

MM Profile: Peter Chadborn

14 December 2010 8:00 am | By [Gregor Watt](#)

Peter Chadborn will be familiar to many people in the industry as a commentator on all matters related to protection and as principal of IFA firm CBK Colchester.

But at the start of December, the firm dropped the CBK moniker and has relaunched as Plan Money.

As director of the new business, he says this is far from being a simple branding and marketing exercise.

"The old view of advice equals good, non-advice equals bad and that advice means face-to-face and non-advised means online I don't think works. Then there is how firms are going to restructure approaching RDR and what was going to happen to clients that do not have a certain perceived value. We just thought we were at odds with what we were hearing when we were speaking to other IFAs."

Chadborn says the restructure will offer different levels of service depending on what people want and need. "For the 80 per cent who do not warrant the full holistic advice, what do you do? Either ditch them, in which case, you had better have enough of the other type of client to keep yourself in business or you have to offer something that means you do not have to be remunerated as much."

Plan Money is going to be offering three different levels of service, from full, holistic, face-to-face advice down to a simple service offering more ad-hoc advice. Charging for the new service is still to be established as the emphasis has to be on what level of service clients want and need.

"The first step is to define service proposition levels. We need to be clear about this and make sure it is a service they want rather than assume this is what they want from us. Off the back of that, we can have a grown-up conversation about the level of cost."

Chadborn says the lowest level of service will be significantly cheaper than the traditional IFA service and, by changing the way technology is used, the cost to the business can be significantly reduced. "We are coming down towards the market rather than say we can deal with it. If some deal with us online, we are not going to earn as much from it but we have done half the work and have still done something that there is value in."

As well efficient use of technology, Chadborn says outsourcing is another vital area for the business. Most of the investment management work will be outsourced to multi-manager 7IM and PMI business and any occupational pension transfer business will be outsourced to specialists.

"We looked at what parts of the business were more profitable than others. On the investment side, we found on our second and third annual reviews that investment and retirement clients were not taking that much interest in the structure of a portfolio but we found ourselves constantly chained to the desk doing research. Ask any IFA what the most precious commodity is and they will say time.

"What are we doing that is not adding value to the relationship? We reckon that for probably 80 per cent investment and pension clients, it is portfolio management. So why do it?"

Chadborn also says this approach can be applied to this side of the business as well by choosing providers which offer full big T tele-underwriting.

"As much time was being spent processing the applications as giving the advice and again that adds no value to the client. Provided there is no detriment to the client, if all else is equal and if they are all there or thereabouts in price, if there are three or four companies on the short list, we will use the one that offers big T. Why not? We have derisked ourselves in the process and have taken away a big chunk of work."

The decision to rebrand as Plan Money and use technology as the central strand of the new business also offers the ability to appeal to the new generation of consumers and keep new blood coming into the business down the line.



“Different generations are engaging with all manner of financial services in different ways. You can buy a house and arrange your protection and you do not even have to meet anybody. Before long, you will buy your pension on an app on your iPhone. Unless we are engaging with all manner of people, we are not going to get a look in when they want face-to-face advice.”

By using white-labelling, allowing clients to transact through the firm’s new website, Chadborn hopes they will become the first stop for any financial decision that a clients takes.

“The idea is that everything flows through our website. IFAs have said historically they want their number to be on speed dial on their clients’ phones. We want to be the first port of call for any financial enquiry and wind forward to the modern world, we want to be bookmarked on their favourites’ list.”

Chadborn has seen the business go through several transformations in the last eight years since he helped set up Chadborn, Baker and Kearle and he says the latest change is essential for the business to continue to thrive.

He says the newest version of the company is simply putting in place some of the ideas that many other people in the industry are talking about and it will not appeal to all IFA businesses.

He also warns the process is not an easy one to implement. “As we are a small firm, we cannot delegate the work anywhere. We have had to do most of it in our spare time, if we have any, while studying for exams and all the rest of it.”

Another barrier is the lack of clarity from the FSA on just what exactly simplified advice is going to look like.

“The first step for us is we know what the concept is and we know how the functionality will work. How it is positioned and who takes ultimate responsibility is yet to be confirmed.”

He says Plan Money is simply a recognition that the IFA market is changing and that IFAs as well as clients have to plan for the future.

Born: Northampton, 1968

Lives: Colchester, with wife and two children

Education: Stanway School, Colchester followed by a soccer scholarship in Trenton, New Jersey

Career: 2010-present: principal, Plan Money; 2005-10: principal, CBK Colchester; 2002-05: co-founder and principal, Chadborn Baker and Kearle; 1998-2002: Barclays Financial Planning; 1988-98: area rep, Refuge Assurance

Likes: Having time to enjoy life

Dislikes: Ignorance, intolerance and anything associated with Simon Cowell

Rides: Giant Yukon mountain bike

Book: The Constant Gardiner by John le Carre

Film: Scarface

Album: You Cross My Path by The Charlatans

Career ambition: To make a difference to those that I work with and the clients I work for

Life ambition: For my children to be proud of their dad

If I wasn't doing this, I would be...Doing something in music

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