

Managing Consistency Across Geographies In Delivering Financial Planning Services

While offering Financial Planning services at an institutional level, it is essential to develop newer tools and upgrade processes in such a way that there is consistency in client experience.





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Personal Financial Planning practice is not a buzzword to attract clients but a noble concept essential for every individual who aspires to attain financial independence irrespective of age, stage or income. Managing consistency across geographies in delivering Financial Planning services is indeed a challenging one. However, it is possible to achieve once organizational weight is put behind the initiative.

We are experiencing the dawn of a new profession in India. It becomes very relevant to discuss its width across geographies and its growth in India.

Financial Planning - Global Facts

Firstly, Financial Planning in developed countries is not

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practised on a mass scale as one would like to believe and is basically confined to a large number of boutique financial advisory companies.

Secondly, the practice globally is primarily aimed at managing the wealth of the affluent - people who can afford to pay hefty fees. The dichotomy here is that those who really need these services, that is, the masses, are not really able to benefit from this due to lack of availability at affordable prices.

Thirdly, the client follows the Financial Planning approach primarily because of his faith in the planner and not as much owing to set FP processes. This may have serious repercussions for the client in the long run as his Financial Planning becomes more 'emotion driven' (rather than 'process driven'). And this may lead to actual results

in terms of goal achievement, portfolio return and other variables being different from what is expected.

Financial Planning - The Indian Scenario

In India, Financial Planning may not be radically different from that of the global scenario. But surely it is much nascent; hence it is more challenging. The reach of Financial Planning practice is limited only to the big metros and some Class A towns. On the other hand, the scope of Financial Planning is immense, given the country's deep-rooted investment cult. There is a great need for helping people understand Financial Planning, its merits and the way it can actually help them reach the point of optimization as far as their financial lifestyle is concerned. There are only a limited number of qualified professionals - that is, CFP Certificants - to carry out this practice for each Indian household. This does constraint the spread of Financial Planning to a large extent.

Bajaj Capital follows the 'Educate & Engage' practice to the core; the transition to becoming a Financial Planning institution has been a unique experience in many ways.

Financial Planning DNA vs. Distribution DNA

It started with realizing and believing that the 'Financial Planning DNA' is different from the 'Distribution DNA'. The advisory focus shifts completely from product orientation to addressing client needs and then suggesting financial products accordingly. For a Financial Planning enterprise, keeping the long term relationship intact and serving each and every financial need of the client under one roof gains prominence over any other short term perspective. A holistic approach to client's finances becomes relevant for a Financial Planning enterprise and event-based advice takes a back seat.

Pathway / Challenges to being a 'Financial Planning Organization'

While much can be talked about the transitory phase, the most important point of concern is the Short Term Hit on Company Revenues. This happens as more time, effort and capital gets used up in laying the track ahead and developing newer processes. Team members have to adapt themselves to the newer processes and embed it in their regular way of working. Change in the mindset of the team can be excruciatingly painful. Some team members may find it difficult to adjust to the new work pattern and may choose to dis-associate thus causing temporary work disruption.

How does one address these issues? After all, we do not have model case studies to follow as all that may be available in the global set up may not be in sync with our situation and relevant to our context. In such a scenario where odds are more than evens, thought clarity becomes pivotal. As we embark on a mission, it is important that we have brisk, efficient and well-defined processes in place so that as we progress further there is no scope of haze or confusion anywhere.

Taking Financial Planning Beyond Barriers and Across Geographies

Some of the key initiatives towards accomplishment of the mission of taking Financial Planning to the masses across geographies include -

Research and Development: It is essential that newer tools are developed and processes upgraded consistently towards making Financial Planning truly effective and put across to the end beneficiary, that is, clients and people at large. The entire set up should be such that we are able to review the client's plan irrespective of any change in extraneous factors.

THE IMPORTANT THING IS that the training process should be continuous and in sync with the service delivery model. Also, the training modules so developed should be comprehensible for the participants so that they are able to work towards attainment of the organizational mission.

Dynamism is the key word here; it is important that the client deliverables are in good shape and suited to his / her specific situation in light of broader economic and market outlook.

Training: There can be different versions of training as classroom training, on-the-job training and other such modes to impart a certain skill set to the team members and the relevance of the training programme differs from case to case. The important thing is that the training process should be continuous and in sync with the service delivery model. Also, the training modules so developed should be

comprehensible for the participants so that they are able to work towards attainment of the organizational mission.

Communication: To further the movement, each of the enterprise's communications including newsletters, magazines and awareness programs should be channelled towards conveying the desired message.

Recognition: The early adopters to the organization's principles and work systems must be recognised and duly acknowledged for their commitment, enthusiasm and dedication. This is expected to benefit the organization as not only will these members continue to deliver with same zeal but also others would be motivated to follow suit.

We follow an 'Open Architecture Business Model', wherein apart from providing Financial Planning advice to our clients, we also have all kinds of financial products under one ambit. The planner is given complete autonomy to recommend the right products suited to the needs to the clients. The planner's final recommendations to their clients are based on his understanding of client's personal situation, scientific and logic backed processes and research outlook.

Journey in Taking Financial Planning to the Masses

Bajaj Capital's endeavor to adapt to the service delivery model to Financial Planning based process has been a rewarding one. In the process of this transition, while there is much left to achieve, there has been a definite progress as well. In the few years of our Financial Planning practice, we have successfully carried out Financial Planning for over 30,000 households. We have helped our clients define their goals and that, we believe, is a very important measure. Aimless life reaches out nowhere and where aims are set, there is certainly no holding back.

Financial Planning is now well embedded in our processes as well as work culture. We have even surpassed the initial challenges and are now generating a quarter of our company's revenues through Financial Planning.

We are delivering Financial Planning at 150 locations across 75 cities. Besides this, we have now begun sharing our tools and best practices with over 8,000 Independent Financial Advisors (IFAs), who are now associated with our company. We have successfully ventured out beyond boundaries and have attempted to spread the message of Financial Planning all across.

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