



The journey towards diversification begins

In our last article we finished off with a thought provoking statement of “Does our industry go back to where it started with Australian lenders only paying upfronts and removing trail incomes”? and how would your business be placed if that did happen?

Let us now start a journey together and see how this may be addressed to ensure you are well placed to meet whatever lays ahead, so you can continue to put food on your and your employees’ tables. At the same time you can be confident your professional image is being enhanced by providing a more rounded service to all your clients.

Some of you may already be well advanced down this path. Congratulations if you are because there are many who fear the first step and have yet to commence a rewarding change of direction.

That first step would be to make sure that you undertake a risk assessment of your business. To assist in this course of action we highlight below, some but not all, areas that may require strong consideration.

- Verify your trade mark registration by visiting <http://www.ipaustralia.gov.au> and viewing the Trade Mark column. In the search area, enter ATMOSS and then a login name and password. You can then search to see if you have, in fact, registered your trade mark/logo. If you haven’t it is strongly recommended you do so at your earliest opportunity. Registration can be undertaken by you with the initial cost being around \$160. After acceptance which normally takes 12 months you will be required to pay a further fee, at today’s rate, of approximately \$250. Remember if you are not confident in doing this, please consult an IP lawyer who will undertake the process for you and have costs ranging from \$1200 to \$1500. Prices are subject to change and vary from each service provider. In view of this you should carry out your own enquiries before proceeding.
- So many business owners mistakenly think that after having registered their company name they in fact own the name and branding/logo. In fact they do not have ownership until the above process is undertaken. Too many people start up a business and spend many years building the brand name etc only to find that someone else is already using that logo/brand name. Please remember that when you register the logo you should include your key words. As an example AAMC has the words “AAMC Training Group and Global Connectivity Empowered Training Solutions” along with the logo under the one registration process. Registering just your logo without the brand words can leave you open to challenge as the writer has experienced previously with one of his companies.

- The next step in the process is to have a clear understanding of the many other risks that will confront you along the journey to success. These risks to the untrained and unaware are fraught with danger. AAMC conducts one day courses specifically for new and existing business owners in the Financial Services Industry. The writer cannot emphasise enough that having the ability to recognise and mitigate your risks is a very worthwhile asset in any financial climate. Areas covered in the course are:

Risk Principles - the key strategies and techniques of risk management as a business discipline are based on the Australian Standard AS/NZS 4360:2004 Risk Management. The other five sections each focus on a specific area of risk management in business sales transactions.

Professionalism/ Reputation – the legal, competitive and social risks that if managed well, will enhance your Finance/Mortgage Industry professionalism. Topics included:

- Unconscionable conduct
- Competitive behavior
- Disclosure
- Making recommendations
- Legislation.

Manage health and safety – the core asset, people and client risks relating to Duty of Care and safety of which you need to be mindful. Topics included:

- Occupational Health and Safety (OHS)
- Personal safety
- Property security
- Confidential information

Financial & Economic – the business financial risks (such as trust accounts) particular to your business and includes profit and loss, balance sheets and depreciation schedules.

Regulatory/Legal – those risks particular to legislative requirements.

Loan Documentation– the risks associated with incorrect documentation particularly leading up to settlement time. Topics included:

- Poorly completed loan applications
- Authorities
- The settlement process.

Regulatory/Legal – those risks particular to legislative requirements. Acts discussed:

- The Finance/Mortgage and Business Agents Act 1978
- The Finance/Mortgage and Business Agents Regulations 1979
- The Trade Practices Act (Commonwealth)
- The Secret Commissions Act
- The Privacy Act (Commonwealth)
- ASIC

- Anti Money Laundering and Counter Terrorism Financing Bill (AML/CTF)
- Department of Consumer, Employment and Protection

Each module incorporates a variety of evidence gathering activities and equips you to have a very good understanding of your business and the issues that you face.

Many owners and management staff fail to undertake the Risk Assessment process associated with the running of their business. It is not until something goes wrong that the business is made aware of its legal and/or regulatory responsibilities. Without taking the risk assessment process on your business model all the hard work and capital injected into your business could all amount to nothing.

In our next issue we will discuss the next step in this journey and look at the planning that is required once the risk assessments have been undertaken.

Jeff Mazzini
F Fin, FTIA, FPNA, FAICD, AMFAA, CFP, FFBA
Managing Director
AAMC Training Group
www.aamc.edu.au

Disclaimer: This article represents only the views of the author and is not to be considered as advice.