



Financial Planning
Institute of Southern Africa

THE PROFESSIONAL STANDARD



Skills-based Volunteering

The mark of
True Professionalism

The FPI Vision

Professional financial planning for all.

Our Mission

The FPI's mission is to advance and promote the pre-eminence and status of financial planning professionals, while at all times acting in the interests of the society (community, constituency) the profession serves, by:

1. Improving the quality and accessibility of professional financial planning for all in Southern Africa.
2. Acting as advocate for professional financial planning, building recognition of the importance and need for such planning by the general public.
3. Provide a framework within which members can achieve qualifications and maintain competence to create greater value for their clients, practices and employers.
4. Ensuring that members maintain the highest ethical standards in the pursuance of their profession.
5. Providing a leadership role within financial services by providing balanced, credible input and commentary to government and the public.
6. Facilitating transformation within the profession.

The Financial Planning Institute of Southern Africa

As the premier professional body for the financial services sector in Southern Africa with over 6,000 members, the FPI is committed to serving the public interest by upholding a very rigorous certification and re-certification standard thereby ensuring that its members can be held to a higher standard of technical and ethical competence in the services that they offer. We do this by offering them a broad portfolio of services and support to achieve this, including membership, designations, continuing professional development, thought-leadership and the maintenance of a benchmark Code of Ethics.

www.fpi.co.za

Affiliations:



Background

Over the last decade, even if you were only a casual observer of the financial services industry, you will have observed the steady increase in the use of the term “professional” to describe many different aspects, offerings and individuals.

Financial planners, in particular, have for many years aspired to the right to be described as “professionals”, and have sought verification that they manifest the various standards and behaviours implied by that description. The Financial Planning Institute initially evolved out of this professionalism requirement, and has focused on setting academic standards and a Code of Ethics that together match the professional standards embraced by the legal, accounting, medical, engineering and other professions. These elements of professionalism are now well entrenched through the FPI, and the stage is set for the next element of professionalism - namely community service and the attendant provision of “pro bono” services - to be introduced in order to finally ensure the recognition of financial planning as a true profession.

The timing of this further move towards true professionalism in the financial planning industry could not have been better. The Financial Services Board (FSB) has embarked on an all-important mission to professionalise the entire financial services industry. Unfortunately, this has led some participants in the industry to hold the belief that simply meeting the minimum standards set by regulators and policymakers makes them professionals. For others the term ‘professional’ is loosely applied, irrespective of whether they live out the actions, attitudes and behaviours of a true professional. Of course, there are also many individuals in the industry who are fully deserving of the professional title - and the FPI aspires to ensuring that all its members are such individuals.

The FPI was founded (then Institute of Life and Pension Advisors - ILPA) in 1981 in response to the need to set standards of practice, competence and professionalism in financial services. Since then the FPI has continued to champion the cause of professionalism among financial planners and advisers. We set the highest standards of practice for professional financial planning practitioners, we uphold a rigorous code of ethics, determine financial planning curricula in South Africa, and ensure that our members are generally recognised in the industry as being amongst the most competent and professional financial planners and advisers in the industry.

As a voluntary independent professional body we have a responsibility to the public that our members serve. We serve this responsibility by ensuring that all individuals to whom we award our designations have come through a rigorous certification process which is designed to make them trusted professionals in the financial services industry.

To help clarify the use of the term “professional” and “professionalism” in the context of the financial services industry FPI plans to publish a series of thought-leadership papers under the title “TRUE PROFESSIONALISM” roughly every quarter. The objective of these papers will be to define and advocate for the tenets of true professionalism in financial services with all industry role players. Hopefully, all financial advisors and planners will embrace our views on true professionalism and take appropriate action to stay or become true professionals.

This document: TRUE PROFESSIONALISM - and the importance of voluntary service, is the first such papers. We trust you will find it enlightening and valuable and welcome any feedback or comments you may have about the subject matter.

Foreword

“To the world you may be one person, but to one person you may be the world.” Anonymous

What makes a professional?

As a professional organisation itself, with a mandate to uphold the professional standards of financial planning in South Africa, this is a question to which the FPI has devoted a massive amount of time, energy and consideration.

