

A CRITICAL EVALUATION OF THE SUCCESS FACTORS IN PERSONAL FINANCIAL PLANNING: A CASE STUDY OF ASSUPOL LIFE, PORT ELIZABETH

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Abstract

Personal Financial Planners demonstrate the value and potential of individual tailor-made financial solutions. They understand that every person is different and recognise that there are many factors to take into consideration. A Personal Financial Planner is a practicing professional who prepares financial plans for people by meeting rigorous international competency, ethical and professional practice standards, covering various aspects of personal finance which includes: cash flow management, education planning, retirement planning, investment planning, risk management and insurance planning, Tax planning, estate planning and business succession planning. Personal financial planning is not only about money and creating wealth. It is also about assisting clients to make informed decisions, through a process of communication, education and implementation, to achieve their life goals and dreams. Financial Planning is becoming increasingly relevant to the economic objectives of South Africans.

Key Words: Financial Planning, Personal, Evaluation, Succession, Planning, Competency, Risk, Management, Implementation, Ethical, Standards

Introduction

The financial services industry is not just about selling financial products but also about selling financial services. It is about empowering people and businesses to take control and plan their finances properly. The industry helps grow the economy, enriches lives and enables positive futures for clients through financial freedom. Personal financial planning is about assisting clients to make informed decisions, through a process of communication, education and implementation, to achieve their life goals and dreams. Personal Financial planners demonstrate the value and potential of individual tailor-made financial solutions. They understand that every person is different and recognise that there are many factors to take into consideration. Successful businesses promote service quality by identifying and meeting clients' needs and

creating lifelong relationships based on policies and processes, differentiating themselves and creating competitive advantage.

Aim of the Study

The aim of the study is to critically evaluate the success factors for Personal Financial Planners in personal financial planning at Assupol Life, Port Elizabeth.

Objectives of the study

- i. To identify the set of personal skills and attributes of a Personal Financial Planner against which to benchmark a successful Personal Financial Planner;
 - ii. To investigate how legislation regulates the financial planning industry and assesses the impact on sales and compliance;
 - iii. To determine the impact of the FAIS and FICA Act on the Personal Financial Planning environment.
- Planners. This chapter gives the final conclusion of the study.

LITERATURE REVIEW

The need for financial planning

The financial planning industry in South Africa has experienced significant reform in the last decade after neglecting the role and the value a Personal Financial Planner adds to the lives of clients. Although consumer protection was at the heart of this reform, it has also prompted the industry and other groups to consider personal financial planning as a profession. Hanna (2011) has identified a shift in attitude of clients who now recognize that integrated long-term financial planning is critical to effective financial management and that a single expert who can consolidate all their financial needs into a comprehensive plan is more efficient. Employment in the insurance industry is expected to increase by 46% between 2006– 2016. The dramatic increase in employment is attributed to the growing need for investments and securities to fuel the global market place, as well as the increase in the need for Personal Financial Planners (Hoffman and Bateson, 2010: 35).

According to Rossini and Maree (2010: 104), many Personal Financial Planners give little thought to the concept of personal financial planning as a service model and there has been relatively little discussion of the value of personal financial planning services in the literature. In research done by Messy and Monticone (2012), data was used to determine the extent to which Personal Financial Planners were used by households. The result of the research showed that 40% of South Africans chose financial products without making an informed decision, 55% made some attempt to make informed decisions and 5% shopped around and used independent information or advice. Hanna and Lindamood (2010) discussed the theoretical benefits of using a Personal Financial Planner based on expected utility analysis. One of the striking results of their analysis is all other things being equal; those with low risk tolerance should place a higher value on comprehensive financial planning than those with high risk tolerance. A client who wishes to achieve financial independence at retirement or protect assets that are mortgaged if they die, faces the risk of not having the money to do so if no personal financial planning has been done. The personal financial planning process is an exercise in applying risk management techniques at client level. This should include the more comprehensive identification of risks which clients face, the appropriate prioritization of these risks and the effective management of these risks (Elgar 2004). It was noted that clients have the tendency to spend enough time on managing smaller risks that they encounter but do not spend more time on risks that affect their overall financial wellbeing. A study conducted by Bowen (2014), found that Personal Financial Planners were adopting a more client-centric model offering, rather than traditional investment management service, with the focus on complete wealth management. A client centric organization builds an operating model around a deep understanding of its clients, what they value and the contribution each makes to the profitability of the company. These businesses believe that their clients are the only reason that they exist and use every means at their disposal to keep the client happy and satisfied (Zeithaml et al., 2009: 375). According to Ernst & Young Global 2012, this requires:

- Designing business processes recognizing different customer segments;
- Delivering a positive and seamless customer experience at every touch point across the customer life cycle;
- Maintaining an active dialogue with customers and acting on feedback;
- Fostering a culture where the customer is at the heart of the decision-making process.

Developing and presenting personal financial planning recommendations

There are three elements in this step. The first is to identify and evaluate personal financial planning alternatives. This is because the analysis may determine different solutions that a client may choose to achieve a future financial goal, or that existing financial plans already meet the financial goal. It is incumbent of the Personal Financial Planner to articulate why a particular solution is proposed.

The second element is the development of the financial planning recommendations. These should be consistent with the agreed scope, the future goals, the data provided by the client and the analysis performed by the Personal Financial Planner.

The third element is the presentation of the financial plan to the client. Here the Personal Financial Planner should discuss all the relevant information that affect the financial plan, and inform the client that as their personal and financial information changes these assumptions may

not be consistent with future financial goals. A written record of the presentation should be given to the client, and a copy kept by the Personal Financial Planner.

Implementing the financial planning recommendations

There are two elements to this step. The first is to agree who will be responsible for the implementation of any actions or recommendations that arise from the financial planning process. The second is to select financial products which will achieve the future financial goals. Implied in this is the need for the Personal Financial Planner to research financial products and demonstrate technical knowledge and depth of understanding of financial products.

Monitoring the financial planning recommendations and reviewing the plan

This step ensures that the client's financial plan remains current with personal and financial information by setting review dates with the client advising the client that they should notify the Personal Financial Planner should personal or financial information change and explaining the scope of the review process.

From this we can surmise that a Personal Financial Planner operates in a complex service environment which requires a structured approach to ensure that the client's future financial goals are met and compliance requirements are adhered to.

The Personal Financial Planning Process is a systematic process that considers the important elements of a client's financial affairs and is aimed at fulfilling a client's financial goal. The Financial planning process translates these financial goals into specific financial plans, which are then implemented through financial strategies. Personal financial planning provides a long-term strategy for the future, taking into consideration every aspect of a person's financial situation and how each situation affects their ability to achieve their goals and objectives (Gitman, Joehnk & Billingsley, 2013).

Challenges in the industry (Recommendations for further research studies)

The financial planning industry has received significant negative publicity in recent years due to the use of commission-based payments that has served to undermine the integrity of Personal Financial Planners. Whether such claims are real or perceived, the future of becoming a profession lies with abolishing all forms of commission-based payments and moving to a fee for service.

