

FEATURE: ADVISER FOCUS

Duncan Glassey took time out in 2004 to write a book about financial planning: *Financial Freedom: Using The Wealthflow System*. It was a bold step, but one which ultimately gave him a new lease of life in business.

Financial Freedom looks at the growing awareness of lifestyle-linked financial planning, and how it offers tremendous benefits to both clients and financial planners. It follows a similar path to George Kinder's book *Seven Stages of Money Maturity*, where Kinder argues that Life Planning is the most dynamic, client-oriented movement in the financial planning profession today.

Glassey certainly endorses this view, but he explains the motivation behind his own book and why it was a pivotal point in his career and led to the founding of his Edinburgh-based IFA business Wealthflow.

"My background is in the actuarial, accountancy and legal world, where I held senior positions with a number of companies including Ernst & Young," he says. "I learnt a lot from working with such companies, but there was frustration in that what I really wanted was to have a strong relationship with a smaller number of clients. With big companies you tend to concentrate on client volumes, and there is a lot of clock watching. I wanted a change of direction and after discussing it with my wife I decided to spend the best part of 2004 writing *Financial Freedom*."

"The book fundamentally looks at how the financial planning conversation should go and explains the psychology of money. The book gave credibility to my views and I was able to test a lot of my ideas while working for a fellow IFA friend. I eventually set up Wealthflow and in 2007 was directly regulated. Things have moved on from there."

Glassey insists there is a constant learning curve to what he does, which is why he likes to bring in new ideas from other experts, notably US psychologist and author Maria Nemeth whose book *The Energy of Money* serves as a spiritual guide to financial and personal fulfilment.

"Maria is now formally coming on board our company and we hope to set up seminars in the UK over the next year or so. I really think IFAs can benefit from listening to what Maria has to say on how people deal with sudden wealth," Glassey says.

In fact, 'sudden wealth' is at the heart of the Wealthflow business model: the company focuses entirely on clients who have suddenly come into money in one form or another. This could be through a lottery or pools win, because they have just signed a lucrative deal with an FA Premiership club or they may have been awarded a huge settlement as a result of a medical negligence/catastrophic injuries claim.

Glassey explains that it was during his time at Ernst & Young when they worked with UK Lottery organisation Camelot that his interest was sparked in 'sudden wealth'.

"There was a Lottery winner who only bought a ticket in the hope that he would win and be able to pay a friend back £500. He actually won £1.5m, so he paid back his friend and without even telling his wife he decided to give the rest to The Salvation Army. This got me interested in the psychology of money. I found that 'sudden money' can bring with it a multitude of problems and that people need careful guidance and financial planning."

Giving clients time and space before making investment decisions is at the core of what Glassey does. "We have a discussion meeting

to start with and we develop from there. We put together a life transition profile and client's tick boxes that are typical to their situation – effectively clients dictate how the conversation will evolve. It is all very well doing a risk profile, but we need to understand what the clients are about and the person they would like to be in the future before we get to that stage," he says.

Glassey adds that clients need to understand that when they come into money their life will inevitably change; the crucial point is that they understand and anticipate what that change could mean and with the help of a financial planner to deal with it.

"I had a client recently who was awarded millions as a result of their son receiving catastrophic injuries at birth. Our role is to make sure the clients are looked after and explain to them that they might suddenly have a lot of new 'friends'. Some parts of advice are very basic, such as using a PO Box rather than an address and change your phone number."

Client numbers

It is evident that these people need financial advice, but are there really that many people suddenly finding themselves in the high wealth bracket? And are there enough clients for this business to be so specialised?

Glassey certainly thinks so. He says: "Clients could be sportsmen, entertainers or business owners who sell a business and bank £10m. This sort of money can be quite a shock, as though they might have been comfortable previously on the income from their business, they have never had that sort of capital before. You also have to remember that with property prices having risen over the years, people of more modest means are sometimes inheriting large sums of money from parents or relatives. So the pool of clients is relatively sizeable."

Given the nature of the business, how does Glassey target clients and how far afield does the client list stretch?

Glassey says: "Our head office is in Edinburgh, but we have satellite offices in Glasgow and in the 'Gherkin' in London. You have to realise in Scotland that there is a Glasgow/Edinburgh divide and that people don't tend to travel from one city to the other, so it pays to have a presence in both cities."

"In terms of bringing in clients we have good links with legal firms who may be dealing with catastrophic injury cases and we have also had conversations recently with a sports management group representing ex-International rugby players and Olympic athletes. Other than that it has been a case of getting the company known through a lot of meetings with other professionals and from referrals from clients or the Institute of Financial Planning [Wealthflow is an IFP member]."

The right fit

Glassey says he may focus more on certain areas of the business – for instance more on medical negligence/catastrophic injury payouts than on advice to entrepreneurs. He adds: "I personally get a lot more satisfaction working with clients who have received awards relating to catastrophic injuries. You get a real feeling of helping these people move on with their lives. Entrepreneurs can often be a little more problematic. While I have some wonderful clients in this area, I am not always convinced that some of the other clients are the right match. They can often be too impulsive and when it comes to investment find it hard to follow a long-term perspective. And their judgements can often be quite amusing: one potential entrepreneur client saw me turn up for a meeting in my wife's Renault, so he decided on the basis of that that I couldn't be as good as I said I was. You live and learn don't you?"

Writing his first book on lifestyle-linked financial planning gave Duncan Glassey a business boost and saw him set up Edinburgh-based IFA business Wealthflow, he tells David Burrows

Examining the flow of wealth



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