

## Media Release

Association for Savings and Investment South Africa (ASISA)

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### **Business development support for black-owned financial adviser practices**

More than 170 black-owned Independent Financial Adviser (IFA) practices have participated in business development and growth support programmes run by the Enterprise and Supplier Development (ESD) Fund of the Association for Savings and Investment South Africa (ASISA) over the past three years.

Leon Campher, CEO of ASISA, says the ESD Fund's black IFA Development Programmes, run in partnership with ASISA member companies as well as the Insurance Sector Education and Training Authority (INSETA), aim to fast track meaningful transformation in the savings and investment industry by growing black-owned enterprises, creating jobs, and developing skills.

Participating black IFA practices receive business development support over 12 months, which may include upfront diagnosis of constraints to growth, specialist practice development consulting and targeted mentoring and skills development.

The following programmes have been successfully completed:

- Some 30 black-owned IFA practices are about to graduate from the 12-month ASISA IFA Development Programme launched in collaboration with Allan Gray, Coronation, Investec and Prudential in 2016. Last year, 33 IFA practices graduated from the first phase of this programme.
- In August last year, eight black-owned IFA practices graduated from the Momentum Masibambane Broker Initiative programme, which was delivered by the ASISA ESD Fund in partnership with MMI Holdings.
- Also last year, the ASISA ESD Fund completed the Sanlam BlueStar project, which provided practice management training to 88 financial planners across seven regions to empower them with practical business knowledge and toolkits in order to develop their businesses. In addition, the Sanlam Catalyst project provided specialist business development support to five black financial planning practices linked to accounting firms.
- In 2015, the ASISA ESD fund in partnership with the INSETA developed eight black owned IFA practices around the country over an 12-month period. Following the success of the first INSETA Broker Development Programme, a second programme has just been launched.

Campher says a Measurement and Evaluation (M&E) Report is completed for each programme.

“The M&E process is a key component of the programme as it enables continuous improvement based on feedback from participants. Each programme is evaluated at the half way mark and again at conclusion.”

### **Creating jobs for graduates**

Campher says in 2016, a unique skills development component was added to the ASISA IFA Development Programme. The IFA internship programme, run by the ASISA Academy, provides black graduates interested in pursuing a career in financial planning with the opportunity to intern with established IFA practices for 12 months.

Interns participate in a structured programme that offers a powerful combination of work-readiness input, theoretical knowledge and practical work experience delivered by the Academy in partnership with the IFA practices.

“We are exceptionally proud of the fact that of the 2016 cohort of interns, eight were offered permanent employment by the IFA practices where they interned, while the remaining 11 found employment in the financial services sector or opted to further their studies,” says Campher.

The 2017 interns complete their internship next month. There are 21 interns with 16 IFA practices in Cape Town and Johannesburg.

The Academy’s third IFA internship programme gets underway next month with some 30 successful applicants participating in the Academy’s work readiness programme, before joining their respective IFA host practices in Cape Town, Johannesburg and Durban in March.

Campher says an important realisation for IFA practices has been that many of the interns are the first in their families to have achieved a degree and enter a professional occupation. He says understanding this is significant in providing meaningful guidance to the interns.

### **Access to finance**

Campher says a number of black-owned practices face significant challenges in securing affordable funding.

The ASISA ESD Fund has therefore created a loan facility for black-owned IFA practices that have completed a developmental programme with the Fund and meet the funding criteria.

“The interest rates under the facility will be lower than those offered by traditional financiers, especially for smaller developmental practices. The funding will largely be used by IFAs to unlock organic growth opportunities through hiring new staff, developing systems and boosting marketing initiatives,” says Campher.

“Supporting the growth of black-owned IFA practices is not only a key requirement for achieving meaningful transformation in our industry, but it is also critically important in helping to address the country’s poor savings rate as well as improve financial literacy.”

**Ends**

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**Issued on behalf of:**

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*ASISA represents the majority of South Africa’s asset managers, collective investment scheme management companies, linked investment service providers, multi-managers, and life insurance companies.*

*The ASISA ESD Fund, an industry initiative managed by Edge Growth, exists to fast-track job creation by unlocking the growth potential of South Africa’s small and medium enterprise (SMEs) sector. The Fund ensures the sustainable development of high-potential black owned SMEs through an innovative combination of tailored business support, access to market and financial support structured according to the specific needs of each SME and access to market. Eligible black owned SMEs are carefully selected from the supply chain of ASISA member companies.*