Characteristics of personal financial planning

The Service System Model

Kotler (2003: 44) defines a service as "any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product" Applying this definition to the personal financial planning process, where a Personal Financial Planner assists a client to develop a physical product that is not owned and then reviews the plan on an ongoing basis. We can surmise that the financial planning process is a service and Personal Financial Planners operate in this market context.

Considering the five service categories and other distinctions noted by Kotler (2003), the financial planning process is not a pure service but rather a major service with some accompanying minor goods. This is because the financial plan has some tangibles attached to it. These tangibles would include the documentation of the plan and the report in which the plan is reviewed. It is a people based service that requires the client to be physically present, services personal need and has the objective of making profit. These attributes affect the way in which

Personal Financial Planners structure the efficient delivery of the financial planning service to a client.

The attribute of intangibility means that a client will make judgments about the expected level of the financial planning service based on the people and the environment they see, and may want assurance from others prior to the delivery of the service. A client's perception of quality will not only include their expectations and actual service received, but will also include the process they are taken through (Parasuraman, Zeithaml and Berry, 1985).

There are two principles which require further consideration. These are:

- As a system there are elements that are either visible or not visible to the client. Elements that are visible would include the Personal Financial Planner that the client interacts with, the office environment and other clients. Elements that are not visible to the client would be the technology deployed to keep track of a client's financial plans and administration process;
- A client will either have direct or indirect interactions with the elements of the system. A direct interaction would be the completion of a financial plan, whilst an indirect interaction might be contact with another client.

What Figure 2.1 below demonstrates is that all these elements combine and affect the ability of the Personal Financial Planner to deliver the financial planning process as a service to a client. The model is further supported by the proposition from Zeithaml et al. (2009) that in addition to established marketing principles of product, price, place and promotion, three additional factors need to be considered in a service environment.

These are:

- People : All human actors who play a part in service delivery and thus influence the client's perceptions; namely, the firm's personnel, the client, and other clients in the service environment
- Physical evidence: The environment in which the service is delivered and where the firm and client interact, and any tangible components that facilitate performance or communication of the service.
- Processes: The actual procedures, mechanisms, and flow of activities by which the service is delivered – the service delivery and operating systems.

The service system model demonstrates that personal financial planning has characteristics which allow it to be defined as a service and that principles of a service business can be applied to the personal financial planning process.

RESEARCH METHODOLOGY

Planner's environment. The descriptive research described the prevalent factors with respect to the challenges, threats and achievements of FAIS and FICA.

The research identified and obtained information on the characteristics of a particular problem. It was partly explanatory as it tried to explain the reasons for the phenomenon

Study Settings

The research was conducted in Port Elizabeth, at an organization called Assupol Life. The branch is headed by a General Manager and supported by 4 Sales Managers. The Sales Managers

are responsible for managing a team consisting of 56 Personal Financial Planners. The Personal Financial Planners provide financial advice to the general public with their main focus being parastatal employees. The advice given pertains to Life cover, Disability cover and Critical illness cover, and Savings and Investment advice.

Target Population and Sample

It is a requirement of research to obtain data to answer the research problem. A population is the source from which this data can be obtained. The purpose of sampling is to maintain the integrity of the research, whilst considering time frames and cost constraints. The two main methods used in research to survey research are probability and nonprobability sampling. The difference is that in probability sampling all persons has a chance of being selected, and results are more likely to accurately reflect the entire population. Factors that influenced the method of sampling were, the complete sampling frame was available with contact information for the entire population and it did not incur more cost or time than nonprobability sampling. Sampling works best in cases where there are large populations and impossible to work with all the cases. The size of the sample should not matter as long as it accurately represents the population (RBS, 2012: 30). The sampling method used was simple random probability sampling as each population member had an equal chance of being selected into the sample. The sample was drawn using a random number table. Assupol, Port Elizabeth had 56 Personal Financial Planners. Generally larger samples lead to increased precision when estimating unknown parameters. In this study all Personal Financial Planners will be targeted to take care of those which might opt out of the study but the minimum sample size was 49 (Sekeran, 1992: 253).

RESULTS, DISCUSSION AND INTERPRETATION OF FINDINGS

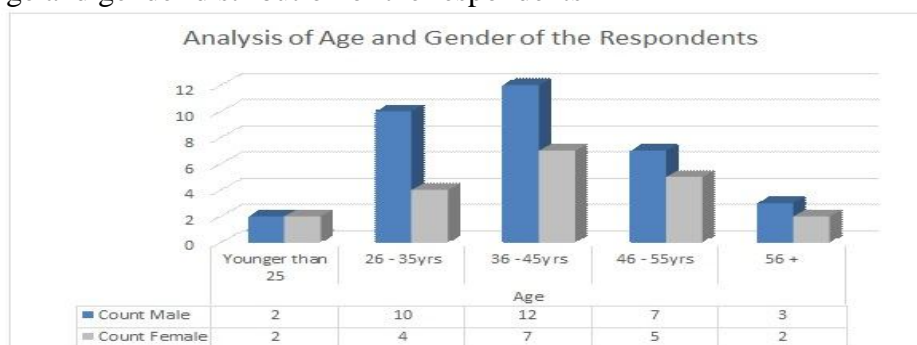
Demographic data

The organisation's Port Elizabeth marketing department is made up of Financial Planners, who are linked to Assupol Life through two distribution centres, Broker distribution and Tied agency. The main difference between the two structures pertains to their licencing agreement with the Financial Services Board. The broker is allowed to have more than one contract, where a tied agent is only allowed to market products of one product provider. This survey collectively used information from both distribution centres, and in the survey fifty four people responded to the questionnaire.

Analysis of Age and Gender of the respondents:

Of the fifty four respondents thirty four were male and twenty were female. Nineteen of the thirty one participants are in the 36-45 year age group. The 26-35 year age group had fourteen respondents and the 46-55 year age group had 12 respondents. Only four are 25 and younger and five in the 56 and older age group.

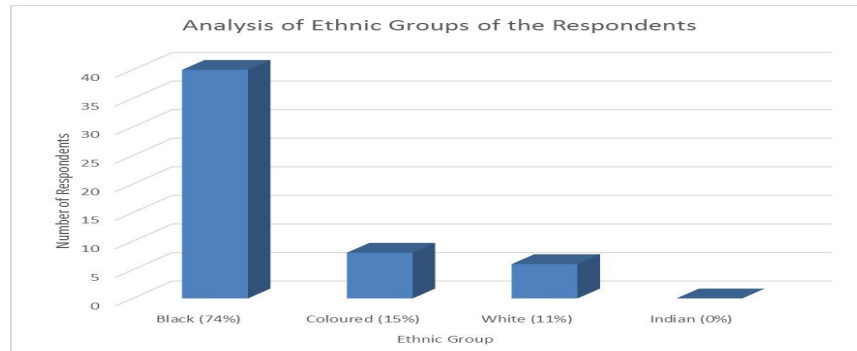
Figure 4.1 Age and gender distribution of the respondents



Analysis of Ethnic Group of the respondents:

The respondents were made up of forty Black respondents, 8 Coloured respondents and 6 White respondents with no Indian respondents.

