

MEDIA RELEASE

FINANCIAL SERVICES INDUSTRY MUST LOOK BEYOND REGULATORY CHANGE & EMBRACE DIGITAL

State Super Financial Services' \$50 million dollar project 'puts clients in driver's seat of advice'

Sydney, 10 August 2015: Financial services firms need to stop making changes only when regulatory transition forces their hand, but rather embrace digital disruption and upgrade their businesses for a future where only those who offer best-practice solutions will succeed.

This is the view of State Super Financial Services, which announced today that it has invested \$50 million in transforming its business to better address the needs of clients and to respond to the digital drivers of the external environment.

According to State Super Financial Services' General Manager of Financial Planning, Sean Bradley, the necessity of adapting and responding to regulatory change is a given, but real success will only come to those businesses which take a longer term, holistic view, and adapt to the needs and wants of clients. This means building businesses that deliver financial advice and services in a truly client-centric manner.

"There is no doubt the industry needs to do more to reach Australians and overcome barriers to seeking advice. We should be offering services on our clients' terms – where, when and how they want to deal with us. And digital is another key piece of the puzzle that allows us to do just that.

"We've embarked on a significant business project, at a cost of \$50 million, to ensure our business is digitally focused and ultimately, even more client-focused. We have completed the first steps of our digital journey, with all our offices around the nation now using the new business operating model.

"The recent changes include a complete overhaul of our front and back-office systems, including Advice and CRM software, moving to paperless, changes to the way we deliver advice through phone based advice services, as well as extended office hours."

Mr Bradley said the changes are specifically driven by research into what Australians think about financial advice and how they want to deal with advisers.

"Our new business model is based on extensive research which shows that almost 50 per cent of clients want to see a financial planner first, face-to-face, before doing business through another channel.

"We have responded by using technology to deliver advice to clients, on their terms.

"The benefits for clients include real time advice and access to 'scaled advice'. This is about providing better service, product and payment options. It's also about client choice: choice of advice channel that best suits them; choice of how much advice to use; and choice of solutions that best suit them – personally tailored using what we already know about the client.

"In practical terms we're entering an era in which a client can meet with a highly qualified adviser either face-to-face, or via phone, and receive personalised advice on the spot, based on real-time financial modelling of various choices – all of which is informed by the accurate individual client data in our CRM. That same client, after their adviser meeting, might choose to only do business with us online, which is fine. In fact, it's the new reality, thanks to improved systems and data."

State Super Financial Services Managing Director, Michael Monaghan, said the new operating model will allow the business to further demonstrate its expertise within retirement planning.

“We are looking to lead the industry in terms of technology, and true to our heritage, doing so in a way that is purely client-centric in its development and delivery.

“With millions of Australia’s baby boomers still under-prepared for retirement, there is an unprecedented demand for quality financial advice. As an industry, we must provide members access to a full spectrum of advice solutions that are suitable to their circumstances, and provide it on their terms.”

Mr Monaghan also noted that the changes underway will benefit individual advisers who will enjoy productivity gains and be freed up to focus on delivering quality advice.

“We have long led the industry in terms of our professional standards and have done so without hype. This is the next piece in our professionalism journey.

“While the industry is abuzz with regulatory changes and debates, this isn’t really what our clients are interested in and as an industry we can’t lose sight of this. Clients want more access to information, they want us to use technology that makes their lives easier, and they want to know that the person they turn to for financial advice has the highest qualifications and their best interests at heart. Ultimately, they want services delivered in a way, and at a time, that suits them best.”

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Key facts

- State Super Financial Services provides advice and investment products to approximately 60,000 members with over \$16 billion in funds under management (as at June 2015).
- State Super Financial Services has a strong regional presence, particularly in rural NSW, with approximately 150 professional financial planners working from 19 offices across Australia (with a regular presence in 43 other sites across NSW, the ACT, Victoria, Queensland and Western Australia).
- All State Super Financial Services planners are FPA members, with 65% already CFP® certified (the highest industry certification) and SSFS is on the path to 100% being qualified in the next few years.
- State Super Financial Services’ recent business changes include a move to paperless offices, and no use of paraplanners
- **State Super Financial Services research¹ shows**
 - More than one third (35.1%) of clients preferred to establish and maintain face-to-face contact with their financial planner, more than any other method.
 - Almost half (47%) were comfortable using other channels such as phone and internet to maintain their relationship – however, this was only after they had built an initial rapport face-to-face.

For more information or to arrange an interview, please contact:

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About State Super Financial Services:

State Super Financial Services is a leading financial services provider. It has approximately 60,000 clients and \$16bn in funds under management (as at June 2015). State Super Financial Services provides specialised advice, services and implementation solutions, particularly to public sector

¹ CoreData April 2014. Sample of 2496 public sector employees. The majority of those surveyed were in the 45-64 age group.



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