The answer we have reached, while not complicated, is multi-faceted. Webster’s Dictionary defines professionalism as “the conduct, aims, or qualities that characterise or mark a profession or a professional person.” While this offers a definition of the word professionalism, it brings us no closer to an understanding of the qualities and characteristics expected of a professional.

One thing is clear, though. True professionalism requires far more than a professional qualification or a recognised certification. Membership of a professional body, while a good external indicator of the likely professionalism of an individual, is also by no means a guarantee of professionalism. And while experience, competence and ability are most certainly prerequisites for a professional, on their own, they too offer no assurance of professionalism.

After grappling with this concept of professionalism, the FPI has determined that true professionalism has much to do about character as it is about training and skills. Yes, a professional is a qualified and highly competent individual, but he or she must also be absolutely committed to consistent excellence. Possibly more importantly, he or she must be a person who constantly demonstrates the attitude and character of a professional.

And it is this last point to which the content of this paper speaks.

While it is relatively easy for any financial planner or advisor to create the impression of professionalism when attempting to win a new client or impress an old one, the real measure of any person’s true professionalism is revealed when

they have nothing financial to gain from their actions, but are still willing to act selflessly and in the best interest of someone else.

The sincere desire to apply your knowledge, skills and experience to benefit those who have no means of repaying you for your time and efforts - that is the mark of a real professional. Yes, giving of yourself in this way can be challenging. But the rewards in terms of personal growth are without equal.

While I said earlier that such selfless action offers nothing in return, that is not strictly speaking the case. As this paper will show, simple acts of kindness and compassion, designed to help lift others to greater levels of financial self-sufficiency, have the massive potential to also raise financial planning and its practitioners to new heights of distinction and professionalism.

You have the skills and knowledge to make a real difference in the lives of so many South Africans, in the process positioning yourself as a true professional in your field. The only question now is will you do so?

I hope that you will take the time to read through this document and explore with us the incredible opportunities that exist for you to differentiate yourself through your pro bono efforts. And after doing so, that your answer to this question will be a resounding yes!

Godfrey Nti

CEO: Financial Planning Institute of South Africa

The real value of giving back

The need for effective financial planning information and guidance for all South Africans has never been greater than it is today. While many people still have the incorrect perception of financial planning as the exclusive domain of the already wealthy, nothing could be further from the truth.

For our country to achieve the sustainable economic growth and social upliftment it needs, all our citizens need to be equipped with the specific financial knowledge, understanding and tools they need to transform their current situation and create their own, self-sufficient and financially secure future. It doesn't matter whether the ability to create that future requires knowledge of global investment markets or just the basic skills needed to draw up a household budget - what matters is that every person has access to the specific financial knowledge they need to change their lives for the better.

As bespoke financial planning professionals in our industry, we have a professional responsibility to enable such transformation. Our financial training and insights equip us not only to offer remuneration-based financial planning expertise to those who want to increase or protect the wealth they already possess, but also to offer hope and guidance to those who need to achieve even a small measure of personal financial empowerment.

Our country remains beset by poverty and suffers the dubious reputation of having a virtually non-existent savings culture. But all is certainly not lost. As professional financial planners, we are in the privileged position of being able to make a real and lasting positive difference in the lives and futures of so many of our people - simply by being willing to freely give of our time, talents and knowledge for the benefit of others.

Martin Luther King Jr. said: "An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity."

This ability to rise above our own needs and help others raise themselves out of their difficult circumstances is as much a requirement of professionalism as it is a privilege of the position we enjoy as professionals in our society. Giving of our time and talents is not a chore (although, admittedly, it may sometimes feel so), nor is it mere charity. It is a rare opportunity to fundamentally alter the course of another person's life for the better - simply by doing what is right, honourable and professional.

There are few professionals in the world who possess the type of knowledge and skills, as part of their training, that enable them to enjoy this privilege. As professional financial planners, we do, and there would be no greater wrong than to pass up the opportunity this gives us to make a meaningful difference to our fellow South Africans and our country as a whole.

