

It's the Truth: Lifestyle planning has revolutionised my business, says adviser

By **Mark Battersby**

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Accountants Financial Services (Scotland) managing director Paul Scarfe says his business has been transformed by adopting lifestyle financial planning for clients.

Glasgow-based Scarfe went to a roadshow for the Truth software a year and a half ago and has since got four licences up and running at a cost of £350 per month. He said: 'In financial planning we had lost track and focused too much on the technical aspects rather than focusing on their dreams and aspirations.' He opted for a 'server licence' which allows Truth to be used on more than one computer in the office.

More than 20 clients have received the lifestyle planning to date and the company has also increased its annual fee from 0.5% to 1% to reflect the added value. For a £1,557 fee clients can get the full financial planning report or if they commit to ongoing service, which all have done so far, this fee is waived and becomes part of the 1% annual fee.

The first thing Scarfe did when he got Truth was to go through the process himself and he said it has refocused his mind on what he needs to do in life though he has not changed his expected retirement date or any key business objectives.

He likes the interactive nature of the lifestyle presentation to clients, which is also conducted at the firm's Edinburgh office, and he said they have learned how to use Truth mainly through experience after the initial training. 'We found that the initial presentation you give is the one you learn most about.'

Truth does run different courses for users, such as advanced training on providing draft recommendations but Scarfe has not taken this up.

He chose the various assumptions including the inflation rate which he set at 3%. However, there is flexibility and one

client has asked for the inflation rate to be 5% which he has agreed to.

Scarfe and fellow 50% shareholder and director Alun Evans conducted a management buyout of AFS (Scotland) two years ago, when it had 53 shareholders comprising 51 accountancy firms in Scotland and two other directors. They have retained professional connections with these and other accountancy firms which has helped to produce turnover in the last year of £1.6 million and funds under advice of around £350 million.

Actual cases he has advised on include:

- Convincing a retired couple that they can afford to go on a cruise every year;
- A client who can retire in five years' time at age 55, even with buying a holiday home, going on two holidays and a family skiing holiday every year and allowing for both daughters' future weddings;
- Providing a business owner with the value he needs to sell his business for in order to be able to reach his goals
- A couple who have 'too much' wealth and identifying how much they can give away now, without running out of money for their own needs;
- A widower who now knows he does not have enough for his whole lifetime expenditure, but can choose to continue to live the high life he wants until age 73. But he will then need to take out equity release to cover the remainder of his needs beyond age 76.

See *Special report*, p32



SCARFE: Refocusing on dreams