

Kinder points to fivefold boost in business value

Tracey Scott | 12-Feb-2009

Kinder Institute founder and president George Kinder believes that advisers who follow the life planning movement could be worth up to five times more in value than commission-based firms.

Kinder, whose institute was sponsor of this year's International Life Planning conference in London, told delegates that combining life

planning with a fee-based business model could enhance saleable value by four to five times.

He said: "Life planning by far is the most extraordinarily efficient way of making money in the financial planning business. The sale value of a fee-only firm is three to four times the sale value of a transactional firm. The reason for that is because of the trust in the relationship. There is even more trust developed

from the life planning process so we suspect that there is an additional multiple there. You are going to get four to five times if that includes life planning."

Dragonfly managing director Adam Young, who changed his business model to centre on life planning, said he got a 45 per cent discount on his professional indemnity cover as a result.

Source: Money Marketing