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**Chris:** Hello, and welcome to the **Plum Super Podcast Series**

My name is **Chris Odgers** and I'm here today with my colleague, **Marcus Thompson**, two of your Superannuation Consultants at MLC Wealth. Our role is to provide information, guidance and advice to our super members throughout their working life and into retirement.

**Chris:** Hi Marcus

**Marcus:** Hi Chris, it's great to be here.

**Chris:** Today we're here to talk about the benefits of seeking personal financial advice – with this conversation being part one of a two-part series – and to assist us with this topic, I'm pleased to say we're joined by a guest.

Welcome **Liam Diggin**, who is a financial planner with Mentor1 Financial Advice. Thanks for joining us.

**Liam:** Thanks Chris, great to be a part of this.

**Chris:** For clarity, Liam is licensed through Consultum Financial Advisers, one of the licensees under MLC Wealth.

OK, before we get under way let's outline what we would like people to get out of today's discussion.

It's really an introduction to financial planning, how the industry has changed in the last few years and how you may benefit from receiving financial advice. As part of the discussion we will take you through the financial planning 'experience', particularly around the structure of the process and what happens at the various meetings with a financial planner.

We've prepared it for people listening who may never previously have met with a financial planner, AND for those who may have had a relationship previously with a financial planner, but that is no longer in place.

**Marcus:** And Chris, what will we cover in part two?

**Chris:** And in part two of this podcast series we'll go into a bit more detail about the types of advice that can be provided, what is contained in a 'Statement of Advice' and some information around the costs of obtaining financial advice.

Liam is also going to take us through a real client scenario of his and how they have benefited from financial advice, to try and 'bring to life' the advice proposition, which I think will be very helpful.

So, quite a few points to cover as part of this topic, the objective really being for people listening to go away with a better understanding of the role of a financial planner, the reasons for getting advice and how advice might help them.

But as a good starting point Liam, please tell us a bit about yourself. And what attracted you to become a financial planner?

**Liam:** Well guys, I began my career with MLC way back in 1993 as a rookie financial planner in the Bondi branch office in Sydney. A few years later I started Mentor1 Financial Planning. I've still got quite a few clients from those early days, and one of the aspects of my job that I love is being able to support and advise my clients through various life stages. Being on that journey with my clients has helped me find my voice and I'm where I'm supposed to be.

**Marcus:** Liam, just before we go any further, I know the provision of advice is highly regulated in Australia. We heard Chris mention at the start the General Advice nature of this podcast. But you are licensed to give personal financial advice. I wonder if you could contrast the two types of advice for us please. What exactly is the difference?

**Liam:** Yes, the industry has gone through lots of change over the years! Different aspects have been highlighted at various times and I think the ultimate outcome has been great for advisers and clients alike. Change is always good!

To answer your question though, personal advice is pretty much what it sounds like – advice that's designed to meet the (particular) needs and objectives of a client, or potential client. It'll consider things like how much money you need in retirement if it's retirement advice, or what sort of debts need to be paid off if it's insurance advice.

There's no 'cookie cutter' template when we give people personal advice, it's absolutely tailored to that person's needs and their attitude towards risk and return.

On the other hand, general advice is pretty much factual information that you could look up online. It might cover things like how super contributions are taxed, or how much income protection insurance a person can have based on their income - that kind of (factual) information. Whilst general in nature however, there is still a requirement to be licensed to provide general advice.

**Chris:** Thanks for that. Liam, it's clear that the financial advice industry and the role of an adviser has evolved and changed a lot over the last ten years or so. What do you think is the best way to describe what you do?

**Liam:** I would say to un-complicate the complicated would be an accurate description! In a nutshell, my job is to help people identify what they want and give them the information, tools and guidance to make it happen - and find possible alternatives if we discover that the client's goal is unrealistic.

No two clients are the same – everyone has different dreams and goals, everyone has different needs and fears, and limitations. It's my job to understand all those aspects and put a plan in place that meets each one of them. At the end of the day, it's not just about a good plan or educating the client – none of that is very useful without action.

