



***Financial services employers seek job-ready advisors, see designations as increasingly necessary***

*As professional bar rises in evolving advice industry, investors and financial institutions place higher premium on experience, expertise and credentials.*

TORONTO, ON (October 3, 2012) – In an environment of lower tolerance to risk, the rising expectations of Canada’s financial services employers and investors create strong momentum for change in the delivery of financial advice, according to the Canadian Securities Institute (CSI). CSI’s recent research shows the industry is evolving towards the adoption of strategic, holistic, goal-oriented advice models focused on creating an increased value proposition for clients. Advisors who are among the first to adopt professional best practices will gain a strategic advantage in a fast-evolving industry where some sectors are still largely dominated by a sales culture. Positioning themselves to sustain and expand their client base in an uncertain economy, these leading professionals will also advance their careers with financial services employers.

“This summer, we had conversations with many industry participants about the issues defining the evolution of advice. We asked them what the future may look like for the industry and how we can best support advisor and investor needs,” says Simon Parmar, Managing Director, Canadian Securities Institute (CSI). “One common thread in these discussions was a growing recognition of rising investor and industry expectations towards advisors, spanning everything from their quality of service, expertise, soft skills and credentials. In fact, we are hearing over and over again that, not only do advisors need to know more, but they also need to work harder to prove their credibility with more empowered clients and, even more so, their employers who face a heightened compliance environment.”

From June to September 2012, CSI conducted a series of focus groups and personal interviews with a cross-section of financial services professionals and recognized opinion leaders. The objective was to gauge industry perceptions around the evolution of the financial advisor role, as well as financial education and credentialing. This effort was part of CSI’s commitment to working collaboratively with

the professional community to define the issues facing the industry, while continuing to develop and provide relevant financial education solutions.

### **Professional credentials are a must in new advice landscape**

Canadian investors expect more value and better service from their advisors.

“Clients – who can access much of the same information online as their advisors – are asking tougher questions. They want their advisors to understand their financial big picture, to interact with them in a more meaningful way and to add real value with their advice,” says Marc Flynn, Senior Director, Regulatory Relations and Credentialing, Canadian Securities Institute (CSI). “In this environment, recognized financial designations – above and beyond basic licensing requirements – are no longer a ‘nice-to-have’ for advisors who want to stay relevant to the needs of their clients. They are a ‘must have’.”

CSI’s research also suggests a strong impetus for change in raising the bar of advisors’ professional standards comes from financial services employers. Banks, securities firms and other financial services institutions expect professionals they hire and promote to have the right credentials relevant to their roles, as well as the specific needs of their clients, which are becoming increasingly diverse due to greater differences in culture, lifestyle, family structure, levels of wealth and life goals of Canadian investors.

“Credentials are a ‘must’ in a sense that they are a necessary prerequisite essentially expected of anyone trying to get their foot in the door,” says Thane Stenner, CIM, FCSI, founder of Stenner Investment Partners within Richardson GMP Ltd., Portfolio Manager and Director, Wealth Management. “However, they only help you to do just that – get your foot in the door. Then you have to work hard on developing your expertise, experience and the relationships.”

Stenner Investment Partners is a Multi-Family Office that deals with some of Canada’s most successful entrepreneurs and business families. Stenner is also Managing Director for TIGER 21 Canada ([www.tiger21.com/canada](http://www.tiger21.com/canada)) and the bestselling author of ‘True Wealth: an expert guide for high-net-worth individuals (and their advisors)’.

### **Financial institutions see designations as risk management tool**

According to CSI, a higher focus on credentials across financial services roles reflects a greater premium employers place not only on better client value, but, as importantly, on their own risk management process. With the markets remaining volatile, companies view financial designations as part of their internal system of “checks and balances” to ensure advisors not only deliver on increasingly complex and diverse investor expectations, but also operate in a professional and ethical manner. In other words, relevant credentials serve as a safeguard against misguided individual advisor behaviour and decisions that may damage relationships with the clients, lead to declining investor confidence and trust, and contribute to the instability of capital markets.

