



## How to launch an in-house financial planning service

**D**uncan Boxwell is a four director firm of chartered accountants based in Neston on the Wirral, specialising in offering bespoke value-based financial and business consultancy services to private clients, smaller owner managed businesses and larger businesses of all types. Earlier this year they set up a financial planning service in conjunction with LighthouseCarrwood. Here Martin Briggs, a director of the firm, talks about their reasons for launching the service and how they made sure it got off to a flying start.

“We knew we should be providing clients with a financial planning service but had never managed to do so in a cohesive manner. We had tried using local IFAs, but with limited success, partly because the advisers we were working with did not have the breadth of knowledge required to advise on all aspects of business and personal financial planning. However, it was also partly our fault. At the time, as a firm, we did not think of the market as very exciting and therefore did not put the effort in to promoting it.

### Finding the right approach and breadth of expertise

“Looking back I can see that while we acknowledged that we should expand our services to include financial planning, it was a question of finding the right vehicle for us, one which would enable us to go to market in the way we wanted to. We considered setting up our own in-house financial planning department, by either recruiting an IFA or by one of the directors gaining the necessary professional qualifications. However, having looked at this in detail we decided this was not the best route for the firm, mainly because of the costs involved and the ongoing regulatory requirements and issues. Besides, financial advice is not our area of expertise.

“We first came across LighthouseCarrwood at a seminar about 18 months ago. We liked their presentation but did not investigate further. Then earlier this year we went to another, similar seminar where once again we thought that their approach and what they said made good sense and this time we did get in touch. The timing was right for us and LighthouseCarrwood ticked all the boxes in what we were looking to achieve through the service:

- Crucially, their IFAs are able to advise on all aspects of financial planning – from complex pension planning, VCTs and EISs, to IHT planning, business protection and mortgages.
- They also have access to their own in-house specialists for areas such as SIPP, pension transfers and employee benefits, if required.
- LighthouseCarrwood takes care of all compliance and regulatory issues, and has an exemplary track record with the regulators going back many years.
- All this comes at no cost to our firm: no recruitment, salary, administration, regulatory or related costs that are normally attached to running a new service.
- We receive a new revenue stream which immediately increases our profitability.



**Martin Briggs,**  
Director,  
Duncan  
Boxwell.

“I am pleased to say that we found it relatively straightforward to get the service up and running. We started off by introducing Tracey, our new in-house IFA, in our monthly newsletters and e-news bulletins. We also incorporated the service into our pitch for new business and Tracey is part of the team that attends such meetings.

“We feel it is important to run the service as we would any other, so we plan how we market, develop and measure its success. We set quite bullish targets for the first year, partly to give us the impetus to make it work. You can't expect the adviser to get on and develop business in isolation. As directors, we have a good overview of clients' circumstances and are therefore able to introduce clients to the adviser in context. Happily the service is exceeding our expectations. We position financial planning as a routine part of what we do, not as an

### Making financial services work

1. We had buy in from all directors and they systematically introduce the adviser to all their clients.
2. We put together a marketing plan using our customer relationship management (CRM) software, so we can identify and track clients who could benefit from the service.
3. We recognised the potential to generate a new revenue stream at no cost to the firm while providing an important additional service to clients.
4. In LighthouseCarrwood we found a partner whose approach and professional expertise matched our requirements.

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'add on', or something separate. We systematically introduce Tracey to all our clients, from the smallest to the largest. She does a thorough fact find on their financial circumstances and goals, both professional and personal, and is usually able to help them in one way or another. She is capable of advising on the full range of areas and within two months she had helped clients improve pension planning, arrange commercial mortgages, and sorted out IHT planning issues."

## Why the service is so successful

- The directors see financial services as an integral part of their business.
- I am part of the team, participating in new business pitches, and with challenging targets.
- A system is in place to identify potential clients, track progress and make appointments.

## The adviser's perspective

"It was clear from the outset that Duncan Boxwell was serious about offering a financial planning service. They had worked with local IFAs on an ad hoc basis, but wanted something more professional. They viewed financial services as an additional income stream and the routes they had pursued so far had not brought in the revenue, nor had they offered clients the full range of advice.

"When LighthouseCarrwood was appointed, I started off by spending time finding out about their client base, talking through the client bank with directors and working through the CRM system with Martin. I was then able to estimate the approximate additional revenue the service could generate for the firm.

## An integral service, not an 'add-on'

"From the outset the firm thought of financial planning as an integral service – not an add on, or afterthought. They present it to every client they see, and include it in pitches to potential new clients. I go along to new business meetings with the directors, and am introduced as their in-house IFA. Financial services has proved to be a new way of winning new accountancy clients, as existing clients have referred other people to me who have then taken up the firm's other services.

"The needs of the people I advise vary greatly. Many have never used a financial adviser before, while

some have but have not had contact with their adviser for some time. They therefore have old policies or investments that need reviewing. The firm has a good mix of limited companies, sole

traders and partnerships. We approach limited companies in the run up to their year ends, as this is the best time to discuss and implement tax planning strategies, including lump sum pension contributions. The practice has three client managers who ensure that I always have three or four appointments a day. Initially we thought that I would spend a couple of days a month at the practice, but I am currently there around a day a week.

## Protecting income and property portfolio

"One person I saw had built up a portfolio of rental properties, all of which are mortgaged. In addition he has a mortgage on his own home. He is a sole trader and has no protection should his income drop or cease. Maintaining the level of income is crucial not only for him and his family but also because he makes maintenance payments to a child from a previous relationship. Should he fail to make such payments he could be forced to sell a property in order to meet these obligations. Likewise, if he were unable to pay the monthly mortgage payments, the bank could foreclose on the loans. He had considered taking out income protection insurance but the quote he had been given seemed too expensive and he had never got round to sorting it out. I managed to arrange cover for him at half the cost his bank had quoted for the same cover.

## Pension consolidation and tax-efficient funding

"I was introduced to the owner of a small business who had three old pension plans from different companies, only one of which offered return of premium on death, with the result that should he die before retiring, his beneficiaries would only receive 20% of the pension fund available. Plus, he was only paying in to one of these plans and, given that he was about ten years from retirement age, his pension provision was woefully inadequate. He was hoping that the sale of his business would fund his retirement, but the value of his business had been reduced by unforeseeable circumstances outside his control. I therefore tried to find the most tax-efficient way of boosting his pension fund quickly. On my advice his company is now making contributions of £1,000 a month into his pension fund, plus an additional lump sum at the end of the tax year. This reduces corporation tax for the business, while increasing the amount of money going in to the pension plan. In addition, he has consolidated the three pension pots into a single plan with lower charges. Happily, he is now on track for a comfortable retirement.

LighthouseCarrwood is one of the UK's leading providers of financial planning services to professional practices. To discuss how we could work with your firm please contact Mark Dallas, Managing Director, on 07899 981607 [Mark.Dallas@lighthousegroup.plc.uk](mailto:Mark.Dallas@lighthousegroup.plc.uk).