And so just as important as the planning is the implementation and the timing. Helping people get to the stage where they can look back over the process and know that after all those years of hard work on their part, the steps we help them navigate to realise their vision are important too.

**Marcus:** And for a retirement plan like that, typically what are some of the goals you help people achieve?

**Liam:** Understanding and outlining their goals is the first goal believe it or not! For retirement planning we help people set a retirement date – that can be influenced by a few factors, not just their eligibility to access super or Centrelink.

We help people determine how much income they'll need, what their income sources will be and if we think they might need to tighten the belt to make it last then we'll tell them! You know, many people I see have worked hard their whole adult lives – often for forty or fifty years. And they deserve to enjoy their retirement. We want to help them enjoy the lifestyle they've been thinking about and planning for.

**Chris:** Liam, one of the themes we would like to bring out as part of this conversation, is a better understanding of the client 'experience', so people know what to expect when deciding to meet with a financial planner for the first time.

And as part of your response can you set out the various steps/meetings that may be involved as you take them through the process of providing advice?

**Liam:** The first step is usually a quick chat on the phone. Once we both agree to the next step a complimentary first appointment is made. The first appointment focuses around what we call the 'discovery' process. That's me – the adviser – discovering what I need to know about the client to be able to give good and suitable advice. We'll complete a fact find, collect other information, and make copies of documents such as statements, policies and budgets.

After that I'll put a strategy together; I usually need a week or so to do that.

**Marcus:** And once the strategy is developed, what is the next step?

**Liam:** We'll have a second meeting where I'll go through some strategies that will help the client get to where they want to be. This meeting is important – it's where we bed down any loose ends and I make sure my clients have a clear understanding of how things will work. It's imperative that they take ownership of what we're doing and that's important because it gives people a sense of control. I'm always there to guide and advise. During that important second meeting, we'll have agreed on a path forward and I'll go to work on the nitty gritty stuff, including the written recommendation, which in our world is called a Statement of Advice.

**Marcus:** And when is the plan/SOA generally presented to the client?

**Liam:** About a week later we'll meet again, and I'll present our recommendations in detail. We'll go through the modelling and projections and show how the advice is fit for purpose to put them in the best position possible.

We also use this meeting to begin the implementation process, so that's signing applications, authorities and all things paperwork!

**Chris:** That all sounds a bit painful!

**Liam:** Actually, it's not too bad really, we make it as painless as possible! Lots of things like that can be done online or electronically nowadays which makes life a lot easier for all concerned! Once everything's in place we get in touch again and I'll email everything they need to stay on track.

It is important to have robust systems and processes in place at this point to ensure the investment in all the research and planning can be implemented and maintained. However, with over twenty-seven years' experience, we believe we can provide a level of comfort in this important area.

**Chris:** And just back to that first appointment, what should people expect at the first meeting?

**Liam:** Well, to begin with, we always ask prospective clients why they're looking for financial advice. Quite often there's a trigger or a particular event that's prompted an immediate need for advice.

**Marcus:** Just on that point Liam, what are a couple of examples of "triggers" for financial advice that you commonly see?

**Liam:** Well there are a few. Commonly though, a client will want advice on how to turn their super into a pension or retirement income stream, and they might have some savings they want to add to that pool but aren't sure how to do it or how much they can add. So, the trigger is retirement. Another trigger might be an inheritance of a lump sum of money where someone is seeking advice on what to do with it.

It's important for both of us to gauge their expectations and financial literacy – that helps me communicate concepts on their level. I like to ask people about their previous experience with financial advice, and I also talk about my experience and our house view on all things financial.

**Chris:** And to make that first appointment as efficient and productive as possible, for all parties, what are some of the things people should do in preparation for their first meeting with a financial planner? And what sort of information should they ideally put together and bring along with them?

**Liam:** I find it useful to send clients a short document called a 'fact find'/check list before our first meeting so they can sit down and have a think about why they think they need financial advice. It might sound simple, but it can be difficult for people to articulate. Of course, we don't leave people on their own to get that one down in writing – we discuss that in detail during our first meeting and I help people sort out the two.