Finally, CSI’s research also indicates that advisors can only maximize the value of their financial credentials in combination with other critical success factors – specialized knowledge, relevant experience, strong ethical standards, quality service and sophisticated relationship-building skills, allowing these professionals to establish trust and have meaningful dialogues with their clients.

### **Leading professionals implement advice best practices**

While client and employer expectations are changing dramatically, the reality is that many advisors are expected to embrace the new changes and still operate within largely transaction-based and sales-driven environments at the same time. This gap between the dynamically evolving industry and investor needs and the reality of how advice is delivered by many professionals creates attractive opportunities for advisors who think long term, looking to establish a competitive advantage by being ahead of the curve.

CSI’s research has demonstrated that industry-leading advisors are implementing comprehensive, integrated, service-oriented and goal-based advice and wealth management models and best practices that meet complex and diverse investor needs:

- Anticipate and respond to clients’ financial and non-financial needs and goals, such as finding money for vacations, supporting children’s post-secondary education, surviving losses of family members, taking care of aging parents or dealing with the termination of employment
- Bridge from a dominant focus on investments to an integrated view of all clients’ assets and liabilities, beyond specific financial products and narrowly defined solutions, such as mutual funds or insurance

- Adopt a strategic, holistic and consultative approach to advice, focusing on maximizing client value and establishing and maintaining long-term relationships
- Ability to bring together different aspects of financial expertise (for example specialized estate and tax, alternative products, beyond a single advisor's area of expertise)
- Integrate investor education into advice practice and communicate transparently on all key aspects of a client advisor-relationship, including account management practices and compensation methods
- Acquire and maintain relevant financial designations – above and beyond licensing requirements – that address more complex and wide-ranging investor needs

“In their advisors, Canadians are looking for partners they can trust in achieving financial success,” says Parmar, “Many investors expect their advisor to know it all, do it all and explain it all, but that’s unrealistic given the increasing diversity of investors and complexity of the industry and products.”

### **A strategic approach to education is critical to success**

Specialized designations and credentials help financial services professionals in different stages of their careers with education and professional development opportunities they need to meet both employer and client needs.

With more than 270 courses, including the well-known Canadian Securities Course (CSC®), nine certificate programs, and popular specialized designations, such as [PFP®](#), [CIM®](#), [CSWP®](#) and [MTI®](#), and the Fellow of CSI ([FCSI](#)),<sup>®</sup> CSI delivers a comprehensive suite of financial education programs covering multiple areas of expertise.

Financial education programs also address the training objectives of financial services employers who build specialty practices to serve emerging markets and client niches, including the high-net-worth wealth management segment.

"Investors have seen dramatic changes in investment markets in recent years and recognize the importance of dealing with an advisor who has earned CSI credentials, which are well-respected in the industry and are based on a foundation of ethics, knowledge and professional experience," says James Campbell, CFP, MBA, CGAP, FMA, CIM, DMS, FCSI, Chairman, FCSI Advisory Council, Vice President of

Operations, Brigata Capital Management. "For over four decades, CSI has been educating advisors and helping shape the face of professional advice."

Join the conversation on credentials for financial professionals on [LinkedIn](#).

**About the Canadian Securities Institute (CSI)**

The Canadian Securities Institute (CSI) is Canada's leading provider of financial services credentials and education. Valued for its expertise in Canada and abroad, CSI offers more than 270 courses, such as the well-known Canadian Securities Course (CSC®), nine certificate programs, and popular specialized designations such as [PFP](#)®, [CIM](#)®, [CSWP](#)®, [MTI](#)® and the Fellow of CSI ([FCSI](#)®). In 2010, CSI was acquired by Moody's Analytics, a division of Moody's Corporation, and operates under the Canadian Securities Institute (CSI) name in Canada. For more information, please visit [www.csi.ca](http://www.csi.ca).

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