



Klassifieds

SUBSCRIBE NOW!

digital edition



<http://subscription.nstp.com.my>

1300 22 6787



www.1k.com.my



1300 808 123 (Local)



+603 2299 6000 (International)

ARE YOU WILLING TO HIRE A FINANCIAL PLANNER?

There are two types of financial planners. The first type is a commission-based financial adviser. They earn a commission from the products sold to clients. In standard practice, they won't charge you any consultation fees because they get their pay when you sign up for their products.

The other type of planners charges fees only. They are not tied to any financial products provider, or they are sort of independent that they can source the best products from any company that suits your situation.

HOW MUCH ARE YOU WILLING TO PAY?

Financial planners are professionals just like doctors, lawyers, engineers, etc. They also render services to clients in exchange for fees. However, most find that the remuneration is not promising for a full-time career, as compared to other professionals. The reason behind this is lack of urgency in people's minds for financial planners' services.

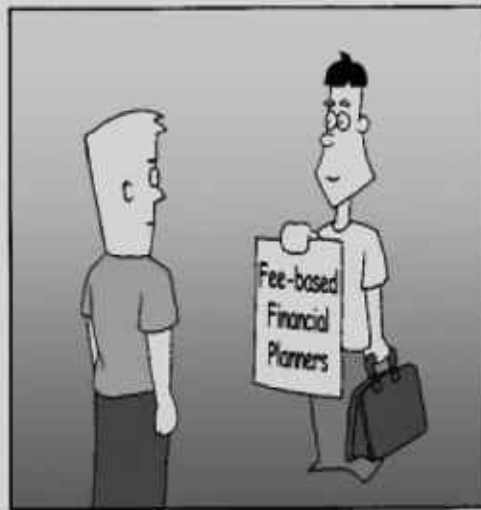
When a person is sick, he feels the need of visiting the doctor who will check him up, diagnose his illnesses, if any, advise him how to get rid of the sickness. Similarly, if a person faced any legal issues, say, wanting a divorce from his wife, then he would approach a lawyer.

However, when a person has any financial difficulty, then most probably he won't be seeking help from a financial professional. Some people do not even share it with spouses and prefer to keep it secretive.

How about you? Most people treat their financial problems as intensely personal. Frankly, when you are in financial trouble such as cash flow problem or having difficulty paying off monthly debt commitment, there is not much a financial planner can do for you either.



K.C. Lau is the author of 'Top Money Tips for Malaysians'. Visit www.KCLau.com for updates.



MANAGING THE CONFLICT OF INTERESTS

Most people believe that there is no conflict of interest to seek a fee-based financial planner's consultation. But in most countries, independent financial planners find it hard to charge only consultation fees because of the consumers' low level of awareness.

When the planner wishes to make more money, he will push products with a higher commission, which is not necessarily the best products for his clients. One way to strike a balance is by charging adequate fees for their services provided, and then they reimburse the client if the financial products are purchased.

Furthermore, producing financial plans is not an easy task but a very time-consuming one. It takes a lot of in-depth study to construct a financial plan for a person. It is not that a single plan can fit every individual, but

different programmes are tailor-made for different individual's circumstances.

After a tough and long process, a single unique financial plan is produced that is ideal for the person concerned. During my preparation for my RFP (Register Financial Planner) qualification, in the final module, I needed to produce a complete financial plan. That took me many weeks, especially during the data gathering phase. My client had to dig up all his financial statements and transactions records for me to analyse. The process takes weeks, and sometimes clients give up halfway due to the hassle.

Looking at the scope of work required, if financial planners are paid little for the job, it doesn't make business sense to carry on the practice. Due to the low level of awareness, clients don't line up for the service (like what you see at a famous doctor's clinic). Therefore, financial planners do spend a lot of time

on marketing and building rapport.

Ideally, a truly independent financial planner shouldn't be tied to any products. He/She should not endorse any product in any manner whatsoever. He should not keep his interest in mind while creating a financial plan but should keep customer's benefits at priority and create a financial programme according to the interest of the customer.

After many years in the financial industry, the changes are not as encouraging. At the moment of writing, it is tough to find a truly independent financial planner. It is a typical dilemma I see that most financial salespeople are juggling in the spaces between full-fledged independent advisers versus specific products commissioned agents.

INSIDE : SEARCH AND BOOK

Find now!

AUTO

Cars
Trucks
Bikes
Batteries
Mechanics

NOTICES

Financial
Tenders
General Notices

GENERAL

Services
Loans
Health
Renovations

PROPERTY

Land
Shoplots
Apartments
Room
Rental

APPOINTMENTS

Full/Part-time
Training
Graduate Scheme

GOVERNMENT

Jobs
Tenders
Legal

LEGAL/AUCTION

Property
Vehicle
Legal