



TALKING WITH



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Talking life as an adviser and following in the footsteps of Isaac Newton With Kunle Olafare, Chief Executive at SK Financial, and Richard Romer-Lee, Managing Director at Square Mile

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HOW DID YOU BECOME A FINANCIAL ADVISER?

It was in the 1990s at a time of high interest rates and negative equity and I was applying for any job going. But it was important to me to gain some professional qualifications. I started at GAN – an old-school, eat-what-you-kill, sales-driven adviser business.



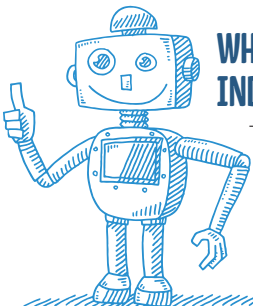
It was an extraordinary experience during which I made good contacts and learned lots, including that referrals are the way to build a business. It gave me the skillsets I needed to set me on my way.



WHAT MAKES A GOOD FINANCIAL ADVISER?

To swiftly ascertain how you can help an individual, by asking intelligent questions and listening hard – much like a doctor and a patient. Then being able to summarise what someone wants and crucially, to deliver the solutions.

The role has evolved so much over the years. In the days of working on commission, investments played a big part in what many advisers did. The focus now, working on a fee-basis, is more about being a financial coach. For us, it's about building and delivering the financial plan, working with each client and building trust. This approach is not for everyone though – some may still want a more transactional relationship.



WHAT'S THE IMPORTANCE OF BEING INDEPENDENT?

Two things. Firstly being independently owned we don't have shareholders to worry about and the three of us who own the business can make decisions quickly. Secondly, when I was a tied agent, to be independent was the big thing. Now I'm not so sure – are we really all aware of every single last product out there? We don't like the phrase 'restricted advice' as it sounds negative and doesn't mean what it infers.



WHY DOES FINANCIAL ADVICE OFTEN GET BAD PRESS?



Product selling, commission bias, that was the backdrop of financial services in the late 80s and we are still paying a perception price for this. The media portray advisers poorly in many stories, some of which are justified, some are not. There are so many firms and advisers who do an exceptional job for clients. I am involved in focus groups and networks which helps to keep my pencil sharp.

WHAT ARE THE MAIN CHALLENGES FACING ADVISERS?

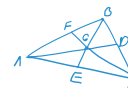


Regulation is always there to challenge us, but we embrace it as part of what we do. The biggest challenges are the unknowns. Nobody knew what was about to happen on 23rd March, 2020. But by sticking to your values, going with your gut and asking those who you trust to help form your view, you can rise to the challenge. There is no rulebook in running your own business. It's important not to be alone – and it can be lonely at the top – even with business partners. We are fortunate enough to have a really good team. We try not to take things too seriously, have fun and admit mistakes when we make them.



HOW HAVE YOU SUPPORTED CLIENTS DURING THE PANDEMIC?

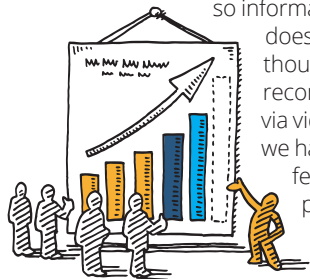
It's the first situation we've ever had where an event has affected absolutely everyone. Reassurance has been what clients needed most, so we made sure our communication was first class. We've tackled the issues by addressing topics such as market volatility or the need to have access to a cash buffer. Using simple language helps it become accessible to all – this is no time for jargon. We've worked hard to understand clients' concerns – but the important thing is hopefully they feel like they've been heard and looked after. More broadly, the situation has certainly helped some clients understand what they spend their money on. It's been a sense check for them.



HOW HAVE YOU ADAPTED IN PROSPECTING FOR NEW BUSINESS?

It has been tough because business development has always been face-to-face. The internet helps but is definitely no substitute for physical meetings. Less than 7% of human communications are words – body language and tone are so informative. Let's face it, email just

doesn't compare. We are finding ways though and fortunate in that we get recommendations. The first meeting via video call is definitely harder. Since we have been back in the office, it has felt incredible to start meeting people again.

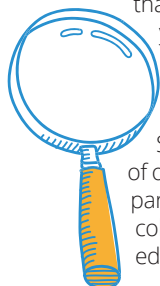


HOW HAS THE SITUATION CHANGED THE WAY YOU WILL WORK?

Working hours and patterns have changed. We've realised we are more productive working at home than in the office for managing tasks. In future I will probably be in the office for two days a week.

We will also pay closer attention to personal health – we've created a mind gym at work to help with our understanding of colleagues and others.

I worry about the social impact of what has happened. In that regard I believe the best question is what are you doing for other people? You can always help others. I now use the time I save by not commuting, to help others. Having attended Haberdashers' Aske's Hatcham College in South East London, I am now part of a network of over 14,000 teachers, affiliates, staff members, parents and guardians helping students at the college to understand the importance of education and helping people in life.



WHAT ADVICE DO YOU GIVE TO YOUNGER PEOPLE SETTING OUT IN FINANCIAL SERVICES?



Have a plan and work on it. I carry my business plan with me at all times. At some stage you will have to win clients, so work on your pitch. People know in seconds if they like you. Be prepared for knockbacks, you won't win them all. Believe in yourself. Try to make a difference and remember, how you treat people is so important.

I'm loving seeing more adviser firms being set up by younger people from a wider social and demographic background. The more diversity of thought the better we can be. They can also lead the much needed change in adviser technology.

WHAT DOES THE FUTURE HOLD FOR ADVISER FEES?

I'm not a soothsayer. However who wants to be the biggest cost on the fee statement? The average adviser charge is 0.80%, some charge 1%. Clients rightly want to know what we do for the money and what value we can deliver. What we do is not and should not be based on the value of someone's assets. It's far more complex – and relates to the plan, being able to deliver it and helping people achieve their aspirations and meet their needs. We also free up our clients so they have more of the most valuable commodity – time. Currently our highest fee rate is 0.5%, but we are more like a family office in that some clients pay a flat fee. We use the structure that is most appropriate.



ARE CLIENTS INTERESTED IN ESG AND RESPONSIBLE INVESTMENTS?

Absolutely. Part of my job as an adviser is to ascertain how much is too much – both in terms of the wealth of my clients and the good their money can do. In other words, helping my clients to do good by others, both for people and the planet. Initiatives like Make My Money Matter, which wants to promote using pension funds to build a better world, are so important. Many of our clients are actively involved in trying to lead the way. The industry needs to provide better examples of what is important and sustainable.



WHAT'S THE BEST ADVICE YOU HAVE BEEN GIVEN?

There is no substitute for hard work. My foster mum used to tell me all the time "you've just got to get on with it". I would always take hard work over talent.



WHAT'S THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

Back in the early 1990s when I worked at a golf club, seeing grown men crying when they couldn't fix their mortgages at an interest rate of 18%.



HOW DO YOU RELAX?

Holidays, the cinema, football, cooking and cricket. Occasionally I try to just do nothing. Isaac Newton spent two hours a day on a park bench doing nothing. Sometimes doing nothing can really help.

It's hard to switch off from the business so I have two phones – a work phone and a personal phone. When I finish for the day, the work phone stays upstairs on my desk. I also love cricket and was given the opportunity to be co-opted onto the board of Surrey Cricket Club. I am now in my third year as an elected member and already planning a campaign to be re-elected in 2024!



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