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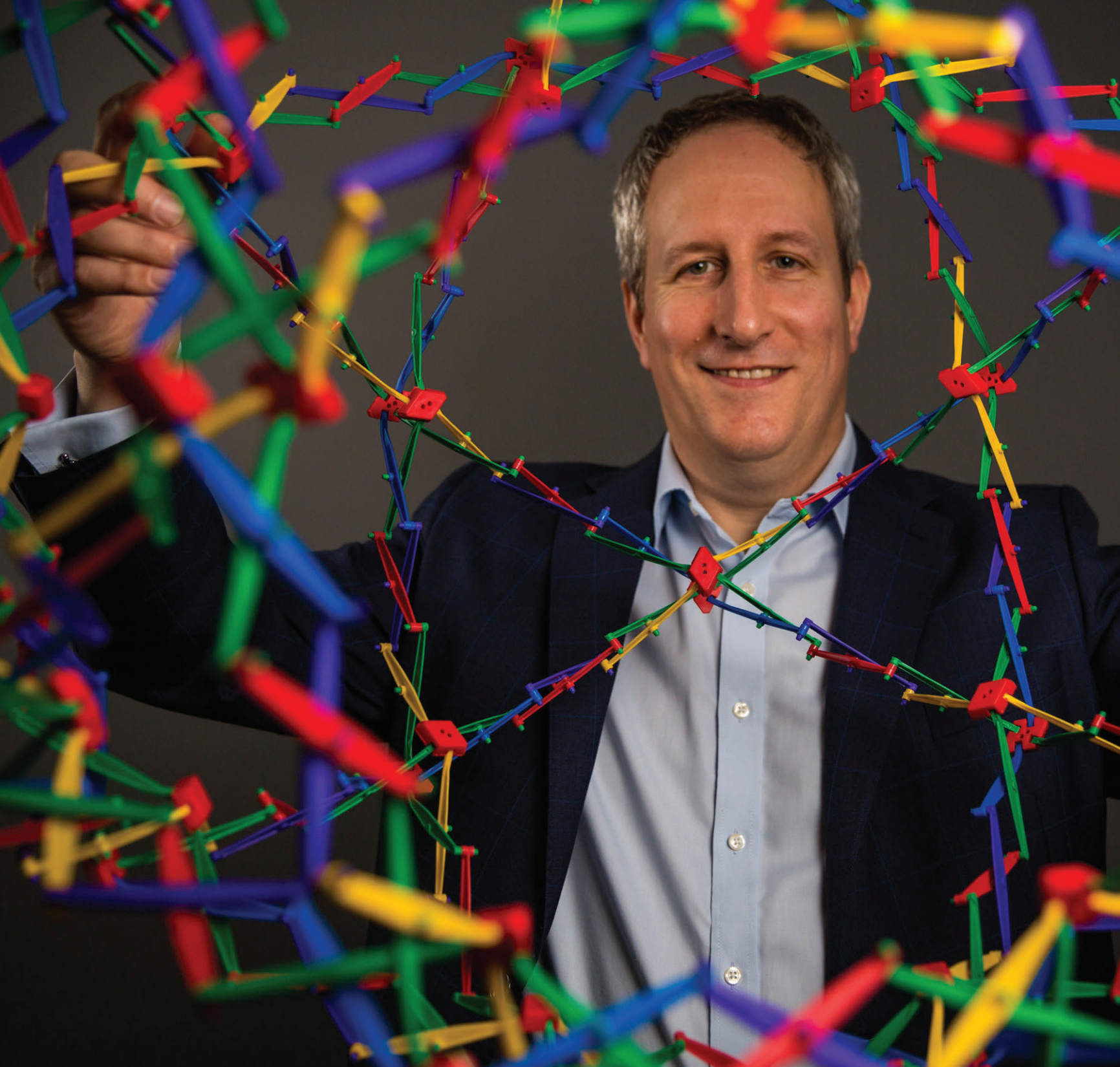
New Model **Adviser**[®]

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THE SMALL FIRM WITH BIG AMBITIONS

ED GIBSON
SHAW GIBBS



EXPANDING HORIZONS

Ed Gibson has big plans ahead for **Shaw Gibbs**

Growing up in Buckinghamshire, the neighbouring city of Oxford always had a pull for Ed Gibson, with Milton Keynes on one side and the famous university town on the other. After working in London, Stratford-upon-Avon and Leamington Spa, Gibson returned to Oxford to head up the financial planning division at Shaw Gibbs.

