

If RDR didn't happen . . .

Redland Business look at what is the driving force behind T&C qualifications and CPD activity

There has been considerable focus in the press about RDR driving the adoption of technology to automate training and competence systems – but is it really RDR that is forcing the pace in this instance?

If regulatory requirements – RDR – didn't exist – would Financial Services Professionals consider it was important to undertake Training and Competence qualifications and CPD activities?

I guess that the answer will depend on the view and attitude of the individual adviser. However, we believe that most, if not all would actually choose to undertake training and development to ensure that they have the right knowledge to be able to advise their customers competently.

Can you imagine a situation where a member of the public needed medical treatment from a Doctor and the said medical professional had decided that they didn't need to train or be qualified (and to maintain their competence)!?

As with other professionals, Financial Advisers provide a valuable service to the public and to do so properly, they need to understand the market, customer's needs and the potential products and solutions that they can use to protect and improve people's lives and standard of living.

RDR 'threshold competence of QCF level 4 has gained so much focus that one could be forgiven for thinking a Training and development plan is purely about becoming qualified at QCA level 4 and not about professional business management.

Step outside of Financial Services, away from the FSAs realm, away from RDR and people are frequently cited by companies as their most valuable asset. Look to the fast growing economies, the so called BRIC (Brazil, Russia, India and China) nations and one can see the massive investment in the education of their people as they strive to take those nations to the front of the industrial world.

Back in UK financial services, we have a set of complex virtual [intangible] products for which distribution is still largely reliant on professional advice from human beings. The advice is an increasingly complex process of analysis and modelling where getting it wrong could have serious consequences for the clients long term financial stability. It is no wonder then that the regulator and the profession generally is seeking to address the past problems of low competence and poor ethics displayed by some that resulted in them simply being a product retailer driven by commission motives and resulting in too many miss-selling scandals.

Training and competence is more than simply building a development plan to achieve a qualification and then testing and tracking the progress of the adviser against the plan. A better T&C

approach is rather like the questions that a navigator asks – *where are you now, where do you want to be, what are the various ways of getting there and which route are you going to choose now* – then adjust the route if it is necessary and sensible to do so. Relating this back to Professional Advisers, one should gauge whether the adviser is new or already en route to the target threshold. They should identify and capture the elements of the business role and activities that relate to the individual and then to adjust the development plan according to how the person performs in the relevant processes of training and development as well as on the job performance. For example if the case-checking process shows that a particular adviser is consistently failing quality checks on annuity business, this should be flagged as a training issue and addressed with specific activity, mentoring and reassessment. The Key Performance Indicators (KPIs) used by the company should also act as a feed into the development plans.

To achieve a joined up approach to training and competence holistic systems need to be put in place. Technology can be a wonderful thing, but if the technology managing the Training plans is different from that used in the case-checking process which in turn is different to the KPI dashboard that the management is using to run the business, then the technology becomes an expensive way to create a dysfunctional organisation. Financial firms need to have a holistic view of their needs and to work with T&C suppliers to create a joined up IT infrastructure that has the needs of their employees and the end customers at its heart.

Sometimes in life we can get distracted by external pressures and drivers and feel that we should resist them as they can appear to an imposition of judgement on us as individuals and on the wider profession. The RDR threshold T&C requirement has caused a mixed reaction of emotions with some saying it is sensible and others feeling that their years of practising should be qualification enough. Providing a professional service from employees who are well trained and well motivated is good business. RDR gives us some labels and guidance as to how to shape processes and should be embraced. However, the qualification should not just be an end in itself as the target is how to ensure that consumers get the best outcome from people in a Profession that is acknowledged for the value of the solutions its advisers help to create. Customer satisfaction, employee retention, and good service are honourable objectives in their own right and we should never lose sight of this.

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