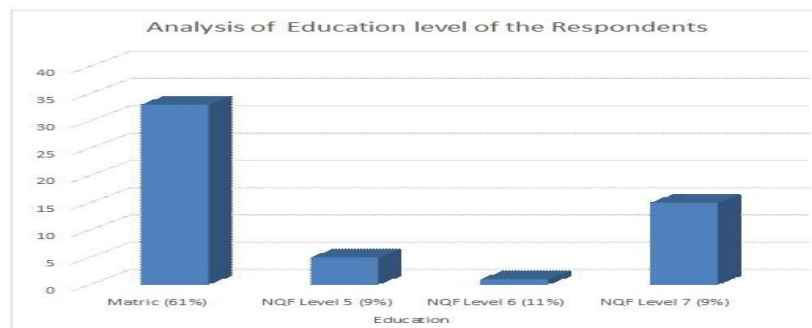
Figure 4.2 Ethnic distributions of the respondents



Analysis of Education Level of the respondents:

All of the respondents at least went to school (none never to school). Thirty three participants had secondary school as their highest level of education. The other twenty one participants had tertiary qualifications. The respondents were asked to indicate their qualification by indicating level of National Qualification Framework (NQF). The NQF is the system that records levels of learning achievement to ensure that the skills and knowledge that have been learned are recognised throughout the industry. There are eight levels on the NQF. Five respondents had NQF 5, one respondent NQF 6 and fifteen respondents had NQF 7.

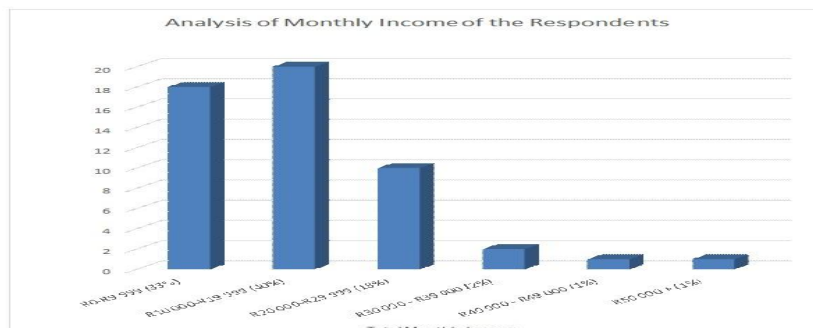
Figure 4.3 Distribution of education level of the respondents



Analysis of Monthly Income of the respondents:

The respondents were grouped into six categories with regard to their total income. Twenty two respondents were within the R10 000 – R19 999 group and eighteen respondents earned less than R9 999. Ten respondents earned between R20 000 – R29 999 and two respondents earned more than R40 000 per month.

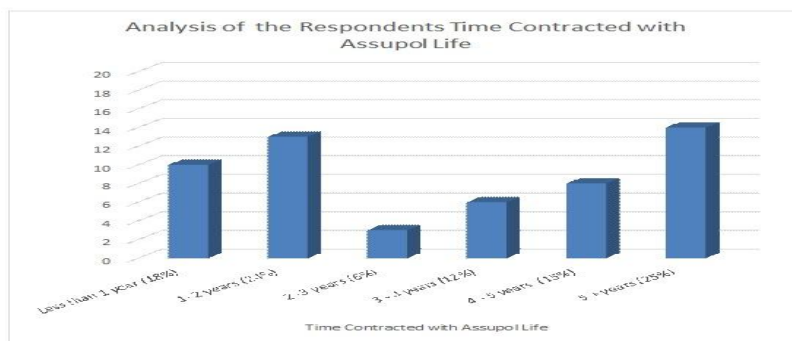
Figure 4.4 Distribution of income levels of the respondents



Analysis of Employment Term of the respondents:

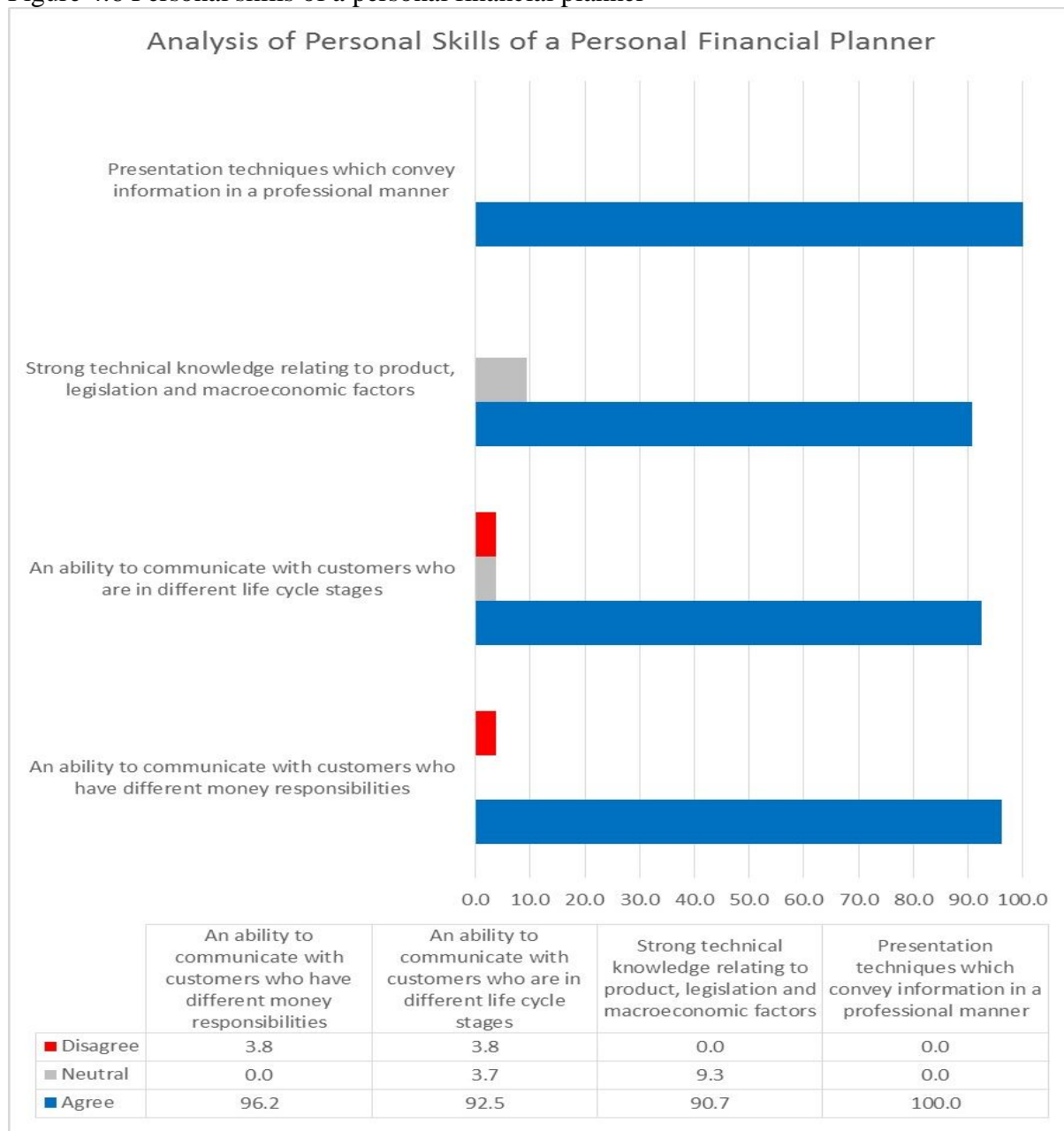
The respondents were grouped according to the time they were employed in the organisation. In terms of years spent in the organisation ten of the respondents had less than 1 year working in the organisation while thirteen respondents had between 1-2 years, three respondents had between 2-3 years and six respondents had between 3-4 years with eight respondents between 4-5 years. Fourteen respondents had 5 years or more service working in the organisation.