Far more than the feel good factor

What exactly is “pro bono”?

Pro bono is the generally accepted shortened version of the Latin phrase *pro bono publico*, which can be directly translated as “for the public good”. While the term originated in legal circles, it applies to any professional work that is undertaken voluntarily and without remuneration, but rather as a form of public service.

Importantly, the pro bono label is typically applied only to voluntary community work that involves the specific skills and expertise of the professional offering a public service for which the recipient would otherwise have been expected to pay. In many industries pro bono services or some form of skills-based volunteering are now considered an essential cornerstone that underpins true professionalism.

For the purpose of this paper, we have borrowed the term pro bono and applied it to any form of skills-based volunteering offered by a professional financial planner. As such, pro bono is taken to mean community service that allows you to use your financial and financial planning knowledge and skills set to voluntarily assist needy individuals, groups or communities, including serving the Institute.

Such voluntary work does not necessarily have to involve financial planning services (although it most certainly can), but could also include any form of non-financial charitable support, mentorship, serving the Institute, coaching, debt counselling, financial education, career guidance or any other financial services related community work.

A true win-win: The many benefits of pro bono

Internationally, pro bono services and skills-based volunteering are increasingly coming to represent something of a new frontier for professionals that are serious about investing in the communities in which they operate. The results of research conducted by Deloitte confirm the significant and immense benefits that can be unlocked when pro bono forms an integral part of any profession. While the research focused primarily on skilled volunteering within the corporate environment, the findings undoubtedly apply to any professional involved in pro bono work.

They determined that those who are willing to apply their skills in the service of others almost always experience higher than average levels of pride in their work, are more satisfied in the professional and personal lives, boast much higher levels of productivity and morale, and have a very positive impact on the reputation of their company or profession.

Of course, every professional has a different reason for undertaking pro bono service. For some it may be viewed as a good business or career move, while others could see it as a moral obligation or a means of achieving a greater sense of personal and professional fulfillment.

Irrespective of your reason for giving of your time and skills, the mere act of doing so delivers significant benefits to the individuals you serve, society as a whole, the financial planning industry and, importantly, yourself and your practice.

The benefits of pro bono...

...for individuals and communities

- **Access to vital expertise** - Pro bono efforts by professional financial planners afford individuals and communities from all walks of life direct or

indirect access to the financial skills and expertise they desperately need to improve their personal situations, but that they would never otherwise have had the chance to experience.

- **Greater understanding of financial planning** - Pro bono services, particularly related to actual financial planning, provide valuable insights into the purpose and benefits of the financial planning process without requiring any obligation.
- **Access to vital financial education** - For most people to even start to develop a measure of financial security, they first need to gain at least some financial literacy. This type of information and education is not typically easy to access and, many don't even realise they need it. By helping more South Africans to gain fundamental financial knowledge, your pro bono efforts could literally transform their lives, and the country's economic future.

...for the financial planner or financial planning practice

While most pro bono services are not undertaken with a view to getting anything in return, research shows that giving back brings with it numerous benefits for those offering their services, and for their employers or practices.

- **Delivery on professional responsibilities** - As is the case with most other professions, financial planners have a moral and professional responsibility to help those in need. Pro bono work enables you to live up to that responsibility.
- **Delivery on business responsibilities** - as corporate citizens, businesses and professional practices have a responsibility to contribute to the wellbeing of the communities in which they operate. Offering some part of your time and services on a pro bono basis entrenches the good governance principles on which your practice is built.
- **Increased job satisfaction** - Pro bono work is proven to increase the satisfaction you derive from the work you do.
- **Networking** - Pro Bono work is also an excellent way to open yourself professionally to opportunities, experiences and people that otherwise

might not have come along - which can create connections and unlock new doors.

