies 	<ul style="list-style-type: none"> • Gearing facilities
<ul style="list-style-type: none"> • Gearing Strategies 	
<ul style="list-style-type: none"> • Derivatives advice 	
<ul style="list-style-type: none"> • Business Risk Protection Advice 	

Performance - Client Survey



* Scores out of 10. Based upon independent research conducted by the Beddoes Institute in August 2015
** www.mosttrustedadvisers.com

Client Testimonials

Key Strengths

- " David Reed puts you at ease very quickly. He speaks with confidence and assurance giving you peace of mind that he knows what he is talking about and therefore having your best interests at heart. He makes you feel you are his only client and that your future financial security is his main concern. After every meeting/contact I feel satisfied that he has my financial security in hand.*
- " David is really good at reflecting back his clients' aspirations and concerns, both in conversations, then in creating and implementing a financial plan. Ease of access to him is excellent, when there are questions to be asked, or concerns to be allayed. Explanations are given clearly. His staff always contact me before a document is sent, to explain its nature, and how I should deal with it.*
- They are pleasant, caring people, and I feel very confident in them. Explaining financial products in laymen's terms*
- " Communication. This is the mainstay of any business and client relationship. David is very good at communicating and making my wife and I understanding the intricate pieces of investment and working towards retirement.*
- " Always able to contact David. Keeps his appointments without fail. Able to answer all questions follows up any queries that may arise.*
- " David is reliable; his advice has been well suited for us; he always considers our individual and personal goals when providing advice; he is always available to review investments when they arise and provide objective financial information as well as providing his recommendations; he has been able to give us confidence that we will be able to achieve our financial goals. On a personal level he is great to deal with.*
- " We have constant contact and reassurance from David and his entire team in regards to our investments. If major issues are reported on the news causing is to have queries or concerns we receive a call, a newsletter or an email offering advice. This contact offers us peace of mind.*
- " We believe that the advice is grounded in good science, as best as possible.*
- " Ticks all the boxes - sound, personalised advice*
- " they understand that my money can help me shape the life I want to live*
- " The financial plan that has been implemented for me is now producing outcomes that David and his team have been assuring me would happen. They have been readily contactable, to explain to processes, to answer any questions, and provide all the reassurance I have needed.*
- " I'm very impressed with the close communication and efficiency of the retirement advice centre and all their representatives. Everyone is very approachable and the monitoring of our finances has given us great peace of mind and confidence in coping with our future financial needs.*

High Satisfaction Reasons

- " We have always received professional service, ongoing communication, assistance whenever required and a confident feeling that our finances are in capable hands. Staff could not be more helpful and always a pleasure to deal with.*
- " The service, advice and value for money that I was given was faultless. The professional and friendly way in which I was treated is a credit to Mr Reed.*

Based upon independent research conducted by the Beddoes institute in August 2015.



In the Media

AFA 2015 National Adviser Conference

NSW Retirement Adviser Wins 2015 AFA Adviser of the Year

October 27, 2015

NSW adviser, **David Reed**, has been announced as the winner of the prestigious AFA Adviser of the Year Award for 2015.

He received his Award at the traditional gala dinner marking the end of this year's AFA National Adviser Conference in Cairns.

Positioning himself as a retirement adviser, Mr Reed is the principal of **The Retirement Advice Centre**, based in the southern Sydney suburb of Sutherland. He also has other offices located in Sydney, Melbourne, Canberra and Brisbane.

Presenting the Awards at the AFA National Adviser Conference Gala Dinner in Cairns, AFA CEO, **Brad Fox** said Mr Reed, along with **AFA Practice of the Year winner**, Kearney Group, represents the best of the best in the financial advice profession.



2015 AFA Adviser of the Year, David Reed

"The AFA Adviser of the Year and Practice of the Year Awards are the highest honours that can be bestowed on financial advisers in Australia. Nominees are put through a comprehensive judging process including an in-depth client feedback survey, site visit, examination of advice documents and interviews with staff," he said. "In the final stage, advisers must make a comprehensive, face-to-face presentation to the judging panel."

In a release announcing the winner, the AFA noted Mr Reed impressed the judges '... through the strong evidence-based approach he applies to his advice which is focused on preparing and assisting clients to achieve their ideal retirement.' The release continued, 'Mr Reed has invested considerably in researching behavioral outcomes for retirees and this brings a mix of art and science into his advice recommendations and the ongoing, highly valued relationships he maintains with his clients.'

Mr Reed shaded fellow grand finalists, **PJ Byrne** (Qld) and **Catherine Robson** (Vic) for the 2015 Award, both of whom also achieved grand finalist status last year.