Figure 4.5 Distribution of respondent's time contracted with Assupol Life



Identification of Success Factors of the respondents:

Figure 4.6 Personal skills of a personal financial planner



The above chart shows as a percentage the responses of the participants to section 2 of the questionnaire. The total frequency for agree and disagree is derived at by adding agree and strongly agree as well as disagree and strongly disagree frequencies respectively.

Using this analysis the personal skills identified that contributes to the success of a Personal Financial Planner is shown in order of importance in the table below.

Table 4.1 Personal skills of a Personal Financial Planner

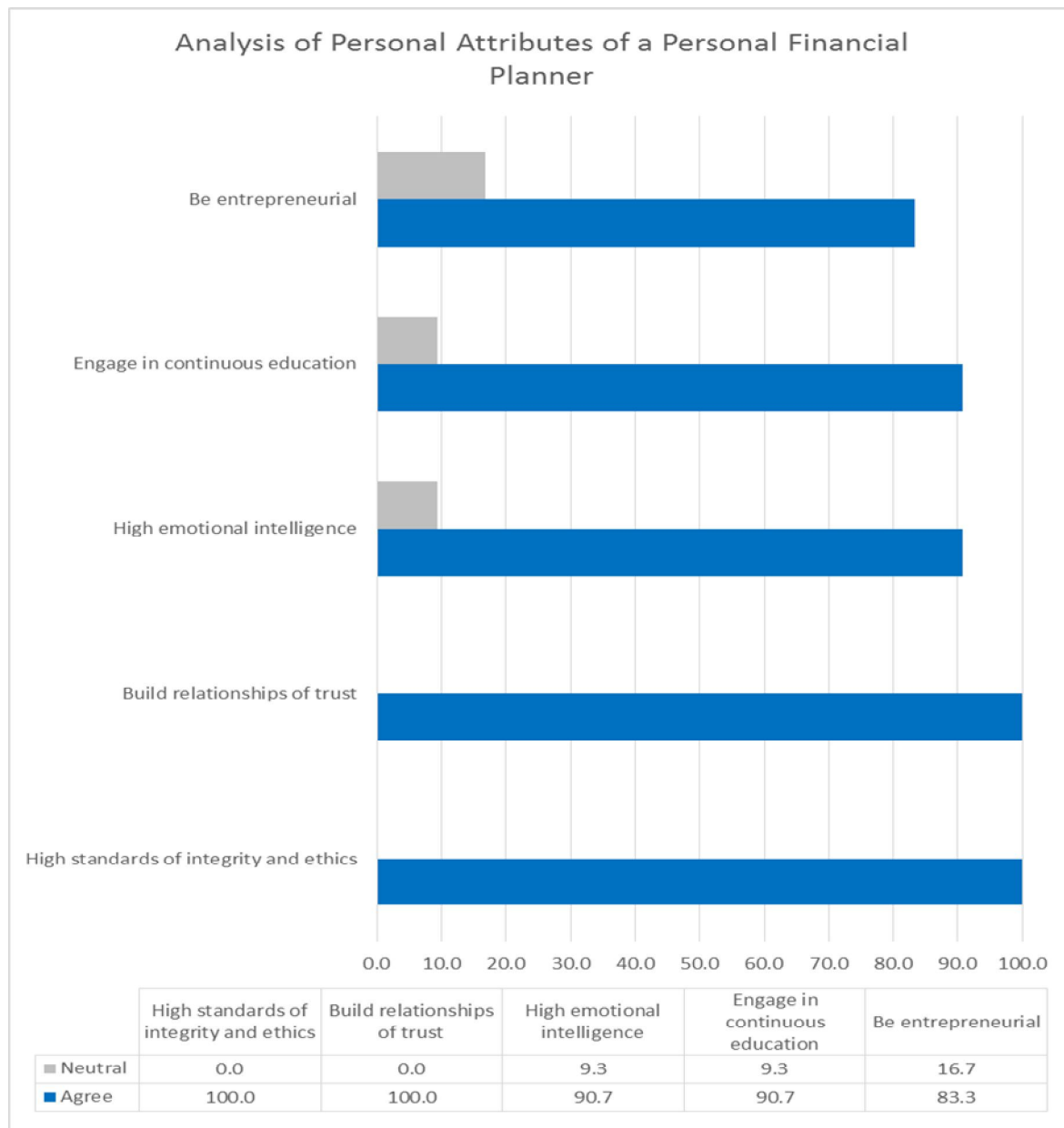
The Personal Financial Planners from this organisation view presentation techniques which convey information in a professional manner as one of the most important personal skills of a Personal Financial Planner. According to Bland (1997:7), communication effectiveness is a major cause of investor complaints. Communication effectiveness refers to the formal as well as informal sharing of meaningful and timely information between a client and Personal Financial Planner in an empathetic manner. Its purpose is to educate and keep clients informed about their investments in a language that they can understand. Morgan and Hunt (1994: 20) suggested that the easy flow of communication is an important characteristic of a strong relationship. Moorman,

<i>Order Of Importance</i>	<i>Personal Skills</i>
1	Presentation techniques which convey information in a professional manner
2	An ability to communicate with customers who have different money responsibilities
3	An ability to communicate with customers who are in different life cycle stages
4	Strong technical knowledge relating to product, legislation and macroeconomic factors

Deshpande and Zaltman (1992: 314), state that timely communication fosters trust by assisting in resolving disputes and aligning perceptions and expectations. Communication effectiveness is also considered to impact on technical and functional quality. Clark (1992: 24); Stewart (1992: 19); and Headley (1992: 5), assert that communication is an important ingredient in achieving high perceived service quality; while Benson (1994: 20), notes that a personal financial planning service is a blend of technical knowledge and communicative ability. Strong communication skills are needed to ensure that clients understand investments and help them through the inevitable ups and downs of varying investment performance. Through effective presentation by a financial planner, a client receives information about the current status of their investments, possible future opportunities and risks, and whether or not they will achieve expected financial returns. Based on the nature, frequency and effectiveness of the communication, they form perceptions of service quality (Sharma and Patterson, 1999: 158).

