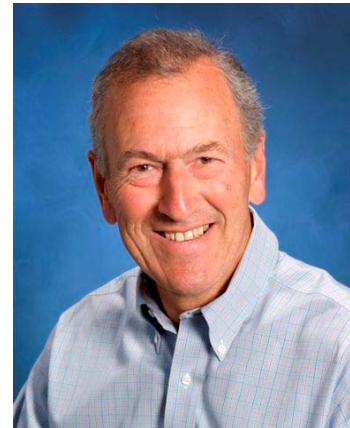


Interview with Ian Muirhead, SIFA

Macquarie Planner Services
Smart solutions made simple



Ian Muirhead, Managing Director of SIFA, talks to us about his own experiences as well as issues facing others within the financial industry.



Why did you decide to establish SIFA in 1992?

Because, following a profile article in The Lawyer magazine, other solicitors were asking me how to go about setting up and running up a financial services department, so I left the practice where I was a partner and set up SIFA to help them.

What are the benefits to IFAs of SIFA membership?

SIFA provides similar services to other IFA support organisations, but our focus is on professionally connected IFAs, and membership is restricted to IFA firms whose status is comparable to that of the solicitor and accountancy firms with which they work – i.e. they must be independent and directly authorised and RDR-compliant. They must also be wholly or partly owned or recommended by a solicitor or accountancy firm.

We are unique in having sprung from the legal profession, and two of my fellow directors were senior Law Society officials before joining SIFA. Our standing within the profession has enabled us to obtain exclusive Law Society endorsement of our Directory of professional financial advisers, through which we promote our member firms to solicitors, and which can be accessed via the Law Society web site. We also run training events with the Law Society and our book Financial Services for Solicitors is published by the Society. SIFA's USP is its expertise in facilitating relations between IFAs and solicitors, and the collision of RDR with the Legal Services Act, which will enable solicitors to practise in combination with professionals from other disciplines, provides the ideal backdrop to our work.

What do you enjoy about your role and what is your biggest challenge?

I love having the opportunity to be creative in a field we have made our own, and to be able to indulge my enthusiasm for marketing. My biggest challenge is trying to switch off.

What do you see are the 3 main issues facing IFAs at the moment?

- i) Getting the FSA to acknowledge the distinction between fee-based IFAs and tied and multi-tied product salespeople and to promote the distinction to the public.
- ii) Recognising that in the multi-disciplinary world of the future the professions will no longer be operating in silos and that the future for fee-based IFAs lies not in establishing financial planning as a separate profession but in demonstrating that it has a legitimate role in the multi-disciplinary mix.
- iii) Achieving critical mass organisationally without sacrificing individual motivation.

What about issues facing accountants and solicitors?

By and large, accountants are better businesspeople than solicitors and can look after themselves. Solicitors will be vulnerable to the competition which will be unleashed by the Legal Services Act because most of them are insufficiently commercial in their approach to business and too great a proportion of their work is transactional. These are issues which SIFA is helping solicitors address, and our message is that private client solicitors who establish meaningful relationships with fee-based IFAs whose specialisations and qualifications complement their own will be able to provide a more comprehensive multi-disciplinary service to their mutual advantage.

How will the RDR affect the financial planning industry over the next 3 years?

The financial planning industry has established momentum and will grow regardless of RDR, because a minority of IFAs have bitten the bullet and converted to the fee-based professional culture. The question is whether the FSA will assist this growth by imposing rules which make clear to the consumer the true status of tied and multi-tied salespeople, whose duty to their clients is conflicted by self-interest and the interests of the product providers for whom they work. It is to be hoped that the FSA will not wobble on this central issue, though it is unfortunate that they have already back-tracked on the original intention to describe fee-based IFAs as “professional” and that they are now intent on creating a single code of ethics for all types of financial adviser.

What would you be doing if you were not Managing Director of SIFA?

Something which involved writing, training and marketing. But I would have to be my own boss. I'm not good at taking instructions. I like to be in a position where I may need to ask for forgiveness but not for approval.

What has been your best lesson?

Not to get involved in things you don't understand.

What is your top practice management tip?

“Nothing in the world can take the place of persistence.
Talent will not: nothing is more common than unsuccessful men with talent.
Genius will not: unrewarded genius is almost a proverb.
Education will not: the world is full of educated derelicts.
Persistence and determination alone are omnipotent”.

What is your favourite website?

www.sifa-directory.info

What do you enjoy doing outside of work?

Biking, swimming - activity that doesn't involve having to hang around waiting for other people. Also theatre, and doting on young grandchildren.

If you could choose to have any 3 people around your dinner table, who would they be?

Rosamund Pike, Lewis Moody and Clive James.