Accountancy firm Shaw Gibbs was formed under its current name in May 2007 when two local accountancy practices, Shaw & Company and Edmund Gibbs, merged and moved to Oxford's affluent Summertown area.

In 2011 those propositions were launched, and the following year Gibson was asked to take over running the practice. 'It wasn't because the retail distribution review was in sight. I was already doing financial planning and had been involved with the Institute of Financial Planning. Having seen how badly the old direct sales forces worked, I knew how I wanted to do it,' he says.

In 2016, with the financial planning division firmly integrated into the company, Shaw Gibbs bought a small accountancy practice in Marylebone, London. Gibson's task now is to integrate financial planning into this office, meaning the firm will offer financial advice in the capital. 'At the moment we're trying to find the right person, a new hire, to put into that office,' Gibson says.

ON THE LOOKOUT

But finding the right adviser is 'tricky'. 'Finding that combination of qualified to the level I want them to be, which is chartered or certified, preferably both, and then matching that with the right ethos and working practices that will fit the way we do financial planning, is very difficult,' Gibson says.

The firm has used job advertisements and a couple of agencies to help recruit. 'It's difficult to find staff across the whole range, to be honest. There are a lot of very good people who aren't looking to move because they like where they are,' Gibson says.

Once the London office is fully staffed, Gibson plans to hire another adviser in Oxford. The Shaw Gibbs group is also looking at other acquisitions along the Chiltern rail line, between Oxford and London, potentially even a financial planning firm acquisition. 'I expect this will be difficult, as again we will need to find the right firm with the right people and clients,' Gibson says.

His own clients tend to be business owners, high-net-worth individuals and academics, although these tend to be university staff from the Midlands rather than from Oxford University. With the financial planning firm fully integrated into the accountancy practice, and Gibson himself sitting on the group's board, clients are often wholly serviced by the business as tax clients, corporate financial clients and financial planning clients. 'Unlike a lot of accountants our size, we do actually aim to do the whole thing right from the start up to completion and everything in between,' Gibson says. ►

In 2010 Gibson was brought in as an adviser to kick-start a financial planning division that had so far struggled to get off the ground. Coming in as a certified and chartered financial planner, and a fellow of the Personal Finance Society (PFS), Gibson quickly realised he wanted to put in place a fully fledged financial planning proposition.

'What I did early on, and hadn't necessarily expected to do, was say: "OK, we need a proper set of propositions: a proper fee and investment proposition, and a platform proposition; something that better fitted holistic financial planning",' he says.



ED GIBSON

CURRICULUM VITAE

2012–PRESENT	Shaw Gibbs, head of financial services
2010–2012	Shaw Gibbs, chartered financial planner
2006–2010	Cavanagh Financial Management, chartered financial planner
2005–2006	Philip T English, senior financial planner
2002–2005	Carrwood Moorgate, financial planner
2001–2002	Saunderson House, financial planner
1998–2001	Fraser Smith, financial planner
1993–1998	Lincoln National, technical training manager
1986–1993	Target Group, various technology/training roles

PROFESSIONAL MEMBERSHIPS/QUALIFICATIONS

- Certified Financial Planner
- Fellow of the Personal Financial Society
- Fellow of the Chartered Institute for Securities & Investment
- Chartered Financial Planner
- Step Certificate for Financial Services
- Chartered Wealth Manager

STAR PROFILE

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This model of business means some costs are kept down. For example, the group has centralised IT, human resources and marketing teams. As the business figures show, costs have remained fairly flat over the past few years (though Gibson says keeping its Summertown location is a significant expense) while income has increased.

Gibson says profits are reinvested in the group as a whole, but a portion is also dedicated to growing the financial planning business. 'It's in our interests if we're able to generate towards developing what the personal tax [department] is doing, for example, because we then benefit from that development,' Gibson says.

CHANGE IN THE AIR

The group's directors are aged from their 30s to 60s. The board is looking at how it can retain younger people, making sure they can see a clear career path through the company. However, Gibson does not have a succession plan in place for the financial planning side, as he 'can still see myself doing this in 15-to-20 years' time'.

