

## **MDRT: Switching over to a fee-based practice is a marathon, not a sprint**

### **Welsh advisor recommends a focus on high net worth and corporate clients**

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By Neil Acharya

For financial advisors considering a move to a fee-based business practice, David Wingar's message is blunt. "You have to work smarter, not harder," he said at the Million Dollar Round Table annual meeting in Toronto on Wednesday.

Wingar, an independent financial advisor who runs Future Asset Management LLP in Bridgend, Wales, was motivated to switch to a fee-based system after he got fed up with not getting remunerated for everything he did.

"It's not about commissions or fees, it is about getting paid. As a professional person, if I give advice, I expect to get paid. A lot of the advice I give might not end up with a product, which is the old way of getting being remunerated in financial services."

Wingar sees delineation between a customer and a client. A customer can get advice and financial planning, but any implementation of agreed recommendations by Future Asset Management will result in a fee. This is the first of five options that the firm offers its client base. Options two through five (Financial Organization, Financial Planning, Estate Preservation Service, and Corporate Financial Planning) all incur at the very least a minimum fee.

Wingar feels that in moving to a fee-based service, advisors are going to have pare down their client base and focus on high net worth clients and corporate clients, including entrepreneurs.

He proposes that by implementing four key points, an advisor can move to a fee-based practice from a commission-based practice.

The four key points are marketing and networking with new clients, advising clients, preparing financial planning solutions and business owner responsibilities. "Apart from those four things, I was useless," says Wingar.

He acknowledges this could be a rocky road. "There will be casualties but if I go shopping at Wal-Mart, I don't tell them what price I want to pay, they tell me," he says emphatically.

When asked how long it took to move his commission-based practice to one that is fee-based, Wingar did not mince words. "I started charging fees in 1994 and I felt I had cracked it in 2004. It is a marthaton not a sprint," he says.

The MDRT annual meeting wraps up today.

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