

CORE ADVISOR GROUP

Following in the footsteps

Written by: Julie May

When they're not at work, Rowan Keast and his father, Bevan, are well known for enjoying a good old chinwag about the characteristics of fine wine.

They like to discuss taste, bouquet and region, and whether they think the latest sample is a vintage year or not.

Rowan openly admits that neither probably has any idea of what they're talking about, which is why they stuck to financial services rather than ever contemplating buying their own vineyard.

Rowan, who is the executive director of Core Advisor Group, originally joined his father's life insurance practice in 1997 as an up-and-coming 20 year old.

"Joining my Dad's business couldn't have been further away from my mind as a young guy, but after numerous roles in different fields I found that I liked financial services, which is when I decided to take up his offer and join the business," he says.

Not long after Rowan joined the team, the duo expanded services from risk and life insurance to financial planning and self-managed superannuation funds, and formulated a 10-year succession plan to enable Bevan a comfortable retirement and Rowan a set career path.

Following a rebranding of the practice to Core Advisor Group, Rowan obtained his own Australian financial services licence in 2005 before employing more advisers.

"We completed the takeover of dad's client portfolio last year, so he's now semi-retired but still doing some consulting work for the group," he says.

The reason the transition was smooth was because of the trust between the outgoing and incoming principal.

A family succession is obviously different to one involving an external party, but either way the original principal needs to have faith in their successor or there will be issues, Rowan says.

It is important to realise that a good succession plan is not constructed overnight.

"You need to sit down and assess your needs, the outcomes you want to achieve and within what type of time frame you want to do



ROWAN KEAST

it," Rowan says.

"From what I've learned, if you think you're three to five years away from exiting your business, you need to start addressing succession now."

Since Bevan relinquished most of his responsibilities to Rowan, 32 year-old Chris McKnight, who was originally hired as a paraplanner in 2002, has been promoted to partner.

"Chris and I have a ying and yang style of partnership as Chris is very technical while I'm very much into building relationships," Rowan says.

"We're a good balance and like everyone across the team, we have different abilities and operating styles, but it works because we're all committed to the same thing – our clients."

Rowan says having an effective succession plan has benefited all stakeholders.

"It's a young team now, which is attractive to clients as they know the practice has longevity and that we will be there for them in years to come," he says.

"At the same time they're happy that dad still has a presence at the firm and that there has been a smooth transition in ownership.

"Because dad spent many years building a lot of the relationships that we still have today and has invested a lot of time training staff, clients are also confident that the culture of the practice won't change and that staff have the relationship skills and expertise clients require."

Outside of their regular day-to-day duties, Rowan and McKnight are members of the Self-Managed Super Fund Professionals' Association of Australia and subscribe to online training through financial services education provider Kaplan.

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SNAPSHOT

Name: Core Advisor Group

Location: Newstead, Brisbane

Funds under advice: About \$80 million

Clients: About 500

Platform: Asgard

Software: Xplan

Research: Lonsec, Smart Ratings

Staff: 10

Dealer group: Self-licensed

industry workshops and professional development days, and is part of a small independent group of boutique practices from around Queensland," Rowan says.

"The independent group catches up quarterly, which enables us to discuss the successes we've had as well as the challenges we've faced, and what it means when you're a non-dealer-aligned firm."

Core Advisor Group has also used this forum to share some of its succession tips with other practices, Rowan says.

Recently, Core Advisor Group completed an acquisition of another small financial planning practice where one new staff member as well as a book of clients were acquired as part of the transaction.

Rowan says support and assistance from National Australia Bank's financial planning banking team has been crucial.

"Our representative has taken an active role in understanding our business requirements and developing appropriate financing solutions for us to complete recent transactions," he says.

"Another reason we've been successful with the initiatives we've carried out is there is trust between staff and trust between staff and clients.

"We communicate with clients as much as possible, whether at the office or in their home, and we also host regular functions, both educational and social."

The team's strategy for the future includes completing its transition to a fee-based remuneration model, boosting its adviser numbers and looking at other potential acquisition opportunities.

"We'd like to increase client numbers as well, but want to make sure we have the systems, procedures and people in place first so that we can service them comfortably," Rowan says. «