Previous winners of the AFA Adviser of the Year Award, sponsored by Zurich since its inception in 2003, are:

2014 – **Eleanor Dartnall**, NSW

2013 – **Jenny Brown**, Vic

2012 – **Olivia Maragna**, Qld

2011 – **Troy MacMillan**, WA

2010 – **Steve Salvia**, WA

2009 – **Graham Campbell**, Qld

2008 – **Paul Daily**, Qld and **Adam Smith**, WA

2007 – **Philip Young**, NSW

2006 – **Troy Edmondson**, Qld

2005 – **Jim Taggart**, NSW

2004 – **Brian Boggs**, NSW

2003 – **Bernie Toohey**, Vic

Philip Kewin, Zurich General Manager Retail Life and Investments, said the AFA Adviser of Year Award and the **AFA Practice of the Year Award** are an important celebration of the vital role advisers play in improving lives.

“Now, more than ever, we need to showcase these exceptional advisers and practices to the broader community,” he said.

NEWS / FINANCIAL PLANNING

Top AFA adviser to offer retirement coaching

04 Nov 2015

By Kristen Crawford



13



2



3



0



Email article



Print article

Related Articles: [AFA awards excellence in advice](#) | [AFA celebrates outstanding performance](#) |

The 2015 Association of Financial Advisers (AFA) Adviser of the Year has indicated his business is planning to deliver retirement coaching courses to the practice's network of clients.

The Retirement Advice Centre's David Reed, who was crowned the AFA's top adviser at its national conference in Cairns last week, told financialobserver that he, along with Winning Thinking psychologist Dr Mike Martin, planned to lead the retirement courses, which were to be built into the business's service offering.

"Dr Mike Martin has worked with me for the past two years building the framework in terms of having our advisers trained in the retirement coaching side of the business and these courses will be the next phase of our growth," Reed said.

The Retirement Advice Centre, located in Sutherland, in Sydney's south, comprises Reed, two additional advisers and three administrative staff.

Reed said from 2002 to 2008, and following a 10-year career with the police force, his early days as self-employed adviser consisted of delivering mainly strategic advice to high net worth wealth accumulators, but the business was transformed following the global financial crisis.

"The catalyst was in 2010 when a number of our clients moved into retirement phase," he said.

"During 2010, the group spent a lot of time with its existing clients really taking them financially to be prepared for retirement, with what we called the magical number in their retirement savings that would give them the option to retire.

"What we found was a number of our clients wouldn't actually retire, no matter what their wealth was, so we spent a lot of time researching globally with academics, gerontologists and psychologists on what people needed to retire."

At the time, the group decided to join forces with a retirement psychologist from Canada, Barry LaValley, which led to Reed co-authoring a book, *So You Think You are Ready to Retire?*, he said.

"One of [LaValley's] core philosophies that I suggest to a lot of our clients is it's okay to know what you're retiring from, but it's more important to know what you're retiring to," he said.

From his research and involvement with the book, he said scientists suggested people should keep their brains active in retirement and continue with things such as hobbies and volunteering.

A NEW APPROACH

David Reed, retirement adviser, The Retirement Advice Centre

FS Advice spoke with 2015 AFA Adviser of the Year, David Reed, who believes that financial advice must move into a retirement coaching role to enable clients to achieve their goals.

Photograph by Hayden Brotchie

**The quote**

I see education as a ticket to the game.



Helping others has always been a big part of David Reed's life and after spending eight years as a plain clothes police officer Reed decided it was time to turn a hobby into an award-winning career.

"I started in the police academy in the late 1980s and I was there for 10 years. It was an enjoyable experience, but it's kind of a rule that you're either in it for life, or 10 years. I chose the 10-year route.

"Good friends of mine were in the financial planning industry, for probably 30 years now, and I used to trade stocks and read about quantitative investing a lot back in those days, just as a bit of a hobby.

"It's about the opposite of what I do now in a way, but their suggestion at the time was 'why don't you turn a hobby into a profession' and that was the start of it back in 2002."

Starting The Retirement Advice Centre, Reed wasn't so much interested in trading stocks or watching markets but instead developed a keen interest in the evidence based approach to investing and retirement, a trait he claims might have something to do with his police background.

"One of the big things that really interested me was the research around financial planning. I think it's got a lot better since I was first looking at the profession.

"It was a lot more art than science, there was a lot more intuition than fundamental academic evidence. I guess from my history back in the police, everything we did was always fundamentally based upon evidence and for me that was the way forward."

It was Reed's drive to create an experience rather than just a profession that helped develop his firm from being just another

financial planning business to a firm that guides clients to not only achieve but to be prepared for their retirement goals.

Awarded the 2015 Association of Financial Advisers (AFA) Adviser of the year for his commitment to improving the financial literacy of both pre and post retirees. Reed and his firm provide specialist advice to clients on superannuation, pension, SMSF, investment, estate planning, tax and insurance. He has also authored two books with Canadian retirement psychologist Barry LaValley to help provide readers with expert guidance on the key lifestyle issues surrounding their retirement.