Personal attributes of a Personal Financial Planner

Figure 4.7 Personal attributes of a Personal Financial Planner



The above chart shows as a percentage the responses of the participants to section 2 of the questionnaire. The total frequency for agree and disagree is derived at by adding agree and strongly agree as well as disagree and strongly disagree frequencies respectively. Using this analysis the personal attributes identified that contributes to the success of a Personal Financial Planner is in the order of importance shown in the table below.

Order Of Importance	Personal Attributes
1	Build relationships of trust
1	High standards of integrity and ethics
2	High emotional intelligence
2	Engage in continuous education
3	Be entrepreneurial

Table 4.2 Personal attributes of a Personal Financial Planner

The Personal Financial Planners from this organisation view building relationships of trust and having high standards of integrity and ethics as the most important personal attributes for a Personal Financial Planner. According to Rossini and Maree (2009: 65), clients do not stay with Persona Financial Planners they do not trust, they move on to someone they can trust. Personal Financial Planners who fail to build long term relationships with clients are always looking for new clients, which is both costly and time consuming. When there is trust in a relationship, costs come down and the speed of doing business increases. When a Personal Financial Planner works with existing clients where trust is high, the costs will be low as the relationships are already established and speed will be high as the clients already trust the planner to act in their best interests. The most important indicator is that clients will continue to do business with the Personal Financial Planner and the willingness of the client to divulge personal and financial information to the planner, Rossini and Maree (2009: 67).

Ethics refer to moral principles that guide the appropriate behaviour for a person. Clients would rather do business with a Personal Financial Planner who prioritises ethical practices over a planner who has no regard for ethical practices whatsoever (Rossini and Maree, 2009: 59). In order to run a sustainable and professional Financial Planning practice certain fundamental, non-negotiable aspects, many of which are required by FAIS, must be adhered to. Owing to the intangible nature of the services and products Personal Financial Planners offer, it is important that clients' rights are protected and their best interests are served at all times. Failure to comply with the fundamental requirements will put the reputation and financial situation of the Personal Financial Planner at risk.

