



**IAN MIDDLETON**

Managing Director | Masthead Distribution Services



**Ian, how has the past year been for you?**

The past year has certainly been challenging for all, but it has offered the opportunity for introspection and innovation. It has been a time of testing, and a chance to show true mettle. Christopher Reeve said, "A hero is an ordinary individual who finds the strength to persevere and endure in spite of overwhelming obstacles." Most people in the financial services environment have had to dig in their heels and push harder to stay upright in the face of the year's unyielding headwinds. Apart from the challenges, it's also in a strange way been exciting. When one looks back, as we will in a few years' time, there will be something special about being able to say, "I was there and got through it." Therefore those who persist through this economic cycle are true heroes.

**What are the main challenges facing brokers in this new environment?**

The key challenge lies in brokers' abilities to adapt to changes, mainly in the areas

of business and regulation. The business challenges relate to brokers' ability to run profitable and sustainable financial advisory businesses. Tight economic conditions and the new commission regulations, which form part of the Long-term Insurance Act, have undoubtedly impacted brokers, with increased operating costs having significantly impacted profitability. Increased administration and scarcity of time remain great challenges for small businesses. A large number of brokers spent a lot of additional effort reassuring jittery customers, as well as addressing the concerns of those who have wanted to cancel contributions to their financial products – many spend up to a third of their time doing this and protecting their business. The overall cost of compliance and managing risks must also both be acknowledged as key business challenges. It's with these challenges in mind that we at Masthead are unwavering in our mission to keep independent brokers successful and in business.

**Tell us about Masthead's new Practice Transitions business unit.**

This Masthead unit focuses on assisting member brokers to implement a structured succession plan and help introduce willing buyers and sellers. We can establish the capital value of a business and assist brokers to develop their businesses to the point that transition can successfully take place when the owners want to exit from their practices.

We see the unit as an important offering to independent brokers and as a natural extension to the existing Masthead offering. It is especially relevant given the dynamics in the industry, such as the evolution of FAIS, an ageing broker base, the need for younger advisers and to be able to create opportunities for brokers to grow businesses.

**“DO THE BEST THAT YOU CAN. MAKE THE MOST OF EVERY SITUATION. YOU HAVE ONLY ONE LIFE, SO SEEK DIRECTION, PLAN THOROUGHLY AND INVEST YOUR TIME WISELY. IN THIS WAY YOU WILL BE EQUIPPED FOR LIFE'S UPS AND DOWNS AND BE WONDERFULLY POSITIONED TO REAP THE DIVIDENDS OVER THE LONG TERM.”**

**Take us through your career trajectory.**

I have been with Masthead since its launch in June 2004, having been part of the team who came up with the Masthead concept late in 2002. Prior to joining Masthead, I was employed by Old Mutual, where I started as a legal adviser in 1987 and worked closely with financial advisers over a number of years. During this time, I held a

number of positions with Old Mutual, the last being strategy manager in the broker distribution operation.

**Financial planning and retirement provision are close to your heart, and you have been volunteering in various positions over the last 17 years. Why do you feel so passionate about this sector?**

I've seen so many people reach retirement age with dreams of the golden years, but not enough capital to realise them. Therefore, I believe financial planning should be an integral part of everyone's life. My passion is to see a greater financial awareness develop among South African consumers, with an increased take-up of the excellent financial solutions available and therefore a greater number of South Africans financially independent. I also want to see successful independent brokers providing quality advice to satisfied and educated customers.

**You spent 12 years on the board of the Financial Planning Institute of South Africa (FPI), including two years as chairman. During this time you chaired various committees, including the FPI's Examination Committee. Should every intermediary belong to a committee/association?**

No, and this may sound strange. Associations and individuals have objectives. If the objectives of the two are in synch, then it makes sense to belong. Intermediaries must look at the value provided or offered. For me, it makes perfect sense for an independent broker to partner with an association whose sole aim is to support independent brokers. Masthead has an excellent track record of making a tangible difference to members' practices through our service offering, which includes practice management, compliance and education.

**You served as director on the board of the Financial Planning Standards Board in the United States for two years. Tell us more – does this board have a relationship with any local organisations?**

The Financial Planning Standards Board is a US-based non-profit organisation that promotes the profession of financial planning around the world. It controls the Certified Financial Planner (CFP) trademark worldwide, with more than 120 000 certified financial planners globally, and has an affiliation agreement with the Financial Planning Institute in SA. At Masthead we support the 6-step financial planning process promoted by both the FPI and FPSB.

**We hear you enjoy taking some time out on your Harley-Davidson. Where is your dream biking journey/destination?**

Route 62 in the United States, from El Paso to New York.

**What advice do you have for our readers?**

Do the best that you can. Make the most of every situation. You have only one life, so seek direction, plan thoroughly and invest your time wisely. In this way you will be equipped for life's ups and downs and be wonderfully positioned to reap the dividends over the long term.