

**MDRT**The Premier Association of
Financial Professionals®

Sep 2020

The gift of time

Jerry Soverinsky

Regulations prompt shift to annual fees, but results make for stronger business.

When Aaron Kane, B Bus, AFA, started working for his father's financial services company as a teenager, he couldn't have anticipated the changes that would roil the industry in Australia. Several years ago, when Kane's father retired, the six-year MDRT member from Rowville, Victoria, Australia, took over the family business.

While stepping out of his dad's shadow has been an ongoing challenge for the younger Kane ("I'm finding my own clients, not just getting transfers from him"), more pressing has been addressing the evolving changes in Australia that govern financial planning. "We have a lot of challenges here," Kane said. "In the last year or two, there is more red tape for compliance, which has made it more difficult to give advice."

As a result, Kane had to increase his administrative team from five to nine, which cut into his margins and forced him to reevaluate every aspect of business operations. Working through the change was difficult, and he tapped an outside business coach for advice.

Kane's coach performed a three-month assessment of his business, developing a plan that eventually would rework his firm's entire pricing strategy. The result? Kane has implemented annual advice agreements, which assess annual fees for services to more than 400 clients. "Most clients are happy to pay; they believe in our services," he said.

But not all clients have taken to the new structure, which means "there are probably 150 to 200 who don't fit our new pricing model." Rather than simply releasing them with no further contact, Kane engages them through automated messaging that maintains awareness of his firm. "When they're ready, hopefully we can put them back on as a fee-paying client."

It's never easy to hit clients with increased pricing, "so we've had to really articulate the value to them," Kane said, "which includes not just end-product solutions but realizing the experience that we provide."

Kane's move away from transactional work and toward annual fees has been a boon for his team's stress levels and productivity. "Our team members love it, because they aren't pumping out a heap of applications just to get paid."

Kane's bottom line has grown, too, but more important is the resulting lifestyle change that has accompanied his company's evolution. "I have more time for my family," he said. "I'm hardly working past 6:00 anymore or on weekends." Whereas he used to work up to 80 hours a week, those days are thankfully in the past. "I've got more time with my kids. I pick them up from school now."

CONTACT: Aaron

Kane aaron@ekfinancialgroup.com.au(mailto:aaron@ekfinancialgroup.com.au)

Please [Login\(/widgets/Account/SignIn?returnUrl=https%3A%2F%2Frz.mdrd.org%2Fhtml%2Frtt202009en-the-gift-of-time%2F\)](#) or [Become A Member\(https://my.mdrd.org/customer-profile?returnUrl=https%3a%2f%2frz.mdrd.org%2fhtml%2frtt202009en-the-gift-of-time%2f\)](#) to add comments

This page was printed from <https://rz.mdrd.org/html/rtt202009en-the-gift-of-time/>