Relationship and Wealth Management
**ifs School of Finance**

**MODULE/UNIT SPECIFICATION**

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<tr>
<th>1. Title</th>
<th>Relationship &amp; Wealth Management</th>
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<tr>
<td>2. Start date</td>
<td>Valid for study sessions commencing from 1 November 2011</td>
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<tr>
<td>3. Level of module</td>
<td>Level 4 FHEQ</td>
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<td>4. Number of credits</td>
<td>15</td>
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<td>5. Status</td>
<td>Option module within Professional Certificate in Banking</td>
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<td>6. Recommended prior modules</td>
<td>Financial Markets &amp; Risk (within first 60 credits)</td>
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<td>7. Programmes of study to which module contributes</td>
<td>Professional Certificate in Banking</td>
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**8. Intended subject specific learning outcomes**

The learning outcomes fall into two main areas to reflect the syllabus content and each outcome will be measured by way of an objective test (see section 12).

On completion of this module, students will be able to:

**Principles and Practice of Wealth Management**

a) Define the wealth management segment and identify the characteristics and potential needs of clients within the segment
b) Understand the role of financial planning and the advisory process
c) Understand the significance of financial services regulation in protecting consumers, and the implications for financial advice
d) Analyse clients’ protection, retirement and investment needs and be able to identify the main types of financial services products to meet those needs
e) Understand the relevance of taxation and analyse its impact on financial planning decisions
f) Understand the role of professional advisers and identify when and how they should be involved in the financial planning process
## Managing a Wealth Management Team

g) Understand the characteristics that determine an effective sales individual and the importance of a robust recruitment process  
h) Understand what motivates sales people and recommend means of rewarding and retaining quality staff  
i) Understand the role of a sales manager and analyse the impacts that leadership, coaching and development have on growing wealth management business  
j) Recognise the significance of monitoring activity and analyse how information can be used to drive performance  
k) Recognise why sound management control and quality standards are essential, particularly within a regulated environment, and understand the importance of being able to apply such controls and standards appropriately  
l) Analyse the benefits that a needs-based sales process can have for the customer and for the organisation’s sales performance  
m) Apply communication techniques to positively motivate both customers and staff

### 9. Intended generic learning outcomes and, as appropriate, their relationship to programme learning outcomes

On completion of this module students will be able to demonstrate achievement of the following generic learning outcomes:

1. Ability to learn through reflection on practice and experience  
2. Ability to work with complex material  
3. Ability to analyse problems and identify appropriate solutions  
4. Ability to work and study independently and utilise resources effectively

These intended generic learning outcomes contribute to the following programme learning outcomes: 1, 2, 4, 6.

### 10. Syllabus overview

This module has been designed to provide the requisite skills, knowledge and understanding to effectively manage the people and processes involved in the operation of a successful sales team responsible for developing and maintaining good customer relationships with the mass affluent.

The first six syllabus sections provide a broad picture of the wealth management context and the key areas with which a manager within the wealth management segment needs to be familiar. Students are firstly provided with an overview of the segment and its defining characteristics, and the importance and features of an effective financial planning process. The focus then broadens to look at the environment within which firms and advisers operate, with a particular emphasis upon the role and functions of the FSA and compliance requirements. Having set the scene, the syllabus then focuses upon the factors that determine the financial needs of different types of customer and the products available to meet these needs. The syllabus also looks at the implications of taxation on individual financial plans and the role of professional advisers within the financial planning process.
Having provided an overview, the remaining syllabus sections then explore in detail the key features and issues related to the management of a sales team operating in the wealth management sector. They trace how to develop, motivate, reward and retain a high quality sales team, and then move on to the role of the sales manager and highlights the importance of effective organising, planning and target setting. The syllabus then focuses upon the key features of activity management and how it can develop the business, management control and quality standards. Students are then encouraged to reflect on the variety of customer needs within the segment and understand how the use of a needs-based sales process helps the development of tailored solutions. Finally, the syllabus looks at the role of clear and accurate communication and its importance in achieving success in the wealth management segment.

11. Methods of delivery

There are three approved modes of study for the module: through approved centres and by web supported learning with the option of workshops. Each student enrolled on the module will have access to the MyifsILE environment and the ifs KnowledgeBank learning resources.

Web supported learners

Web supported learners will be given access to a web tutor for each module and the ifs learning support team.

Web supported learning with workshops

Students can choose to register for two enhancement workshops delivered by ifs approved Associate Lecturer’s at appointed locations (subject to demand).