Analysis of Insurance Regulation impact on Sales

Figure 4.8 Analysis of regulation impact on sales

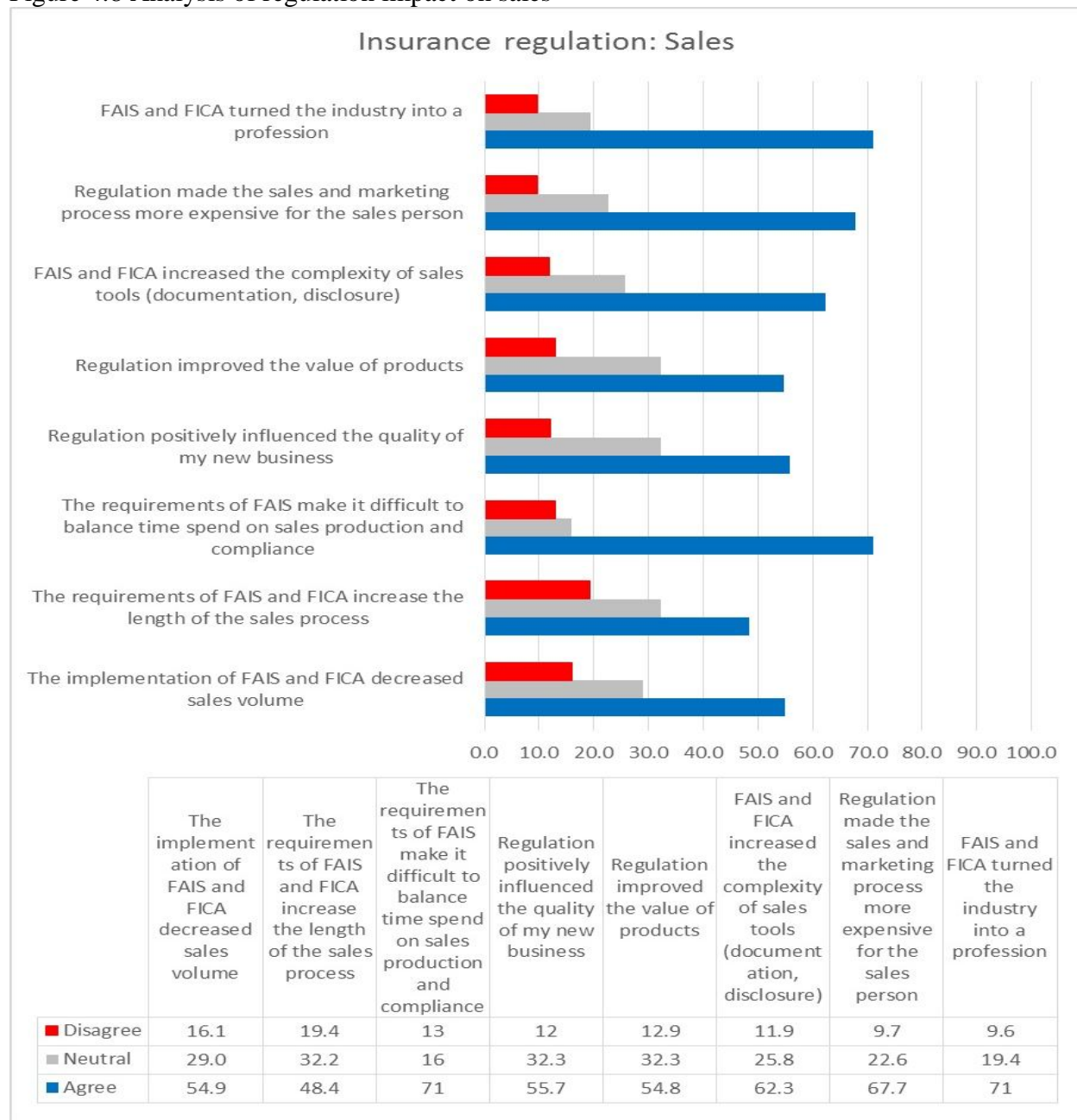


Table 4.3 Impact of insurance regulation on sales

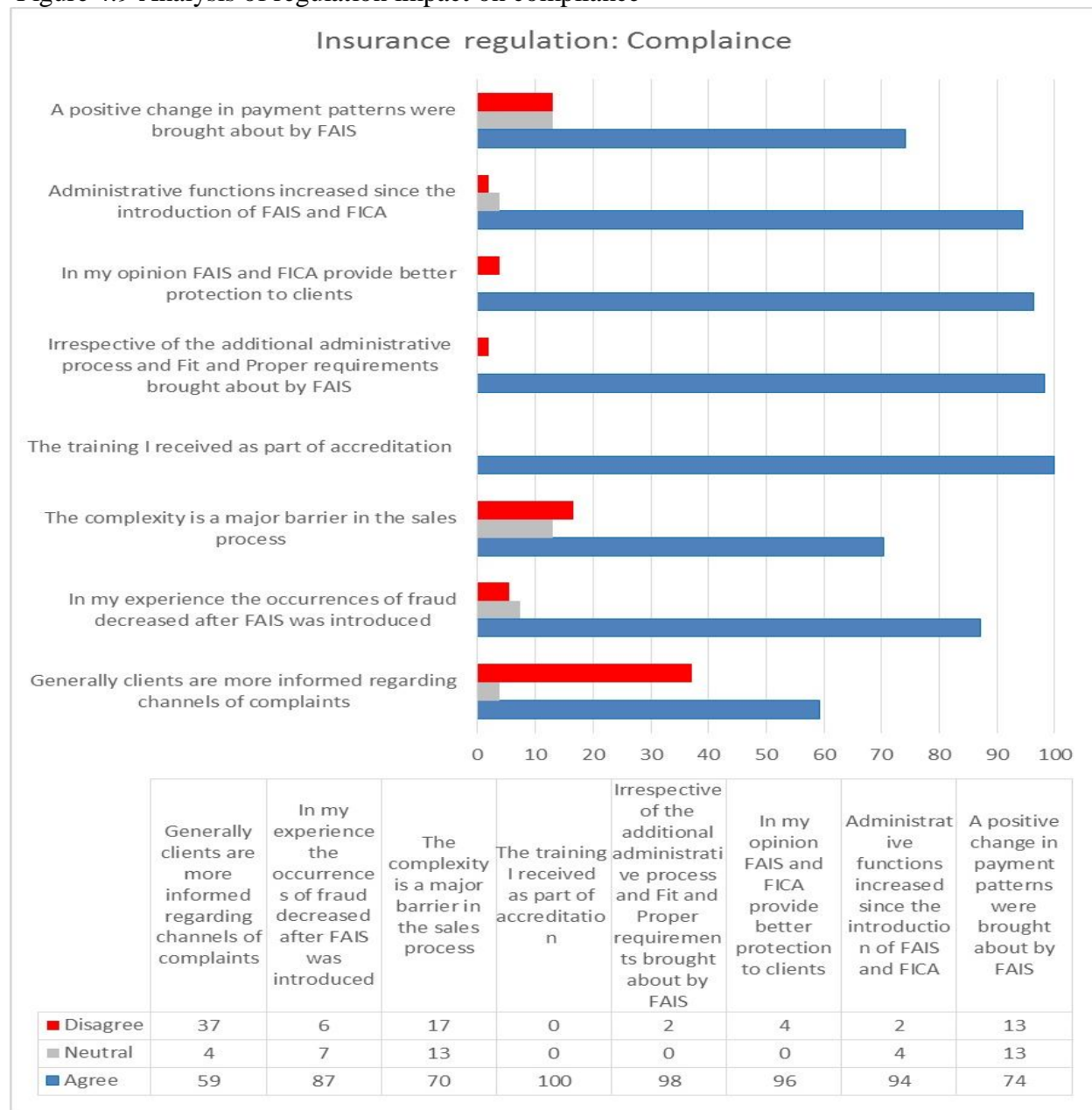
Order Of Importance	Impact of Insurance Regulation on Sales
1	FAIS and FICA turned the industry into a profession
1	The requirements of FAIS make it difficult to balance time spend on sales production and compliance
2	Regulation made the sales and marketing process more expensive
3	FAIS and FICA increased the complexity of sales tools (documentation, disclosure)
4	Regulation positively influenced the quality of my new business
5	The implementation of FAIS and FICA decreased sales volume
6	Regulation improved the value of products
7	The requirements of FAIS and FICA increase the length of the sales process

The above chart shows as a percentage the responses of the participants to section 3 of the questionnaire. The total frequency for agree and disagree is derived at by adding agree and strongly agree as well as disagree and strongly disagree frequencies respectively.

The respondents from this organisation viewed the biggest impact insurance regulation had on sales, as turning the industry into a profession and, making it difficult to balance time spend on sales production and compliance. The objectives of the legislation were to protect consumers and to professionalise the financial services industry (Rossini and Maree, 2010: 6). Before the introduction of FAIS in 2002, it was possible to sell a financial product to a client without preparing a financial plan based on the client's personal financial circumstances. Consequently many clients discovered later the products sold to them did not meet their needs at all. Although the legislation does not define financial planning as such, it stipulates certain activities that must be carried out when advising a client before selling a product. Therefore the focus is more on the process of financial planning and as the needs of the clients will differ significantly, the process is more time intensive. There is no generic financial plan that can be used for all clients, the complexity and the nature of the financial planning will differ from client to client.

Analysis of Insurance Regulation impact on Compliance

Figure 4.9 Analysis of regulation impact on compliance



The above chart shows as a percentage the responses of the participants to section 3 of the questionnaire. The total frequency for agree and disagree is derived at by adding agree and strongly agree as well as disagree and strongly disagree frequencies respectively. Using this analysis the main effect that the introduction of regulation had on compliance was the training that the Financial Planners were required to do.

Table 4.4 Impact of insurance regulation on compliance

In October 2008 the new FAIS Fit and Proper requirements were published in Gazette No. 21514. The new requirements have a significant impact on the financial services industry in that it requires all Personal Financial Planners to successfully complete regulatory examinations. These regulatory examinations form part of the competence requirements, with the purpose to test the proficiency of Personal Financial Planners. The vast majority of Personal Financial Planners are competent and skilled professionals acting in the best interests of the clients; however reality is that there was no way for consumers to determine the professionalism of the Personal Financial Planner, as anyone with a little product knowledge could provide advice

Order Of Importance	Impact of Insurance Regulation on Compliance
1	The training I received as part of accreditation
2	Irrespective of the additional administrative process and Fit and Proper requirements brought about by FAIS
3	In my opinion FAIS and FICA provide better protection to clients
4	Administrative functions increased since the introduction of FAIS and FICA
5	In my experience the occurrences of fraud decreased after FAIS was introduced
6	A positive change in payment patterns were brought about by FAIS
7	The complexity is a major barrier in the sales process
8	Generally clients are more informed regarding channels of complaints

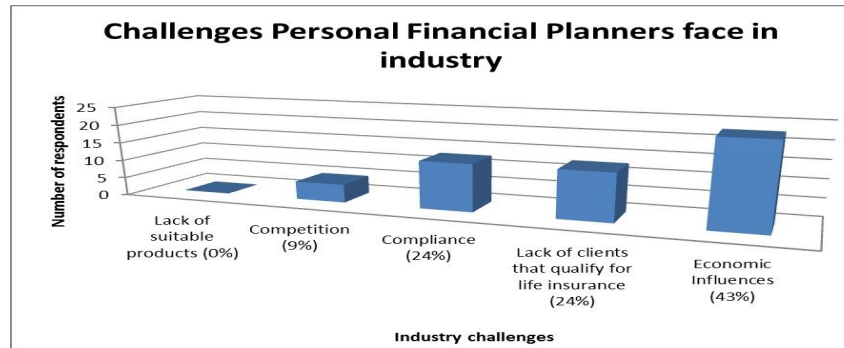
(integrisure.co.za, January 2015). Personal Financial Planners who pass the regulatory examination will be issued with a certificate issued by the FSB.