Psychology and retirement

To explain his approach to retirement planning, Reed speaks to one of his favourite analogies, claiming that a retirement plan or financial plan is much like a jigsaw.

"A lot of people start a jigsaw by the corners, but to start the jigsaw you have to know what the picture is on the cover of the box. For retirement that's really a case of spending a lot of time with clients and using the right framework and tools to get a lot more clarity on what that picture actually looks like and aligning money to that vision."

Playing down his growing number of achievements, Reed argues that for clients it's the small things that make a difference.

"I just see what we do as what we do. Whilst we might think that we're doing some really good things financially with clients, quite often if we ask them at the end of our meetings how they're tracking,

Cover story

Volume 11 Issue 02 | 2016 www.fsadvice.com.au



what's been the most value they'll come up with some bizarre answers like – 'at the year out of our retirement you

told us to replace the major expenses like the cars and whitegoods. In hindsight we're so glad you did that'. And that's purely incidental to what we think but delivers such value to them."

"I did a retirement coaching course in the US that was looking at a more structured framework around ageing and the issues that were likely to occur. These range from financial literacy to divorce, disease, illness; the list goes on.

"When we speak with clients we've got to factor in the divorce

Reed's approach to financial planning developed out of his keen interest in psychology and in particular the psychology behind the ageing process known as gerontology.

Gerontology is the scientific study of the ageing process and all the problems associated with that process. It is through his ground-gerontology that Reed has propelled himself from a financial planner to a retirement coach.

ment, their status and their ego markets and investment strategies but a passion for the importance of customer centricity

egies but a passion for the importance of customer centricity *see it is more of a coaching role,* male for toys, hobbies – for and engagement. things they've never done be-

clients understand what retirement will really mean for them, looking further than just the money they have saved in the bank.

"We talk with clients about what academics call the 'retirement smile'. When a prospect comes in, particularly a husband and wife, they might tell us that they've got \$60-80k a year that they want in a planner to manage their spending habits, because a job that not only requires they've lost their time understanding of finance, that they've

The future of advice as far as I

see it is more of a

rather than an advice role.

"When I first started it was very much a case of – well I'm reading all this proven academic evidence from places like Chicago University – and I saw an opportunity to combine those academic principles and my mindset to start a business around an evidence-based methodology for investing and then it's expanded into retirement and psychology.

"To know the client you really have to understand what their phase of life is all about. It just blew me away in terms of the complexities of it – not just in the financial sense.

"We started with a blank sheet; our client's just wanted to retire. So we asked what are all the problems associated with retirement, what do we already know from the stats around divorce and suicide rates in retirees?

"I remember I stumbled across an old video of Steve Jobs that said to be successful, you've really got to start with the customer first and work backwards from that, and if you're doing it right the money will come. And that was the foundation behind our philosophy."

He explains that having such strong relationships with his clients has it upsides, like helping them re-discover their passions and hobbies in retirement that they might not have thought was possible.

"We've got a mid-70s gentleman who retired a number of years ago and one of his keen hobbies and passions was ancient history. He wasn't sure what he was going to do in retirement, and as part of our progress he's gone to Macquarie University, he's doing an ancient history degree and in-between semesters he flies to the Middle East or Egypt to do archaeological digs."

However Reed warns that the ageing process also has its downsides, something advisers must be aware of and consider when speaking with their clients.

fore – and that spike in spending issue, what they're spending their money on, generational wealth, how they want that to look, estate planning etc. The gerontology part has been so important for us to understand because absolutely it has not only a client engagement perspective but it also has a very significant commercial outcome from which we have to understand what that's going to be."

Through his application of gerontology, Reed is not only able to provide a more methodical approach to his advice but also help his clients may occur and then daily life will settle in and the cost of living will go down. That is until about the 75-80 year old mark, where their spending is well below what they actually expect to spend but then it picks up because of aged care and health care related issues.

"These are all gerontology related issues, being able to understand what's going to happen as they age has a very, very profound impact upon their financial retirement plan as well as an impact on our business as well. So it's kind of a domino effect that we go, 'ok well without that part we don't think we can reach this part very well and we talk them through it."

Education standards

Scandal has continued to hit the financial planning industry as regulators and the government flounder on concreting adviser education standards. For Reed there's no question as to the importance of education for financial advisers, but he reiterates that education standards alone will not be enough to deliver the right outcomes for clients.



Cover story

Volume 11 Issue 02 | 2016 www.fsadvice.com.au

"I see education as a ticket to the game. And certainly the AFA nominees just blew my mind in terms of their qualifications and what courses they'd done, I hadn't even heard of some of them.