Academic centre learners

Students enrolled for the academic centre mode will be provided with the same access to the general induction and learning materials as distance learners.

Total learning hours: 150.

Learning Materials

Students will be provided with access to my ifslearning (our secure learning environment) that provides access to relevant materials and support for each module. Links to appropriate readings are available from ifs KnowledgeBank, our e-library.
12. Assessment

There is one summative assessment component for this module. Students will sit a two-hour objective test.

Assessment will focus primarily on the learning outcomes associated with the cognitive skills of knowledge, understanding, analysis and application.

The test comprises 75 questions as follows:

- 50 multiple-choice questions that will test knowledge and understanding across the syllabus (1 mark each); and
- 5 case studies, each with 5 questions that will test skills of analysis and application (2 marks each).

There is no minimum score requirement in either section of this assessment component.

The pass mark for this component is 60% (60 marks from the 100 marks available).

Total marks available: 100.

The grade awards are as follows:
- Distinction: 85%-100%
- Pass: 60%-84%

You may use a scientific calculator but it must not be programmable, nor have a wireless-communications capability, nor be capable of storing textual information. It must also not require a mains electricity supply. Calculators with any further functions are not allowed in the examination room.
13. **Syllabus**

1. **The Wealth Management Segment**

   This section of the syllabus introduces the wealth management segment, explaining its scope, significance, and growth potential. It gives an overview of the main areas of personal and business financial needs and indicates when certain needs are most likely to be prioritised by the client.

   Its focus is learning outcome 1 and it covers the following issues:
   
   - The financial criteria that must be met to qualify as a wealth management client
   - The size, growth, and potential of the wealth management segment
   - An indication of the financial planning needs and opportunities that are likely to arise at key points in the life of a client or the development of a business

2. **Financial Planning and Advice**

   This section of the syllabus considers the financial planning and advisory process. It emphasises the importance of gathering and analysing full relevant information about the client before recommending a financial plan that is suitable for their needs and objectives. It recognises that the client must be able to make an informed judgement before acting on the adviser’s recommendations, and that the client’s information needs must be met clearly and fairly.

   Its focus is learning outcome 2 and it covers the following issues:
   
   - The importance of the adviser / client relationship, the need to know your client, and how financial planning can contribute to the client’s goals
   - The importance of addressing the client’s objectives, needs and priorities within any recommendations, and their affordability
   - The information needs of clients, at and following the point of sale
   - The need to review the client’s circumstances on a regular basis

3. **The Impact of Regulation**

   This section of the syllabus explores the regulatory environment in which the firm and the adviser must operate. It considers the supervisory role of the Financial Services Authority (FSA) and the controls that firms are expected to implement for the protection of consumers. It emphasises the prescriptive nature of the regulatory regime that governs the financial services product distribution and advisory process, and the importance of complying with the FSA’s conduct of business rules.

   Its focus is learning outcome 3 and it covers the following issues:
   
   - The role and objectives of the FSA
   - How the FSA exercises its supervisory powers
   - The role of principle-based regulation, the responsibilities of approved persons, and the behaviours expected of them
   - Key elements in the way that firms are organised and controlled, including the significance of training and competence
   - The rules concerning how firms interact with their clients, including communication, advertising, selling, and complaints
4. **The Role of Products in Financial Planning**

This section of the syllabus explores particular client needs. It considers, in overview, the key areas of personal vulnerability, including premature death, severe illness or disability, and how the financial impact of such catastrophic events can be mitigated by good financial planning and the appropriate use of financial products. Small and medium-sized businesses are no less vulnerable to financial disaster, and this section also considers the consequences of the death or long-term absence of an owner or key person, and the consequential impact on financing, profitability, and succession.

- Longer-term needs, including pension provision for individuals and business owners, and accumulation of capital for retirement and other purposes are also covered.

Its focus is learning outcome 4, and it covers the following issues:

- The main factors determining clients’ protection, pensions, and investment needs
- The relevance and impact of state benefits, where available, and of clients’ existing financial arrangements
- The role of key financial products and services, including:
  - Life and health assurance policies
  - Pension policies
  - Wills, trusts, and powers of attorney
  - Collective investments, individual savings accounts, venture capital trusts, investment in property, and investment management services
  - Mortgages, personal and commercial loans

5. **Tax and Tax Planning**

This section of the syllabus considers the implications of income and capital taxes for investment planning, emphasising the costs that must be assessed before implementing any financial plan. It explores opportunities for reducing the burden of income tax on investment returns, including the benefits of tax-efficient investments. It also considers the importance of careful planning to reduce the impact of capital taxes on preservation of assets and inheritances.

