



To specialise or **NOT TO SPECIALISE?**

In most careers there is the opportunity to specialise into a specific field of expertise as you develop a proficiency in a particular professional niche.

The reality is that there is a world of opportunity out there, but it is always a tightrope between balancing the higher salary you can potentially command and ensuring there is sufficient demand.

A poignant challenge

Specialising can differentiate brokers and set them up as leaders in a specific space. However, they need to take the risk of restricting the size of their overall market to get there.

That is why the decision to specialise often stems from an ongoing professional evolution rather than from the start of a career or brokerage. While it is not necessarily normal for brokers to specialise, it is likely to be a growing trend. This will offer opportunities to stand out in the midst of a persistent market downturn.

Different approaches

There are many different approaches to take if you consider specialising. Some potential ways to specialise include:

- Product specialisation. An intermediary could specialise in wealth management but not risk products, or risk products but not investments; and
- Market segmentation. It is becoming a big trend for intermediaries to offer specialised services to particular market segments. These markets may be segmented by income or by occupation.

It is usually a well thought through process that leads intermediaries to decide what to specialise in. For example, one doctor could be very happy with the service she received and tell another doctor to visit a particular intermediary. Before long, the intermediary has seven medical professionals as clients. Therefore, the opportunity to specialise becomes evident.

Steps to specialising

The decision to specialise also requires a significant amount of planning. The process involves two big steps:

- Making the conscious decision to segment your target market in a specific way; and
- Develop a compelling value proposition and business model to cater for the specific market you have identified.

Underlying this needs to be:

- The intermediary's particular skill-set and their passion for the industry; and

- An existing demand for specialised advice. There is no point specialising if there is no demand for the service you want to offer.

Balancing the scales

Intermediaries need to sit down and weigh up the merits of this possible decision.

On the one hand, if you do not specialise, you have access to a wider range of products that you can use to grow or retain your client-base.

On the other hand, if you do specialise, you potentially have a stronger value proposition in your area of specialisation. Your sources of revenue are not as diversified, but you may hold higher value in the eyes of your clients.

Looking towards the future

Going forward, it will become more common for intermediaries to specialise, in order to become leaders in their fields.

It is also a possibility that brokerages will build specialisation capacity through strategic partnerships with other intermediaries. For example, if a brokerage has not got a strong relationship with a particular client segment, it might partner with another brokerage/ practice who has these relationships.

Arriving in style

My test for whether an intermediary has become a leader in his or her space is whether he or she needs to canvas new clients.

You can say you are a leader if you have new clients knocking on your door because of referrals from existing clients. That is when you know you have a strong value proposition, consistent delivery and that your service fits the needs of your clients.

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