



A SUPER NICHE

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Corporate superannuation has always been a niche area of financial planning but now planners are coming under mounting pressure to offer the service in the face of corporate super master trusts and banks launching an assault on the advice market.

Most recently corporate super fund Plum Financial Services, owned by MLC, announced its intention to offer advice for the first time through its platform.

Chief executive of Plum, Jane Cutler, says the group is focusing on a new approach to financial planning, which would translate to launching its own advice service.

Plum has funds under administration of \$4.3 billion for 72 clients, and nearly 90,000 members.

The group has always had an offer that allows members to get assistance on investment choice and a referral to a planner but Cutler says it is now looking at launching an advice service that includes access to advisers that meet quality accredited service standards.

"Obviously we are part of MLC, and we will likely use them but the emphasis will be on the right planner," she said. "It is likely they will come out of the MLC network but they will be quality accredited planners so we will pick and choose within the network."

The Commonwealth Bank has also flagged plans to commence an aggressive recruitment campaign to add 30 advisers to the group's business banking division.

The bank currently has a 22 per cent share of the business banking market but less than 5 per cent utilise the bank's corporate superannuation, insurance and advisory services.

MLC offers a service to support advisers in the corporate market and has seen an explosion in the number of advisers looking to specialise.

"Our business has grown dramatically

over the last two years with the increase in the number of corporate financial advisers entering and having success in this market," says Leanne Gregory-Aylett, general manager MLC Workplace Solutions.

Gregory-Aylett says the advisers who are successful in the corporate space do not necessarily have a large amount of corporate superannuation experience.

"Rather, these advisers are running successful businesses that operate under a model of efficiency which enables them to pursue opportunities for further growth."

Currently she says employers are looking for assistance in packaging an employee benefits program that includes a broader range of services beyond salary and superannuation including education, financial

Although corporate super funds provide some good information, they can't help but have a vested interest in recommending where their money goes

advice and lifestyle benefits.

Gregory-Aylett says accessing the corporate market is a long-term proposition. MLC provides a 12-month training program for advisers who want to break into the corporate market which contains training for preparing, accessing and servicing the corporate marketplace.

However, there are a few financial planners in the market who have elected to take on the big networks when it comes to providing corporate super advice.

Financial planner Mark McNeany launched a specialist corporate superannuation specialist firm, Vertex Group, two years ago, as a separate business to his financial planning firm McNeany Financial Services.

He had been working in corporate superannuation since 1987 but decided to start his own business after meeting Chris

Steiger who worked in the market for Watson Wyatt.

McNeany, who is licensed under PIS, sources his new business via referrals from existing clients, PIS planners, life insurance agents and accountants.

"Having been in the market for a while now, we are pretty well known for being prolific in the corporate superannuation area," he says.

There is plenty of opportunity for cross-over between the planning business and the corporate business, and McNeany says dealing with an employer means the hit rate for signing up employees to use financial planning services is high.

He adds there are many advantages to specialising in corporate superannuation as a planner. Financial planning for a company is less complex than creating a plan for an individual and statements of advice tend to be simpler.

Vertex runs a package of services that are always included with any corporate super master trust the planners may be put into, in return for commissions.

Members then have the option of paying a fee for service to dial up services to include lifestyle planning, investment and insurance advice.

"As part of the service we can talk to the member about how they are tracking in terms of their superannuation, which helps to see where they are deficient and need to make additional contributions," he says.

The range of products in the corporate superannuation market is rapidly expanding. The most recent entrant is Fiducian Portfolio Services which has launched a new employer-sponsored superannuation product under its master trust.

Some of the features include hands-on service for members from Fiducian's Financial Planning network including