Its focus is learning outcome 5, and it covers:

- How income tax affects investment returns, the implications for different types of taxpayer, and how tax can be reduced using allowances and reliefs
- How capital gains tax affects investment decisions
- Tax planning using pensions and life assurance and tax efficient investments
- Estate planning, including gifting, equalisation of assets, and exempt assets
6. **Professional Advisers**

This section of the syllabus looks at the role of other professional advisers in the overall financial planning process. It considers their relationship with the client, and their interaction with the financial planner. It also explores when it is appropriate for the financial planner to recommend the involvement of another professional, and how that relationship might best be managed, and developed to be of future mutual benefit.

Its focus is learning outcome 6, and includes:

- Solicitor services, including wills, trusts, and powers of attorney
- Accountants, including business valuation services
- Actuaries, including pension funding calculations

**MANAGING A WEALTH MANAGEMENT TEAM**

7. **Recruitment**

This section of the syllabus focuses on how success in wealth management is determined by the quality of individuals employed in the sales arena. A robust recruitment process plays an important part in finding the right people by identifying the qualities and characteristics inherent in a sales person.

Its focus is learning outcome 7, and covers:

- The skills criteria of a sales person
- Job profile
- The need for recruitment based on plan/target
- Recruitment options
- Employment law and regulatory requirements
- Initial training/induction/appointment of manager/testing/assessment
- Identifying appropriate structured development paths

8. **Retention and Reward**

This section of the syllabus covers the principle that, in order to retain staff, it is necessary to understand what motivates sales people. Praise and recognition have a part to play as well as a sound remuneration and reward process.

Its focus is learning outcome 8, and covers:

- Understanding the importance of motivation
- How people are motivated by different needs, including Maslow’s hierarchy of needs
- Recognising the importance of self-motivation
- The role of the manager in increasing levels of motivation
- The types of remuneration available in sales
9. The Role of the Sales Manager

This section of the syllabus looks at why effective sales management is key to growing wealth management business. Creating and supporting a team, instilling a common purpose, harnessing and developing skills and providing the motivation to succeed is essential.

Its focus is learning outcome 9, and addresses the importance of the role and key activities:

- Attributes of the role
- Job profile
- The importance of coaching and development
- Identifying training needs and implementing solutions
- Running sales meetings
- Planning, targeting and goal setting
- Organisation

10. Activity Management

This section of the syllabus looks at how performance figures and diary entries not only record historical data but also provide the key for future sales. It deals with the dynamics of managing future activity and the positive effect achieved on new business.

Its focus is learning outcome 10, and covers:

- How to develop a suitable monitoring format
- Examine performance ratios, eg contacts to interviews, interview to full reviews, reviews to sales
- Need to establish success standards, record personal bests, compare peer group results and industry performance
- Identify areas for development and implement training action plan to improve

11. Management Control

This section of the syllabus shows how team size, the experience of the team members, the geography of the area of operation and the manager’s own expertise will have an impact on the effectiveness of the unit. Establishing sales quality standards and effective management information will help achieve the management control that is essential in a regulated environment.

Its focus is learning outcome 11, and looks at the following key aspects:

- Advantages and disadvantages
- Methods of control and monitoring
- Factors which determine spans of control
- Setting quality standards including product mix, complaints, persistency, and error rates.
- Measuring and monitoring quality standards against each team member and comparing against business and industry performance
- Strategies to address any concern
- Commitments to the regulator: Training and Competence Rules
12. The Benefits of a Needs-based Sales Process

This section of the syllabus looks at why the majority of customers within wealth management have a wide variety of needs that demand comprehensive and often complex tailored solutions. To achieve both customer satisfaction and maximise quality sales a needs-based approach is essential.

Its focus is learning outcome 12, and deals with:

- Understanding the needs-based sales process
- The benefits both to the customer and the business
- The importance of every customer contact and making first impressions count
- How to proactively prospect for new business and utilise the needs-based process to increase cross sales
- The added value a sales manager provides in the application of the process
- The importance of maintaining an ongoing customer relationship

13. Communication

This section of the syllabus looks at why, in a marketplace as diverse and complex as wealth management, the importance of clear, timely, consistent and accurate communication is essential. It deals with both internal and external communication, which can either motivate or demoralise both staff and customers.

Its focus is learning outcome 13 and covers the following issues:

- Methods of communication
- Effective communication
- Benefit of positive feedback on staff
- Feedback structure