- **Skills development** - While professional financial planners are highly trained and qualified individuals, nothing offers excellent continuous learning like being 'in the field'. Your pro bono work exposes you to people, situations and needs that you would otherwise never have encountered - allowing you to hone your skills, sharpen your abilities and increase your confidence levels.
- **Personal transformation** - Using your professional qualifications and experience in a more meaningful way can result in significant personal growth and transformation. Seeing, first hand, the good you can do with the knowledge you have is inspiring, motivating and, very often, life changing.
- **Enhanced reputation** - Pro bono service has the potential to vastly raise the public's perception of you, your practice and the financial planning profession as a whole.
- **Building your market** - As financial planners, we cannot rely on the natural development of new markets to sustain us into the future. We need to be proactive in creating those markets. By contributing to the financial empowerment of all South Africans, your pro bono work could very well be instrumental in delivering your next 'generation' of paying clients.

...for financial planning and the FPI

- **Increased public recognition of profession** - Heightened pro bono involvement by financial planning professionals will almost certainly contribute to the entire financial planning industry enjoying a more positive perception amongst clients, regulators and policy makers. Not only does this improve the business prospects of all professional financial planners, it creates a far stronger platform from which the FPI can take a stronger advocacy position in pursuing its key mandate of raising financial planning to the level of distinction and professionalism it deserves.
- **Rebuilding trust in the financial services sector** - Given the battering that financial services, in general, has taken on the back of the global financial

crisis, the pro bono efforts of professional financial planners can go a long way to restoring the reputation of the entire industry. Pro bono work also serves to rectify any lingering mistrust that may have resulted from mis-selling or biased advice by less-than-professional individuals posing as ethical financial services representatives in the past. The FPI is working to take the lead in rebuilding any such lost public trust in the industry by profiling its members as highly professional and trusted financial planners who operate in line with a higher ethical code. The pro bono efforts of those members will undoubtedly confirm this in the minds of prospective clients.

- **Transformation and empowerment** - Professional financial planners have a moral imperative to contribute to the transformation of South African society. As individuals, we may not be in a position to implement empowerment programmes aimed at realising this responsibility, but as committed servers of communities, we most certainly can. In the process, your pro bono efforts as an FPI member will serve to bolster the Institute's broader contribution to South Africa's transformation agenda.
- **Making financial planning more accessible to all** - A measure of elitism can be found at the core of every profession. It promotes pride in that profession amongst its practitioners and adds a certain gravitas to those who practice it. Within the financial planning industry, this elitism has however caused a perception that the services offered by financial planners are reserved exclusively for high net worth clients. A deliberate pro bono programme is an effective response to this misperception as it gives professional financial planners a platform from which to demonstrate the relevance and value of financial planning for all South Africans.
- **Pro bono in financial planning as Corporate Social Investment (CSI)** - Even though there are many worthy causes out there, by FPI and all professional financial planning professionals narrowing the focus to their CSI programme to pro bono services in financial matters, the entire financial planning community stands a better chance to make a bigger difference to society.

CASE STUDY: FPI members building a professional reputation for giving

Financial planning professionals in South Africa already have a long history of providing pro bono services. This dates back to the time in which the Institute of Life and Pension Advisors (ILPA) was first founded. Since those early days of ILPA, members of the financial planning body have been volunteering their time in service of others.

For the most part, however, this public service has taken the form of volunteer work, much of which has been unrelated to the actual skills these professionals possess. In recent years, the volunteerism has taken on more of a skills-based approach, with ever-increasing numbers of professional financial planning practitioners involving themselves in teaching financial literacy in schools, contributing their expertise to churches, schools or charity groups, acting as Commissioners of Oaths and offering debt counselling to friends, family and members of their immediate communities.

A great example of this pro bono service is the extensive involvement of growing numbers of FPI members in the annual **Teach Children To Save** campaign. For the past four years, the FPI has partnered with the South African Savings Institute (SASI) and a number of other financial services organisations to extend the reach and enhance the effectiveness of this key event during the country's National Savings Month.

As part of the 2012 campaign, FPI members volunteered to deliver engaging financial workshops and lessons to learners from Grades 4 to 7 in schools across the country. In addition to using their experience to inspire learners to become life-long savers these consummate professionals also created awareness amongst the nation's young people about the real value of money and the importance of developing their financial knowledge.