"I think the education framework has a lot of merit that we should lift education standards to have a minimum standard in the quality of advice, the only caveat that I would expand upon though, is that if we're raising the standard and perhaps the complexity of advice, I don't necessarily see a direct correlation that all of a sudden we'll have this overwhelming demand for advice. That's just currently not there in the market place.

"I guess what we're trying to do is have discussions with clients that are more about improving their standard of living, rather than necessarily focusing on improving their portfolio of wealth. I see that as a different discussion that's not getting discussed in the political circles or by the profession enough to say that we can do this to give you these outcomes, by way of our level of advice."

As part of the 2015 AFA Adviser of the year award, Reed attended the South by Southwest Festival in Austin Texas, an experience that reiterated the importance of the client experience and making financial advice about the client rather than the adviser.

"The AFA award allowed me to spend over a week at the South by Southwest Festival and all I saw was where technology is going, the service experience of the NFL, WWE. Their commissioners were there, describing what they do in positioning their service around the

client. Yet I am at the festival reading social media posts from advisers back home and it's all about education and efficiency of business. I'm looking at these massive businesses saying it's all around the client and we're going to make that experience so seamless that it's going to have such a profound effect on their life that it will just be what they do as a habit ongoing.

"I think that's a different paradigm to the discussion we're having about the client experience here in Australia. So whilst I'm all for lifting education standards, I think we have to evolve significantly, changing that discussion to be more about standard of living than portfolio performance."

Client experience and the future

Technology is set to have an impact on all aspects of the financial services industry. However, Reed argues that for advisers, it will play a key role in allowing advisers to understand what their clients want rather than taking their jobs.

"What we're doing today is getting the client to describe in words the future they want. The future I see us having is clients being able to use technology such as virtual reality. They have these things called PufferSpheres where people can point on a kind of crystal ball onto where it is they want to go and what it looks like. In a virtual reality sense they can put on goggles and it just follows the retinas.

"The technology is available today, they can say yes, no, this is what I want my house to look like, this is where I want to travel. All of the six arenas of their retirement or lifestyle, they can give us a crystal clear picture of what that vision is looking like, then we can harness the other tools around money and so forth to make that happen. So I see it realistically as an exciting time."

As for the future of financial advice, Reed sees it moving into more of a coaching role than simply a manager whom you visit every 12 months for an update.

"A coach is more of an enabler, they'll give you the advice but they're accountable, implemented and ongoing and maintaining what you want to do.

"And I thought the best case study of not only what we do but the way we see advice changing, is from a conversation I had with a woman at the South by Southwest Festival last year. I had my name badge on and was waiting to cross the road when a woman came up to me and asked, 'what is a retirement adviser from Sydney doing here?'"

"The woman was an Australian expat, now a CEO of a global nonprofit in America but her 84-year-old mother was still in Canberra and not so satisfied with the role her financial adviser was playing. Her mother had several million dollars invested and paid around \$15,000 a year for advice, seeing her adviser maybe once a year for asset allocation.

"But her point to me was that what's important to her mum is no longer growing her portfolio but being able to talk on skype and access new technology, to have someone help her make the right financial decisions when it comes to food and everything that comes with ageing. And what she was talking about wasn't a financial adviser it was a retirement coach."

Rethinking the client experience will also have a profound impact on the future of financial advice, Reed reiterates that advisers must be ready to adopt change.

"Even though you can have a really successful business you can



never think that it's done. The client experience can always improve.

"Robo advice will definitely have a role, it will definitely bring efficiencies – not just to the client but to the advice business – and we just have to think what our role will be.

"There was a futurist speaking at the South by Southwest Festival who spoke about rethinking the client experience. He made the point that if you look at software today at the top left hand side it will have a 3.5 inch floppy disk, that's a save symbol. Most of today's student generation wouldn't have ever seen a floppy disk or know what it is."

In terms of defining a successful 2016, Reed hopes to see technology continue to grow and help better the experience he can provide to his clients.

"In 2016 I want to really rethink and reframe what we're going to do with our business, especially with technology for our client engagement. I'm really excited about the technology, that's already available, that we can engage the client with and I think they will be excited too. Rather than an impression it will make a memory for both the client and the adviser. At the end of 2016 we want to have a crystal clear vision of what tools we're using to do that.

"I'm very confident that in five years time my business will be very different from today and that's great." **fs**



This information is for Australian Residents Only. Original Blue Pty Ltd ATF The Reed Family Trust t/as The Retirement Advice Centre is a Corporate Authorised Representative of Millennium3 Financial Services Pty Ltd ABN 61 094 529 987 AFSL No. 244252. This information (including taxation) is general in nature and does not consider your individual circumstances. You should refrain from doing anything in reliance on this information without first obtaining suitable professional advice. Do not act until you seek professional advice and consider a Product Disclosure Statement.