

A discerning eye for clients

Marta Wiacek

THE PRACTICE

A financial planner sometimes needs to be as discerning when taking on clients as a client may ordinarily be when selecting a financial adviser.

Charlie Karalouka of Investment Central puts on this particular hat when assessing whether potential clients are a good fit for the practice.

First and foremost on his list is whether or not clients are willing to heed advice, Karalouka says.

"We're not a transactional type of financial planner, if that makes sense, so the type of client that we are looking for is one that does listen to advice," he says.

"Clients that just want us to do things for them and if they think they know everything, then we're probably not really interested in those types of clients."

He says at least 95 per cent of the practice's 350 clients are willing to sit down and discuss wealth creation and management strategies as well as advice on self-managed superannuation funds.

Having started out as an office junior at Westpac, Karalouka became a financial adviser in 1996 before obtaining his own licence and opening a practice along with a partner in 2001.

He then handed his licence back in 2004 and joined dealer group Consultum, a move he decided on after his business partner decided to leave the industry.

"I just wanted to hand over a lot of the day-to-day compliance type of work to someone else," he says.

He adds that he was attracted to Consultum's young and dynamic team.

"All the staff are very enthusiastic, career-orientated and obviously wanting to help the advisers, but what I have found is that they are very approachable for my staff and for me, and that stems from top level management," he says.

"They also make an effort to get in and understand your business."

Consultum also excels in the way it is able to support the number of services his practice provides, he says.

"We've got internal-trained Xplan staff that actually work for the dealer. That's probably a big plus because the software is very technical and ongoing," he says.

Consultum also has a standout cadetship program, he says, which has assisted his New Farm, Brisbane, practice in bringing on new advisers.

He adds that the dealer group differentiates itself further with its approved product list, which includes

Macquarie Wrap, IOOF, Colonial, Navigator and ING. "You've got a real choice there where you can sit down with the client and really focus on what they need," he says.

Investment Central provides a holistic type of financial planning, with the practice described by Karalouka as the centre of a wheel that revolves around an accountant, mortgage broker and lawyer.

"If a client comes to see us, they are coming to see us because they don't want us to look after one part of the business; they're basically looking for us to look after all their financial needs," Karalouka says.

Investment Central outsources its mortgage broking to a specialist firm, which in turn refers business back to the practice, a system replicated with the accountancy and law firm the practice has partnerships with.

"Because we do the whole financial planning, it's really difficult for us to get involved in the accounting or the lending side," Karalouka says.

Karalouka runs his practice along with another financial adviser and two other staff members, with one of them doing a cadetship organised by Consultum.

Investment Central's succession plan is quite simple in that Karalouka says he plans to train his current staff so they can eventually purchase equity in the practice based on their bonus structures.

To increase the practice's clients, Karalouka works closely with referral sources and also says he drums up additional business through his work with community sporting events.

Karalouka is a director of Souths rugby league club in Brisbane and it is the connections he makes there, as well as in the business world through lenders and accountants, that he says have bolstered his client base.

One of the best things about being in the industry, he says, is the friendships he has formed over the years and the satisfaction in being able to help people meet their goals.

"Because I've had clients now for so long, you're starting to see the fruits, you see people who were working and have now retired and you have been able to go through that journey with them," he says.

He adds that those who are retiring are now referring their children to him.

"I am only 37 and their children don't have a problem dealing with me as they know I'm not going to retire anytime soon," he says. □



CHARLIE KARALOUKA

DEALERPROFILE

Consultum Financial Advisers started in October 2006 from the merger of two financial planning groups – Winchcombe Carson Financial Planning and Financial Partnership.

Established in 1979, Winchcombe Carson was one of Australia's pioneering financial planning groups while Financial Partnership was launched in 2002. Consultum says it builds on the complementary strengths of the two dealer groups and provides a strong platform for a dedicated advice-based service offering.

Regarding the dealer group's unique offering to advisers, the company has negotiated a standout opportunity for advisers to be awarded equity in IOOF Holdings, Consultum head of operations Joe Botte says.

Consultum also offers an attractive remuneration model that includes a rebate program via its key platforms and approved product list.

"Our value proposition rewards advisers based on business revenue as opposed to product sales, creating a truly level playing field," Botte says.

Advisers in the network also have access to Consultum's business improvement program, which helps to identify and fully implement practical solutions to increase the profitability and efficiency of practices.

Consultum has \$2.2 billion in funds under management and 112 authorised representatives in 63 practices across Australia. The group is planning to grow its adviser numbers to 200 within the next two years. □

SNAPSHOT

Name: Investment Central

Clients: 350 fee-paying clients

Software: Xplan

Research: Standard and Poor's, Lonsec

Platform: Macquarie Wrap, IOOF

Staff: 4