Pro bono as a measure of professionalism in other industries

While the financial planning profession in South Africa has some history with the provision of pro bono work, when one compares the level of such public service with that demonstrated by many other professions, it's clear that we have much work still to do.

As can be seen from the accompanying graphic, it is estimated that financial planners donated approximately 7 000 hours, in total, to pro bono and volunteer work in 2011. While this is a good start, it remains a long way off the more than 60 000 man-hours that are estimated to have been provided on a pro bono basis by South Africa's lawyers over the same period. It is also still a long way from the

Financial Planning Institute: Estimated volunteer hours by activity, 2011

Activity	Hours
Financial Literacy	800
FPI Board and Committees	2,000
FPI Technical Committees	1,200
Commissioner of Oaths	500
Authorship and Research	300
Others	2,200
Total	7,000

45 000 hours donated by the country's doctors.

As the following examples of the pro bono efforts of just some other professions demonstrate, giving of ourselves really can make a difference - to those we help and ourselves.

Legal

In South Africa, ProBono.org is a public interest law organisation that aims to increase access to justice by harnessing the specialised services of the private legal profession for deserving cases. The organisation screens and matches cases to legal professionals and runs HIV Aids and Refugee legal clinics as well as outreach programmes with the aid of a number of law firms. Bowman Gilfillian Attorneys is a founding member of ProBono.org and sees the initiative as a key way for it to expose its lawyers to a wide range of interesting legal experience. It's also considered an important way to access the breadth and depth of pro bono work it needs to meet its commitment of 50 pro bono hours per partner per year.

"Pro bono work on a CV is an important way of distinguishing yourself from other candidates who don't have that experience." Tim Soutar, the International Bar Association

Medical

The Life Healthcare Foundation's hospital network includes 64 hospitals providing a range of healthcare services throughout South Africa. It is involved with Operation Smile - a programme that conducts high volume surgical missions throughout the world for children with facial deformities such as cleft lips and palates and tumours. Over 240 nurses and anaesthesiologists have been trained on a pro bono basis as part of surgical missions to Ethiopia and Swaziland.

Not only does pro bono work offer the opportunity for participating medical professionals to hone their skills, it also allows them to give back - sometimes in a way that affects big change and awareness. Doctor Mohammed Jawad is the subject of the Oscar-nominated Pakistani documentary *Saving Face* due to his involvement in pro bono surgeries to aid acid-attack victims. Jawad uses Indus Hospital facilities in Karachi to conduct free operations four to five times a year. On each trip he sees around 15 patients over a few days of intensive surgery. To date, he has helped around 50 women.

Advertising

Whilst most advertising agencies are reluctant to give out of their pockets, when it comes to giving of their time and expertise, the pro bono work many agencies do is able to help across any number of causes. Last year, Young & Rubicam in Johannesburg produced pro bono work for Unicef that focused on turning child soldiers back into children. The campaign involved mail packages of what appeared to be toy soldiers, but when opened they turned out to be about children reading, playing and riding bikes. Ogilvy & Mather have created powerful pro bono campaigns that have resonated internationally for the World Wildlife Fund, as well as the National Sea Rescue Institute in South Africa.

“Doing pro bono work isn’t just good for your company - it’s good for the people who work at your company. A genuine commitment to pro bono work tells your employees what kind of company you are and helps to define your company’s relationship to the community. For employees, being involved in these projects can be a chance for professional development and a source of personal satisfaction and pride.” Mike Sheehan, CEO of Hill Holliday ad agency

Education and Finance

The Tertiary School in Business Administration (TSiBA) in South Africa offers business and financial organisations the chance to ‘pay it forward’ by giving of their time and experience by working as lecturers, tutors and mentors. TSiBA partners with Old Mutual, JP Morgan, Oceana Group and Media 24. To date, over 200 entrepreneurs have received financial, business, management and marketing assistance through the pro bono work of these organisations.

Creating opportunities for pro bono service

Given the clear link between professionalism and giving back to the community, pro bono service forms a significant component of the FPI’s focus on raising the level of professionalism associated with the financial planning industry.

To this end, the institute is in the process of developing a comprehensive pro bono programme aimed at creating opportunities for members to involve themselves in skills-based public service.