According to the latest statistics released in May 2014 (moneyweb.co.za, January 2014), of the approximately 107 000 Personal Financial Planners in the industry, 51 790 have written the exam, but only 35 646 (68%) have passed.

Financial Planners must know what information to make known to the consumer when selling financial products and services to them. They must be aware of the responsibilities and duty when giving financial advice. The regulatory examinations forms part of compliance and is designed to test if Financial Planners' understand their responsibility to consumers of financial products and services.

General

Figure 4.10 Challenges Personal Financial Planners face in the industry



Almost half of the participants identified economic influences as the biggest challenge Personal Financial Planners face in the industry. Countries go through economic cycles. This means that there are a few years during which a country will grow at a good rate and then it will be followed by a few years of slightly slower growth. If a country is growing well, businesses do well. As a result, stock prices increase. On the other hand, interest rates and inflation remains moderate. When a country is in a down cycle, stock prices are relatively low and interest rates and inflation start to increase. At the time the participants were asked to complete the questionnaire South Africa was experiencing a very slow growth rate, with interest rates and inflation on the climb. Inflation also has a direct impact on the way we plan for long term goals. If inflation is high, we expect the cost of the goal in the distant future to be higher and we have to invest accordingly, and vice versa. This is seen as a very big challenge for Personal Financial Planners in the industry.

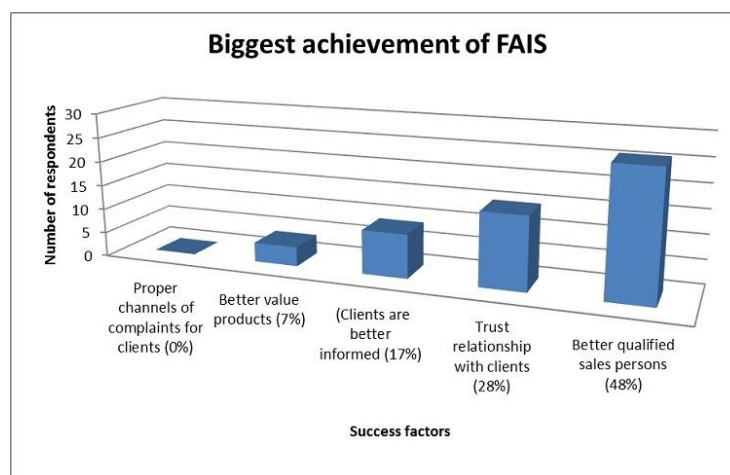
Figure 4.11 Least serious threat Personal Financial Planners face in industry



The respondents of the organisation identified the lack of suitable products as the least serious threat with 36%, followed by economic influences (32%), competition (19%) and compliance (13%).

According to Assupol Life's website they are a proud South African company, providing products and services designed for South Africans, by South Africans and priding themselves in knowing the needs of the people of South Africa (assupol.co.za, January 2015).

Figure 4.12 Biggest achievements of FAIS



The objective of the FAIS Act is to protect consumers and professionalise the financial services industry (fsb.co.za, January 2015). From the structured questionnaires it was determined that 48% is of the opinion that the biggest achievement of FAIS positively influenced their quality of work and improved their level of skill as Financial Planners.

28% of the participants believed that the FAIS Act improved trust relationships with clients, 17% of the participants was of the opinion that client were better informed and 7% believed that a direct result of FAIS was better valued products.

Conclusion

The results from the empirical study were represented in this chapter. The results show that there are many factors playing a role in making a Financial Planner successful. The empirical study reviewed the success factors of Financial Planners employed at Assupol Life, by reviewing the personal attributes, personal skills, impact of insurance regulation on sales, impact of insurance regulation on compliance, challenges personal financial planners face in the industry, least serious threats personal financial planners face in the industry and biggest achievements of FAIS.

The analysis of personal skills revealed that presentation techniques conveying information in a professional manner was the most significant. The analysis of personal attributes identified two skills as the most important, building a relationship of trust and employing high standards of integrity and ethics.

The analysis of insurance regulation impact on sales was identified as the increase in the length of the sales process as a result of FAIS and FICA, and turning the industry into a profession. The analysis of insurance regulation impact on compliance returned training as part of accreditation as the biggest contributor to the impact of insurance regulation.

The biggest challenge personal financial planners face in the industry were identified as economic influences as opposed to the least serious threat Personal Financial Planners faced

being the lack of suitable products. The biggest achievement of FAIS was identified as better qualified sales persons.

CONCLUSIONS AND RECOMMENDATIONS

Findings from the literature review

The literature review and supporting theory identified personal financial planning as a service, and placed the financial planning process in a service system model. It identified a high degree of interaction and internal communication between the Personal Financial Planner and the client as being essential for successful service delivery. The literature review discussed the financial planning process, and how the implementation of the financial planning process assists Personal Financial Planners in achieving client's financial goals. Trust and communication skills were identified as key elements in the process of selecting a professional service, the literature further identified presentation techniques, people skills and communication skills as key factors when considering a Personal Financial Planner.

The literature review identified the legislation governing the insurance industry and described the objective of FAIS and FICA. The objective of the regulation focussed on the conduct of financial service providers and the protection of client's financial interests. The clients referred to in the literature lacked financial literacy and the lack of regulation resulted in many clients receiving poor financial advice. The regulation of the industry brought about many challenges to Personal Financial Planners, mainly in the form of administration requirements.

Findings from the primary research

Personal skills and attributes

The first objective of the research was to identify the set of personal skills and attributes of a Personal Financial Planner against which to benchmark a successful Personal Financial Planner. A list of personal skills was presented to the respondents and they identified presentation techniques which convey information in a professional manner as one of the most important personal skills. This finding is in agreement with the findings from the literature review, which emphasized the importance of presentation techniques and conveying information to clients in an effective form, from which they perceive the quality of the service delivered.

The personal attributes, building relationships of trust together with high standards of integrity and ethics, was identified by the respondents as the most important attributes for a Personal Financial Planner. The literature review discussed the move from Personal Financial Planners from a traditional investment management service to a more client-centric model offering. The client-centric model builds its service around a deep understanding of its clients and what they value. This model places great value on fostering a culture of trust and integrity where the client is placed at the heart of the decision-making process.

Impact of insurance regulation on sales and compliance

The second objective was to investigate how legislation regulates the financial planning industry and assess the impact on sales and compliance. The respondents identified the impact of insurance regulation on sales in two fold, firstly FAIS and FICA turned the industry into a profession and secondly the requirements of FAIS made it difficult to balance time spend on sales production and compliance. The literature review discussed the main objective of FAIS and

FICA as turning the industry into a profession, and the general duties of a Personal Financial Planner described rendering financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial service industry. Therefore the impact of regulation on the industry was in line with the objectives of FAIS and FICA. The literature review identified the important role technology plays in the industry and how it can be implemented to overcome the challenge of balancing time spent on sales production and compliance, by improving the processes and integrating information.

