

# Current competence and the importance of continuing education

Adviserlink's Leonie Wallwork defines the art of learning as recognising that every minute of every day there is an opportunity to learn something new. Wallwork shows how continuing education helps advisers take a different look at what they always knew and did and turn it into something better, smarter and more effective for their businesses.

**P**ractice makes Perfect' but it could also be said that 'Practice makes Permanent' – which emphasises the importance of making sure your practices and competency standards emulate your business culture and fosters highly skilled and competent talent across all aspects of your business.

As an industry we have a wealth of very experienced financial advisers across a broad spectrum of disciplines. Many of these advisers have been in the industry for in excess of 15 years and although they appear competent in their day-to-day business there are no benchmarks to measure this against. Invariably these experienced advisers completed training or education courses that, although valid in their day, have not been refreshed and kept current through a robust and targeted continuing education program.

There is no difference between analysing the training and education needs of your advisers (or their overall business) than the needs analysis/written recommendation process you carry out every day with your clients. A targeted program based on the actual needs identified through competency assessment leads to greater efficacy in business than a 'tick the box' mentality of attending any event that gives CPD credits or choosing to 'get some papers out of the way' that in the end do not actually add value to you or your business.

In the pending regulatory environment, Advisers are going to need to 'evidence' that their skill and competence levels meet current professional practice standards as set by the APBs and also they are going to have to maintain certain levels of skill and competence through a recognised continuing education program in their respective disciplines.

## Training versus competency

Training seems to have a negative connotation and is invariably one of the first items to suffer come budget and business



By Leonie Wallwork

planning time. The problem is that training has been seen as an expense and not an investment. At Adviserlink we promote a more holistic approach to developing individual and organisational learning of which training may be part of the solution but developing and building competence one of the major outcomes.

Welcome to the world of 'competency'. Do you have a 'Competency Budget'? Do you have an amount allocated to invest in lifting the 'competency' of your business?

Competency is about achieving both personal and business benchmarks that define the level of skill and delivery required to properly conduct a business. Some of the benchmarks are set internally and some externally.

## Business foundations and competency

Financial services and wealth management providers create a business from three basic intangible assets:

- Human capital – skills, knowledge and values;
- Information capital – systems, databases and networks;
- Organisation capital – culture, leadership, alignment and teamwork.

Unless these basic elements are interactive with and aligned to a business' internal perspective (operations, customer management, innovation and regulatory and social requirements) and its customers' perspective (product and service attributes, relationship measures and image) then no true value can be delivered to the owners/shareholders.

This is where the investment in competency makes its mark. Right now many of your colleagues/competitors are undergoing a serious assessment of their competency gaps.

Grandfathering in qualifications makes some sense but competency cannot be grandfathered. Competency is not something proven years ago at a university, it is the combination of skills knowledge and values that can be independently

assessed that makes the advice or implementation delivered today relevant for today.

### Competency assessment

Competency assessment is very much in the here and now – it assesses what you can do and what you know against specific performance criteria. Some of these gaps are assessed by a measure against proposed regulatory requirements such as being ‘suitably qualified’. The regulatory bodies have similarly recognised that not everyone can assess that the benchmark has been reached or not, thus the need for ‘Approved Assessors’ across our industry that can identify and assess competency in action against clearly defined benchmarks and performance criteria.

In the field of financial advice and wealth management Adviserlink is the most obvious such approved assessor and now have a number of accredited assessors (completed NZQA Assessment unit standards) on the ground and supporting in-the-field assessors. We highly value this status and have appointed two learning specialists to oversee all of our personal competency assessments.

### Best practice competency audit/review process

Conversely, some of the benchmarks are determined internally. Our best practice audit/review activities are, in addition, measured against the policy and procedures manuals of the organisation involved and the practice standards of any affiliated industry bodies.

Unless there is confidence that your organisation or you are being properly represented and governed then as the media interest in the outcomes of financial advice heightens the need to be able to present a picture of good governance likewise lifts.

Measuring the gap between what is the required performance benchmark and what is going on is critical to improving any business. Any director should require a regular program of compliance audits to be implemented so that he or she can confidently respond to any questions of sound governance. Our compliance audit manager has been trained by one of the leading compliance audit providers in Australia to ensure that the methodology, processes, questionnaires, reporting and recommendations are of a defensible quality.

### Solving the gap – learning solutions

Having found the competency gaps we need to fix them through fully integrated and targeted learning solutions. This is not a once-only action. This is ongoing as rules, markets, regulations and corporate objectives and policies change over time. We have recently appointed a content manager to ensure that as demand for specific courses and programs increases we can ensure we meet that demand with current, accurate and appropriate learning solutions. As far as we can determine our courses fit the projected education framework so that our Certificate in Financial Services, which has NZQA accreditation and approval, offers a path to competency and suitable qualification.

### Solving the gap – software management and paraplanning

One aspect of competency in delivering quality advice is software use. From Adviserlink’s perspective we see a revolution in financial advice and wealth management software. It is our intention to provide competency support in this area by being proficient in the use of such software, a supplier of library information of a technical nature, deliver a paraplanning support service using the major software in use and being a source of training in specific issues in relation to paraplanning or plan writing.

### Solving the gap – CPD

Another vital element in ongoing competency is CPD activities which includes a multitude of learning opportunities such as seminars, conferences, industry readings, and online learning.

Online learning has been a difficult area to get right in the past because of the shortcomings of web-based learning management systems. The NZ requirement is more detailed than alternative

regulatory regimes and for a small market getting the structure right has been an area of great activity but little success. However, we continue to search for a cost effective, integrated and NZ answer to the problem and this is now not far away.

There is a wealth of CPD opportunities around the regions and no doubt it is challenging to choose where you invest your dollar for the greatest return. Once you have identified the core competency of your business and the competency gaps for the individuals within your business, the task of CPD selection should be a lot clearer. Attend and invest in opportunities that are going to add the most value to you and your business. **A**

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