

## ThamesRiver Advertisement Feature

# Start planning for the future now

The countdown to the Retail Distribution Review has begun – and it's time to think about forming partnerships that will stand the test of time.

## CV

**John Yule**  
UK Sales Director

John joined the group in 1994 to set up the retail sales and marketing business for Ivory & Sime, becoming Head of UK Sales at Friends Ivory & Sime in 1998. In 2004, John became UK Sales Director on the acquisition of F&C and then was promoted to head up the UK Retail business in September 2008. In September 2010, he took over the role of UK Sales Director at F&C Thames River. Prior to F&C, John worked for The Life Association of Scotland for 8 years performing a number of sales and marketing roles. He holds a BSc (Hons) in Actuarial Mathematics and Statistics.



These are tough days for independent financial advisers with the Retail Distribution Review forcing them to re-evaluate their business models, but the key to success is finding the right product providers, according to John Yule, UK sales director at Thames River.

"Intermediaries are facing three main challenges in the form of regulation, business efficiency and client servicing/expectation," he says. "A lot of them seem preoccupied with the deadline of January 1st, 2013, but the reality is that they need to be prepared well in advance of that date."

The ideal scenario is for intermediaries to enter next year with a clear understanding of what business model they are going to adopt and which product providers are likely to be the best fit. With those in place they can open discussions with their clients sooner rather than later.

"There's been a big growth in advisers opting to use multi manager as a solution for their clients in this environment but it's vital they choose someone as a partner that can provide support and help them form viable, longer-term strategies," he says.

In a nutshell it comes down to providing a reliable service. "It's not about advisers simply being offered a fund for a client, it's about what a particular provider can do to reassure them that they have various solutions for different clients and will be there throughout the journey of that investment."

It's a philosophy that Thames River has put at the heart of its proposition. "We want to help advisers transition their business models by looking at how they segment their client base and the ways in which they can tailor solutions for various clients in order to help improve their businesses."

The arguments in favour of multi manager – especially at a time when the regulator is putting pressure on advisers in terms of the level of qualifications needed and the desire to treat customers fairly – are well

rehearsed but still worth repeating.

"One of the benefits of outsourcing is if an intermediary doesn't have access to in-house research," says Mr Yule. "This means they can tap into the research carried out by professionals and spend the time they've saved sitting in front of clients and making them aware of what is happening."

When you consider that one of the primary goals of RDR is to improve professional qualifications and standards within the industry, it obviously makes sense for advisers to be spending more of their precious time on their core competencies.

"This means devoting their attention to clients and focusing on what they want to be discussing, rather than worrying about solutions," he adds. "Hopefully product providers recognise this and have repositioned themselves to be service providers that can meet advisers' needs."

After all, there's certainly no shortage of financial issues for advisers to get their teeth into, whether it be the fall-out from investment markets, discussing with a client how to plan effectively for their family's future, or putting in place inheritance tax planning techniques.

"A prime example is that people who put money into equities over the past five years probably won't have made any money so there's a chance they can become disillusioned and choose not to invest," he points out. "These are the kinds of issues they will want to discuss with their adviser."

So how should intermediaries choose the right business model? How can they know what route will best meet the needs of their clients? What regulatory pressures should they bear in mind when they are making such decisions? It's not easy but each point should be tackled in turn.

The first step is to segment their client base. "Every business is driven by their clients and generally speaking a lot of them may not contribute significantly to revenue," explains Mr Yule. "It obviously makes sense to

spend more time on the 20 per cent or so that bring in the bulk of the money and then find a lower maintenance solution to cater for the needs of the less profitable 80 per cent."

Different service models, therefore, should be applied to different types of clients. While bespoke portfolios may suit the needs of the more affluent, a multi manager approach is likely to be the perfect fit for the mass affluent as it's managed, is tax efficient and some funds even rebalance automatically.

"Advisers need to think of themselves as a marketing business as opposed to necessarily being sales oriented," he says. "Some may take offence at that, but in order to improve standards they need to run a profitable business and that's what it will take."

As well as being less time consuming, outsourcing also provides a consistent approach which enables advisers to establish value in their businesses. As well as obviously pleasing the regulator this can prove useful should they ever look to sell up.

As previously mentioned, once an intermediary decides on their business model they will need to choose product partners – and Thames River prides itself on offering everything an adviser could possibly need, emphasises Mr Yule.

This level of support ranges from having experts on hand to answer their queries to publishing marketing material guiding them as to how they should deal with clients. "We try to provide face to face support rather than just saying to advisers: here's a fund to buy," he adds.

For example, if changes are made to a portfolio then an email alert will be sent out to advisers outlining what has taken place. This all helps to make the process transparent and to reassure the end client that the funds are being managed closely on their behalf.

"Our business is driven by people, whether it's our people dealing with advisers or advisers dealing with end clients," says Mr Yule. "However, the one thing we're proud of is having an

“We try to provide face to face support rather than just saying to advisers: here's a fund to buy”

approachable team, very transparent solutions and the knowledge from having been around for some time."

This experience shines through. As well as having enthusiastic young bucks coming through the ranks, the company also has plenty of professionals that have been through a number of investment cycles, understand what's going on, and have the track records to back up their claims.

Of course, it also has a wide variety of funds to meet an investor's needs – particularly following the amalgamation of the F&C business. It means that the company now manages two sets of multi manager funds; the risk-rated F&C Lifestyle Funds plus the five traditional Thames River multi manager portfolios.

These funds are: Global Boutiques; Equity Managed; Balanced Managed; Cautious Managed; and Distribution. Both sets of funds are managed by a team co-headed by the respected duo of Robert Burdett and Gary Potter, whose names have been synonymous with the world of multi manager funds for many years.

Their fundamental, long-term, bottom-up approach to investing, which focuses on scouring the globe for the most exceptional investment management talent available, has won awards and admirers from across the industry.

"They have both done exceptionally well and the fact that they have wealth tied up in their own business should give added comfort to advisers and investors that they will be around for the long-term – particularly as the industry can be a bit of a merry-go-round at times," adds Mr Yule.

So what does the future hold? Well, as far as Thames River is concerned, the focus is on continuing to deliver top drawer returns for investors and meeting the needs of a wide variety of clients through its multi manager range of funds.

"When you consider the pressure from regulators and the focus on treating customers fairly, there's little doubt that a large part of the marketplace is being directed towards outsourcing solutions," says Mr Yule. "We are ready to support advisers in every way possible. We have the experience, knowledge and skills available to help them make the best possible decisions for their clients."