The requirements as stipulated in the FAIS Act had a significant impact on the financial services industry in that it required all Personal Financial Planners to complete regulatory examinations. The examinations formed part of the competency requirements, and was designed to test if Personal Financial Planners' understand their responsibility to consumers of financial products and services. The greatest challenge of regulation has been the difficulty level of these examinations.

Impact of FAIS and FICA Act on the personal financial planning environment

The third objective was to determine the impact of the FAIS and FICA Act on the Personal Financial Planning environment. This objective was broken down into three questions. The first question made reference to the challenges Personal Financial Planners face in the industry. The majority of the respondents identified economic influences as the biggest challenge. An independent study discussed in the literature review identified market performance and investment return as one of the major concerns and obstacles Personal Financial Planners face in the industry. The Personal Financial Planners must be aware of changes in the economy, and adopt a proactive method of collecting, analysing and using market information. The second question related to the least serious threat a Personal Financial Planner face in the insurance industry. The respondents identified the lack of suitable products as the least serious threat. According to Assupol Life's website they are a proud South African company, providing products and services designed for South Africans, by South Africans. To provide products that satisfy Assupol Life's target markets and achieve the firm's objectives, they develop, alter, and maintain an effective product mix. The third question asked the respondents what the biggest achievement of FAIS was. The respondents identified the number one biggest achievement of FAIS as providing better qualified sales persons to the insurance industry. The objective of the legislation is to protect consumers and to professionalise the financial services industry, and as a result has provided better qualified Personal Financial providers. The literature review identified one of the elements that define a profession as the knowledge and skill that has been gained through education.

Conclusions

The main aim of this study was to evaluate the success factors in personal financial planning. The study achieved this by first identifying what contributions a Personal Financial Planner makes toward the financial planning process, and what processes are in place to ensure they meet their clients' needs and deliver quality service, by using an in depth literature review. This was followed by administration of a set of carefully constructed questions in a questionnaire aimed at identifying personal skills and personal attributes as well as the impact of insurance regulation on sales and compliance.

Success factors relating to Personal Skills

Personal financial planning is not only about money and creating wealth. It is ultimately about assisting clients to make informed decisions, through a process of communication, education and implementation, to achieve their life goals and dreams. The study showed that the Personal Financial Planners of this organisation value presentation techniques which convey information in a professional manner as their most important personal attribute. Successful Personal Financial Planners identify their target market and the services they want to offer. Once the target market has been identified, they continually communicate with their clients in an appropriate and effective manner.

Success factors relating to Personal Attributes

The most important personal attributes identified were building relationships of trust and having high standards of integrity and ethics. According to Covey (2015), trust means confidence, when you trust someone; you have confidence in them, their integrity and in their abilities. According to Rossini and Maree (2010: 63), building relationships of trust with clients is closely tied up with ethics. If Personal Financial Planners are ethical, their clients are more likely to trust them.

Impact of Insurance regulation on sales

Disclosure standards govern the information that Personal Financial Planners must disclose to their clients at certain stages of the relationship. The research confirmed that regulation in terms of FAIS and FICA increased the administrative process, making it more difficult to balance time spend on sales production and compliance.

Impact of Insurance regulation on compliance

Personal Financial Planners working in the industry are being challenged by the difficulty level of the regulatory requirements. From the structured questionnaires it was determined that the biggest impact of insurance regulation on compliance was brought about by the regulatory examination training. This is a positive influence as the regulation in terms of FAIS has proved to add value to the quality of Personal Financial Planners, leading to better quality service and advice. Personal Financial Planning is a knowledge based profession since it involves the provision of objective and sound financial advice to clients. Personal Financial Planners have to adopt a culture of continuous learning to ensure they always have the right information at their fingertips (Rossini and Maree, 2010:39).

Challenges Personal Financial Planners face in the industry

Personal Financial Planners face many challenges in the industry of which the respondents identified the economic influences as the biggest challenge. Our economy is influenced by interaction among government, business and consumers, as well as by world economic conditions. Through specific policy decisions, the government's goal is to manage the economy to provide economic stability and a high level of employment. Government decisions have a major impact on the economic and financial planning environment (Gitman et al., 2014: 31). Although government uses monetary and fiscal policy to manage the economy and provide economic stability, the level of economic activity changes constantly. Personal Financial Planning must be flexible enough to adapt to economic changes, and yet be steady enough to eventually achieve long term goals. The Financial Planner must be constantly alert to the changes brought about by economic influences but have strong foundations when the winds of change shift.

Least serious threat Personal Financial Planners face in industry

The respondents identified the lack of suitable products as the least serious threat Personal Financial Planners face in the industry. It is imperative that a Personal Financial Planner explains to a client why he or she recommends a specific financial product to ensure that the client understands the relevance of the product within the overall financial plan. With a large variety of products available to provide clients it is however in the best interests of the financial planner to make sure that the right products are sold to the right clients at the right price.

Biggest achievement of FAIS

The questionnaire required respondents to identify the biggest achievement of FAIS, with the result being better qualified sales persons. Before the introduction of FAIS in 2002, it was possible to sell a financial product to a client without preparing a financial plan based on the client's personal and financial circumstances. As a result many clients discovered later that the products sold to them did not meet their needs at all. Although the legislation does not define financial planning as such, it does stipulate certain activities that must be carried out when advising a client before selling a product. Therefor FAIS shifted the focus from the selling of a product to the process of financial planning, with the objective of professionalising the insurance industry.

Recommendations

The research conducted of success factors remains theoretical in nature. It is recommended that research be done which examines how effective Personal Financial Planners are at applying their knowledge and skills. This will link the theory and actual experience together and provide insight into how effective the theory is. The theory suggests that the application of these success factors leads to improved financial success for the Personal Financial Planner. This has not been tested and empirical research on this subject would help develop the subject matter further.

Conclusion

Providing personal financial planning primarily involves selling services to clients. As financial services and products are intangible by nature, professional service is the only measure by which clients can judge a Personal Financial Planner. A Personal Financial Planner must therefore focus on building a professional, client-centred business that offers financial services of a high standard. The introduction of FAIS and FICA has meant that concepts like personal financial planning, as opposed to product selling be taken seriously, and central to the success of a Personal Financial Planner is a sound understanding of the benefits it offers to clients and the role of a financial planner in bringing about these benefits. Successful Personal Financial Planners focus on identifying and meeting clients' needs and, in doing so, creating lifelong relationships based on policies and processes that add value in all their interactions with clients. The main purpose of this study was to critically evaluate the success factors in personal financial planning. Certain areas of concern were identified during this study, which the researcher analyzed and offered several recommendations aimed at improving the personal financial planning process.

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