All the usual suspects are good to have prepared before the meeting too – stuff like your mortgage and other loan details – credit cards too, statements or balances from super or pension funds, insurance information, income or salary of course, that might include rental income from an investment property or dividends from shares, all that kind of stuff.

**Chris:** And what about a household budget?

**Liam:** If there is any sort of household budget in place, that can be useful for us to have a look at too. This one helps people work out how much income they'll need in retirement – it's a good starting point anyway. Budgets are also a good starting place to help work out how much insurance a person needs and can afford, if that's what they're after.

But back to your question Chris; this is "ideal", and in my experience many people won't have all this information so we can work with them as we progress through the process.

**Marcus:** So, they should not be deterred from seeking advice if they don't have all this information to hand?

**Liam:** No, not by any means. In fact, we see ourselves very much as a 'financial coach', working with people, sometimes over a number of meetings, gradually piecing all this together and building a relationship until we can provide a formal piece of advice.

**Chris:** And just to follow up your point about goals and objectives, if people are a bit unclear about this for their own situation, what are some of the goals and objectives that are commonly discussed here?

**Liam:** Sure, often it is about retiring at a certain age, with a certain level of income in retirement. And for many, it includes 'lump sum' type items when they retire, such as paying off the remainder of the home mortgage or buying the caravan and 4-wheel drive. So, our job really is to have a close look at their current situation, work out where they will get to without any intervention, and if there is a gap (like there usually is), recommend some strategies to help them get there.

**Marcus:** So, based on that response, is there an ideal age for people to commence a relationship with a financial planner? Is it as simple as saying 'the earlier the better'?

**Liam:** Yes, that really is the ideal scenario – getting advice early on. There are so many facets to the advice story, and some are unique to different age groups or life stages. Quite often there are steps we can put in place early on that will have a profound impact at retirement. Having said that though, it's never too late!

**Chris:** And, just to be clear, there will be no formal advice, or financial recommendations given at the first meeting?

**Liam:** As I said a bit earlier, the first meeting is just about getting to know each other and finding out where I can add value.

**Chris:** Great, thanks for that Liam.

I think that's a good place to wrap up episode one of this two-part series on financial advice. We've covered some useful content today and given people an insight into the nature of financial planning and how they may benefit.

As mentioned earlier, in the next episode we will go a bit deeper into the types of advice that can be provided, the 'Statement of Advice' document and some information around the costs of obtaining financial advice. And we'll also have a look at a case study from one of Liam's client scenarios that I think will be valuable as we look to make these conversations as practical as possible.

For now, Marcus, if people are interested in meeting with a financial planner to discuss their situation, how can they go about it?

And as we've done in the other podcasts, where can they go for further information about any other aspect of their Plum superannuation account?

**Marcus:** Yes, there's a few sources of support for our members:

1. The Plum website - [www.plum.com.au](http://www.plum.com.au)

Lots of useful information here. We remind people it's a great idea to set themselves up with online access to their account if they haven't already done so. You can also check out our range of podcast topics here, via our **Financial Wellness Hub**, which can be accessed from the '[News & views](#)' tab on the website.

On the **Financial Wellness Hub**, you will also find educational and interactive content that goes beyond superannuation, addressing your holistic needs, by providing access to industry experts and thought leaders.

2. Plum contact centre on **1300 55 7586**  
Between 8.00am and 7.00pm AEST, Monday to Friday
3. Conversation/personal financial advice

If you would like additional information on a more personal basis, a couple of options:

- There's a 1:1 conversation with one of our Plum representatives (such as Chris or myself) – General Advice basis. This can be booked for a convenient time, also via the Financial Wellness Hub.
- Or for personal financial advice, you can set up an initial complimentary meeting with one of our licensed financial planners.  
This can be initiated through the Plum contact centre - **1300 55 7586**

**Chris:** Liam, thanks again for assisting us with this podcast. I am sure the information has been helpful and has provided some clarity around the role of a financial planner and the benefits of seeking personal financial advice.

And Marcus, for your role too in jointly hosting with me today.

A reminder that the content today is general information.

Thanks, bye for now, and I do hope you can join us for part two of this topic.

**Liam and Marcus:** Thanks everyone, bye from me too.