

Country know-how pays off

Smart Money Enterprise

Enterprising women

Fee-for-service pays off



Anne Fulwood

When Olivia Maragna started her financial planning business in 2003, she already had good experience in managing money. She bought her first tranche of shares at 18, her first house at 22 and paid off the mortgage in less than five years. Even aged six, she joined the rest of the family team in manning their roadside fruit stall in country Queensland and collecting and counting the cash.

But she says her best decision has been to operate her Aspire Retire Financial Services financial planning business on a full fee-for-service model, not linked to percentages or the amount of investment dollars. There are no entry fees, exit fees or percentage-based fees. "Clients are charged a flat dollar service fee based on the services they require," says Maragna, 35.

It is a model that is clearly working. She has just been named the Association of Financial Advisers (AFA) 2012 adviser of the year – the first woman ever to win this accolade and the youngest in 10 years of the awards, coincidentally as her business turns 10.

While on the subject of firsts, when she was 28, Maragna became the youngest Australian to receive all three professional designations – her chartered accountant (CA), certified financial planner (CFP) and self-managed super fund specialist adviser (via the SMSF Professionals Association of Australia) certifications.

According to Maragna, early fears that she was too young to dish out financial advice were soon allayed. "I thought, who the hell is going to come to me for financial advice? But I realised that I had more knowledge

and experience in investments and tax than your typical 40-year-old who had little to their name."

Further, she says, clients figured she could be around for their entire lives and Maragna aims to have "clients for life". "If you think about it, you want your doctor to be with you for life," she says. "It's hard to find a replacement when you are older."

Aspire Retire caps client numbers to 80 per adviser and Maragna describes her list of some 200 clients as "top notch", from young wealth accumulators through to business owners, senior executives and retirees.

The range of services is as you would expect – from tax planning and structuring to SMSF advice, business and succession planning and general wealth-creation strategies, all designed to meet specific client needs.

Maragna says turnover is in the seven-digit range, revenues have grown by about 30 per cent each and every year since 2003, and 95 per cent of clients are via word-of-mouth referrals.

Other clients come through Maragna's many speaking engagements at conferences and in the community – recently she toured Australia for two weeks with the AFA and addressed more than 1500 people.

Maragna says her transparent fee-for-service model provides value for money compared with commission-based models. All Aspire Retire professional rates are quoted upfront.

"If you have \$1 million invested in managed funds under a commission structure, you might pay up to \$25,000 in underlying fees and without much explanation of what you are getting for your money," she says. "I don't think that is fair."

Aspire Retire is self-licensed through investment watchdog the Australian Securities and Investments Commission, which Maragna says is an advantage. "The fact we have our own licence means our clients have the financial freedom to make decisions that best suit their circumstances and goals, rather than being spoon fed pigeon-holed

strategies." The gregarious and sociable Maragna does walk the talk, describing her own investment portfolio as diversified with good levels of liquidity, good blue-chip stocks, property and her own self-managed super fund.

Maragna had what many would consider a typical upbringing in rural Australia on the family fruit, cattle and cane farm.

She was born, raised and schooled in Oowoolyba, halfway between Maryborough and Gympie, two and half hours north of Brisbane.

"I think being a country girl has given me great grounding and an appreciation of where I am now," she says. "Coming from that little place to the city of Brisbane, without any contacts, I really felt I needed to work harder than those in the city to build up my networks."

She completed her accounting degree at QUT in Brisbane and found work soon after with Deloitte Touche Tohmatsu. Shortly after that she met her husband and business partner, Stephen Degiovanni.

As financial markets contracted in the aftermath of the September 11 disaster in 2001, Maragna says she and Degiovanni by then were working in a wealth management firm and "as markets dipped, so did client services".

"Advisers were not keeping in contact with their clients and while they were still charging fees, there was little or no service," she says. As a result, many clients moved with Maragna and Degiovanni, and she says they "hit the ground running".

"I have always believed that if you treat your clients like you would yourself or your parents, they become your advocates and raving fans."

They have seven staff in the Brisbane office, nearly all of whom are accountants. Maragna already has a growing clientele in Sydney and plans to open an office in Melbourne by the end of 2013. Total staff by then should number about 20.

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Olivia Maragna, Aspire Retire



Photo Glenn Hunt

Maragna, Greg Gunther, a retired financial planner, has a history of taking small practices to a national level while Amanda Cole from The Executive Connection brings a point of view from outside the financial planning industry.

Maragna expects future growth will come via several channels – increasing numbers of self-managed super funds, business owners requiring financial planning advice and what she calls the "rise in the divorce market".

"We do some interesting work around planning for divorce," she reveals. "We work a lot with family lawyers and I have no doubt the number one cause of divorce is financial stress."

Better financial planning, says Maragna, may well alleviate a lot of that stress and could be improved by better financial education in Australia.

"People should be taught from an early age," she adds. "The majority of people don't even

know how superannuation or credit cards work. Most business owners don't know how to read a set of financial statements or tax returns. They don't know how to maximise their situation or leverage their business to build wealth. That three out of four small businesses fail does not surprise me at all."

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