A few pro bono programmes under consideration include:

- 1. Serving the Institute** - This involves giving back to the profession by serving on the myriad FPI volunteer standing and ad hoc structures - like Board of Directors, Board Sub Committees, Regional Committees, Technical Committees, Working Groups, Task Teams and FPI Executive Committees. FPI will regularly publish such volunteer opportunities on electronic media and/or at member events.
- 2. FPI MYMONEY123™** - These basic financial literacy workshops are aimed at the broader South African community and offer individuals, employees and members of church or social groups the knowledge and tools they need to have a better understanding of their finances and a basic knowledge of how best to manage them from month to month.
- 3. Financial Planning Clinics** - This programme will be open to all South African consumers and involves one-on-one consultations with FPI members who make themselves available to offer guidance and information about any aspect of the individual's finances or financial management. This will be held at financial planning practices participating in this initiative or a set venue determined by FPI.
- 4. Employer-based Financial Planning Clinics** - As is the case with the consumer-focused Financial Planning Clinics, FPI members have the opportunity to donate some of their time and expertise to those seeking financial information and guidance on a free one-on-one consultation basis. The only difference is that these clinics are offered in collaboration with employers and presented on site to employees of the organisation.
- 5. Student Career Days** - FPI members have the opportunity to share their passion for financial planning with high school learners and students. In addition to raising the profile of financial planning as a profession, this pro bono work contributes towards the future of the industry as a whole by competing and attracting new talent into the industry through positioning a career in financial planning as an exciting and appealing career possibility.

- 6. Ad hoc Programmes** - FPI will partner with other entities to take part in pro bono initiatives like Teach Children To Save Campaign, National Youth Financial Literacy Day and National Wills Week. FPI may also design specialised pro bono interventions depending on the situation at hand.

The “Serving the Institute” programme has already largely been in place for the past number of years, meaning that there will not be any specific future launch of this initiative. At the time of launch of all the other initiatives above, FPI will publish more details about the programme, including the rules of engagement,

Recording of pro bono hours

The FPI will also be implementing a user-friendly system on its website by which all the hours of pro bono service by its members, through these or any other voluntary undertakings, can be recorded and analysed. This information allows the institute to further strengthen its member advocacy position and highlight the social investment of professional financial planners in uplifting all South Africans.

Of course, FPI member involvement does not have to be limited to FPI organised programmes like the ones above. FPI members may also engage with their local communities. We do, however, urge all members to report pro bono hours worked to FPI for statistical purposes.

FPI Volunteer Resources

To make it easier for FPI members to get involved in pro bono activities, FPI will soon be launching a volunteer portal on its website (www.fpi.co.za) where members can find useful information on FPI’s pro bono programmes, template presentations, workbooks, sample letters, pro bono events calendar, profiles of current volunteers and articles related to pro bono. In this portal, members will also be able to indicate their willingness to volunteer on specific FPI programmes, view a history of their personalised volunteering activities as well as log new volunteer activities.

It's time to get involved

While continuous learning, independent certification and professional membership are all essential ways of ensuring that professional financial planners are competent and qualified to serve their clients, true professionalism requires more.

As a financial planning professional, the level of professionalism you portray is, to a large extent, a direct consequence of the attitudes you demonstrate and the actions you take.

Involving yourself in pro bono service affords you a distinctive platform on which to demonstrate your professionalism and a unique opportunity to meaningfully and sustainably impact the lives of many of your fellow South Africans.

It is time we all close the gap between professional rhetoric and professional practice. That means showing our absolute commitment to excellence, being absolutely and unequivocally committed to the best interest of our clients, and demonstrating a sincere desire to harness our abilities to serve the South African public.

It is time for each of us to stop asking or demanding to be considered as professionals and start serving others in a way that demonstrates the true depth of our professionalism.

It's time to get involved!

For more information about the pro bono service opportunities available through the FPI, or to suggest more ways in which your fellow members can involve themselves in skills-based volunteerism of any kind, please send an e-mail to volunteer@fpi.co.za.