

# HUB<sup>24</sup>



THE SEARCH FOR EFFICIENCIES –  
BETTER BY CHANGE, NOT BY CHANCE

Part 3: Specialisation –  
a pathway to productivity



# CONTENTS

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1

Specialisation – a pathway  
to productivity

2

Team-based approach  
to specialisation

3

Ten business  
tips


4

Business ideas advice  
practices are using now

5

Conclusion



A low-angle, upward-looking shot of a modern skyscraper with a glass facade. The building's structure is composed of a grid of dark metal frames and large glass panels. The sky is a clear, vibrant blue. The perspective creates a sense of height and architectural grandeur.

Advice businesses get better by change, not by chance. Unlocking more efficient and productive ways to run their businesses, while creating value for clients is increasingly key to advisers' success.

This research paper series brings together the content from a webinar HUB24 hosted with some leaders of the advice industry to discuss what innovative and adaptive changes they were seeing across the advice landscape – AZ Next Generation Advisory (AZ NGA) CEO Paul Barrett, Viridian Advisory CEO Glenn Calder and Clearview Financial Advice and Matrix Planning Solutions CEO Allison Dummett – with some advisers to share innovative ideas for achieving business efficiencies and success.

This research paper highlights the current approaches advice practices are taking to drive business and client value by identifying and focusing on key areas of specialisation, such as aligning the demographic of an adviser with clients or focussing on the needs of a profession.

# 1. SPECIALISATION – A PATHWAY TO PRODUCTIVITY

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**Specialisation offers advice practices a clear way of demonstrating value to their clients by identifying and accentuating its core areas of strength and expertise.**

Over the past decade, there has been a trend for advice businesses to embrace this structure as an effective way to attract the right customers who can be more willing to pay for specialisation rather than generalisation.

Specialisation also allows practices to focus technically on particular areas of advice such retirement strategies and estate planning, emphasising to the client where they are adding value.

Specialisation can also be around client segments and allows an advice practice to zero in on the needs of a particular customer whether it is by industry, profession, age, gender or culture. A Melbourne practice which is part of the AZ NGA group has recently restructured its services around the needs of pharmaceutical clients. By specialising in their strengths, the business has honed its advice offer as well as expanding it to include other service areas this segment requires.

“They looked at the lifecycle of a pharmacist who can fundamentally create wealth through two things – one is property investment, and the other is M&A in pharmacies,” explained Barrett.

The business chose to expand its offer to include mortgage broking, general property services, accounting and tax and M&A services to be more of a one-stop-shop for its clients.

While this value proposition might seem deep and narrow, Barrett said this practice is one of AZ NGA’s highest performing businesses.

Specialisation can also be used as a way to better utilise and organise the strengths of an advice practice. In this way, specialisation doesn’t have to be around technical skills and can also be used with regard to soft skills. “We may get an adviser who is so qualified it’s amazing but their ability to connect because they might be only 32 with a 70-year old client is not as strong as a 65-year old adviser,” said Calder.

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**This approach also has other benefits. “If you can promote that connectivity, the listening skills and the soft skills with the expertise, you actually get greater levels of understanding, and connectivity,” he added.**

Specialisation has wide application across advice practices of different sizes. For example, individual advice practices may set up a network of referrals with like-minded advice practices to offer specialised services. Alternatively, a self-licensed adviser may provide a specialised service but leverage a larger network of advisers to provide a full advice service to their clients.



## 2. TEAM-BASED APPROACH TO SPECIALISATION

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One of the ways to organise specialisation within a licensee model is to take a teams-based approach which provides a measurement framework whereby an adviser's performance can be measured based on their contribution to team goals.

This approach is proving very beneficial to Viridian Advisory who use it to bring together aged care, estate planning and insurance specialists to service clients' needs.

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"We are finding the greatest results are coming from advisers who realise they are not all things to all people, but are part of a bigger network," explained Calder.

He added: "If you realise there are true specialisations and you have people in your business that you can go to, I think clients genuinely and really appreciate that."

This approach challenges the traditional advice landscape, where advisers and accountants have tightly held their own areas of defined professional services. Calder compares the move away from this approach to the entrance of Virgin Airlines into the market.

"Their [Virgin] mantra was not to take market share off Qantas, their aim was to grow the entire market. So, if you can say there are greater areas of sophistication and expertise, then I think we can grow the market." Calder believes the same outlook can be applied to growing advice across the Australian market.

"There are massive amounts of people who are not getting advice who actually need advice, so how do we use scaled advice or more cost effective advice to do this? I am a total advocate that the team approach wins over the individual approach at an adviser level, at a team level and at a firm level every time."



### 3. TEN BUSINESS TIPS

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1.	To help focus your value proposition, ask your business: Who do we know? What are we good at? What problems are the people we know trying to solve?
2.	Recalibrate your practice to form a collection of specialisations – consumers are less willing to pay for something that is generalist or vanilla.
3.	Identify the emerging needs of clients, such as applying on behalf of SMEs for government grants and COVID-19 subsidies during the pandemic.
4.	Bring in or acquire the capability that allows your business to offer a new service such as property advice, aged care or insurance.
5.	A team approach to advice provision can be a great way to share expertise and skills across different business models.
6.	Collaborate with other practices in areas such as data and technology to overcome scale and tech development challenges.
7.	Automate processes where possible to ensure expertise is not bogged down in day-to-day tasks. This provides clients with a self-service solution with a referral should they need more assistance.
8.	Investigate self-service solutions clients can go to for limited advice questions but have the choice to contact your business if their needs change.
9.	Business management tools such as Trello are a great way for teams to work on projects in a flexible and transparent manner.
10.	Conduct some cost analysis to inform your value proposition.



## 4. BUSINESS IDEAS ADVICE PRACTICES ARE USING NOW

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1.

### MASTERCLASS ON HOW TO BUDGET

An advice practice looking to grow introduced an online masterclass on how to budget.

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“The adviser told me, ‘We want to grow, and we’ve been working on some great strategies including introducing an online masterclass for clients interested in learning how to budget.’”

This was a fixed fee service targeted at referred clients looking to save for retirement but not sure how to go about it. Superannuation proved the gateway to a wider wealth management conversation.

“They didn’t know how to save to start with in their own lives, let alone with their super,” said Dummett.

2.

### AGED CARE ADVICE

A traditional financial advice business for pre-retirees and retirees has branched out to provide aged care advice.

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“They formed a partnership with a business that specialises in facilities selection, where they match the client’s needs to a facility,” explained Dummett. “The advice practice handles all the aged care financial planning.”

Source: Clearview Financial Advice and Matrix Planning Solutions CEO Allison Dummett.

## 5. CONCLUSION

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This paper has focussed on specialisation as a business strategy that advice practices can use to organise their businesses and gain efficiencies. Taking this one step further, a teams-based approach to specialisation allows advisers to specialise in a particular area of financial advice but to work in teams and to have their value attributed back to the contribution they make as a group in servicing clients.

Either way, the concept of collaborating and focussing on the strengths each adviser brings to a client is central to the search for efficiencies, and to the theme of this series of papers which celebrates the entrepreneurialism of the advice industry and their willingness to get better by change, not by chance.

\*This paper is Part Three of a three part series. Part One and Part Two can be accessed at [www.hub24.com.au](http://www.hub24.com.au)









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