

OH GOD! Not Another Sales Call!

Travis Washko* gives a few tips on how to choose the right Financial Advisor from the barrage of sales calls you get.

Shanghai is the Commercial hub of China. It is seen as the Destination Next by many Multi-national Companies who are planning to expand their operations in the country. Result – the fastest growing Expatriate community in the world! Consequently, the fastest growing Services Industry. As any new Expatriate soon discovers, there is no shortage of Service Providers in Shanghai. Real Estate Agents, Relocation Services, Financial Planning Services, you get it all, with each of them trying to grab a share of your expenses and time.

In my experience of over 6 years in the Financial Services industry in China, overseeing TA & Associates Asia Ltd.'s China operations, I have regularly faced this question from Expatriates I meet, "Why do I receive so many sales calls in a day? And in some instances by the same Company over and over again?" Besides that, "How do I choose 'the one' company from the endless list of companies offering services?"

Emergence of IFAs

Though I cannot speak for other service industries, Financial Services in China or what many know as Offshore Banking Services is not as complicated as many are led to believe. Due to the current Chinese restrictions on Overseas Banks operating in Mainland China, they are not allowed to directly market their financial products to expatriates living in the Mainland. Thus, limiting the ability of Expatriates to find professional financial advice. To service this impending need, a number of Independent Financial Advisors (IFA) emerged, who being independent are able to offer impartial advice to investors and are able to tailor-make financial solutions depending on their client's needs, by sourcing products from a number of Financial Institutions.

However, the problem with IFAs in Shanghai is that in most cases they target only foreign passport holders, as Chinese Passport holders are not currently accepted by most Offshore Financial Institutions. Also, the Compensation structure of Advisors/Consultants is such that it leads to intense competition within a company. It sets up "Companies within a Company" allowing for financial consultants to compete against their own colleagues for the same business and leads. Consequently, increasing the number of consultants calling or chasing the same business. Result – You already know! To add to this, you also have Consultants calling from Tokyo, Malaysia, Hong Kong etc. Combine this with all of the other service industries and you know why you are called so frequently. Though these calls may be disruptive, *they are definitely offering a benefit to you, so "How do you decide?"*

Experience Level

Though, there are many factors that you should consider while deciding on your Financial Advisor, a few jump out right away. Asking your potential Advisor of how long he/she has been working in China is a good start of getting to know his/her experience level.

Client Base

If the Consultant has experience, he should have a good client base too! A Client base comprising of expatriates from different countries, with different needs.

Beware of long lists

Beware of Consultants who advertise a long list of places where they have worked as a broker. Though they look very experienced, it could also be a cover for their inexperience. Usually this is a sure sign that this particular Consultant

is only thinking of being in Shanghai for a short period of time and will move on, after signing a few clients, to a new city, with little regard to his/her client's service needs.

Authorized Sales Agent

Most IFA's in Shanghai are experiencing a high turn-over of Consultants due to the Compensation structure and intense competition in the market. Thus, to ensure continued service, you should always choose a Consultant who is the Authorized Sales Agent for the particular product he/she is offering. Many of the advisors currently working in Shanghai are not individually authorized to sell the product they are offering but do so through their company's agency. Though this practice will not harm the client while investing, the downside is that when this Consultant decides to leave Shanghai, he/she is not responsible to you as a client. Thus, many times clients are left with some other representative of the company, who has little 'incentive' to do a proper job.

Trustworthy

To conclude I would say, try looking for a trustworthy hand to put your money through, someone who understands your unique situation and financial goals. After all, it's your hard-earned money!

I hope all this information was helpful and brings to light why you are continuously receiving sales calls from people in my industry. These calls maybe a little annoying, but each of them definitely has a benefit to offer. You never know, you may just get the right financial advice you were looking for. And believe me, proper advice can take you a long way. 📞



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