Gibson is happy to work another 20 years in what he views as an improving profession. 'We are now as much a profession as an industry. We're a long way from where we were 10 years ago, but there's still a long way to go to be taken seriously and to change old stereotypes,' he says.

To push the change along, Gibson says there needs to be more work done by the professional bodies, and believes the PFS and Chartered Institute for Securities & Investment (CISI) should work together more. He thinks the growth of the

CISI is good, and was himself involved in its recent Financial Planning Week, giving one-hour planning sessions for free.

'People were coming in who were genuinely interested in planning,' he says. 'There was quite a range of ages and different types of people. It was good to see the message had got out about what financial planning is.'

12-MONTH GOAL

Expand the team through recruitment.

Gibson uses cashflow modelling, but says the fact it relies on assumptions means it must always be checked and updated. He is not as much of an evangelist when it comes to the tool as some planners are, saying there is room for different approaches even within the certified and chartered financial planning structures. 'Financial planning is as much an attitude and an approach as it is anything else,' he says.

Gibson and his family now live back in Buckinghamshire, although the border between this county and Oxfordshire runs right across his drive. His three children, dog, horses and, soon, pigs, keep him busy at the weekend, as does Buckinghamshire rugby club and cricket 'until my knee gave in'.

Big plans are on the horizon for Shaw Gibbs, and Gibson has worked hard to bring holistic planning to the firm. But for the moment he can enjoy the peaceful Buckinghamshire countryside, at least at the weekends. ■ **NATASHA TURNER**

TECHNOLOGY TOOLS

Back office	Intelliflo
Cashflow analysis	Voyant
Attitude to risk	FinaMetrica
Fund analysis	Financial Express Analytics
Fund platforms	Ascentric, AJ Bell, Seven Investment Management
Client portal	IO Personal Finance Portal
Other significant technology	CCH (time recording); Workbooks (customer relationship management)



FEES

Gibson uses a mixture of fixed fees and an hourly rate for his charging structure, often depending on the client's preference. An internal pricing matrix that considers time, complexity, the member of staff required and other factors will determine both types of rates.

Initial work is mostly done on a fixed fee basis. There is no minimum or maximum fee but generally this is between £2,500 and £4,000. 'If a client's needs are pretty simple, we would normally steer them towards the hourly rate because that's often the cheapest version for them,' says Gibson.

A client with £100,000 and fairly simple requirements, for example, could pay a fixed fee of around £1,500 for initial work.

For implementation, there is still an option to charge on percentage of assets: 1% on the first £200,000, 0.75% on the next £800,000 and 0.5% above that. But most clients now pay on an hourly rate basis.

'The vast majority of implementation is an administrative task, our business support guys are really good at doing it, they're quick and efficient,' Gibson says.

That means a client with £100,000 could pay 'a couple of hundred quid' for implementation on an hourly basis, which is likely to be less than on the percentage system.

Ongoing fees can also be a percentage of assets staggered in the same way as above, or an hourly rate, depending on what the client and adviser agree works best. Gibson says he is finding more clients opting for the hourly rate but is happy for clients to switch between the two, as long as it is manageable.

'For example, I had a client who had reached a stage where what he needed was going to be relatively low level until he got divorced, and that was a couple of years down the line,' he says. 'But he knew his timescale. So working on an hourly rate basis made complete sense for him, because we were essentially in a bit of a holding pattern. After the divorce, a lot more was required.'

Shaw Gibbs offers several levels for ongoing service that include review meetings, use of the ISA allowance from existing investments, a look at capital gains allowance and so on.

SEI PORTFOLIOS ALLOW GIBSON TO FOCUS ON PROCESS

Shaw Gibbs has seven in-house risk-graded model portfolios, mostly filled with passive funds. It also uses SEI portfolios and outsources around 5% to discretionary fund managers (DFMs), such as King & Shaxson, Rathbones Greenbank, UBS and Standard Life Wealth.

'I'm a big believer in processes. If you're going to have a process, you need a single one that leads to a number of different end results,' Gibson says.

'When we were first looking at the investment proposition, one of the big difficulties was because, as part of the practice, we were going to end up doing investment work for clients who were accounts clients. They just wanted to make a one-off pension contribution, but wanted some advice on the investment.

ACTIVE FUNDS

30%

PASSIVE FUNDS

70%

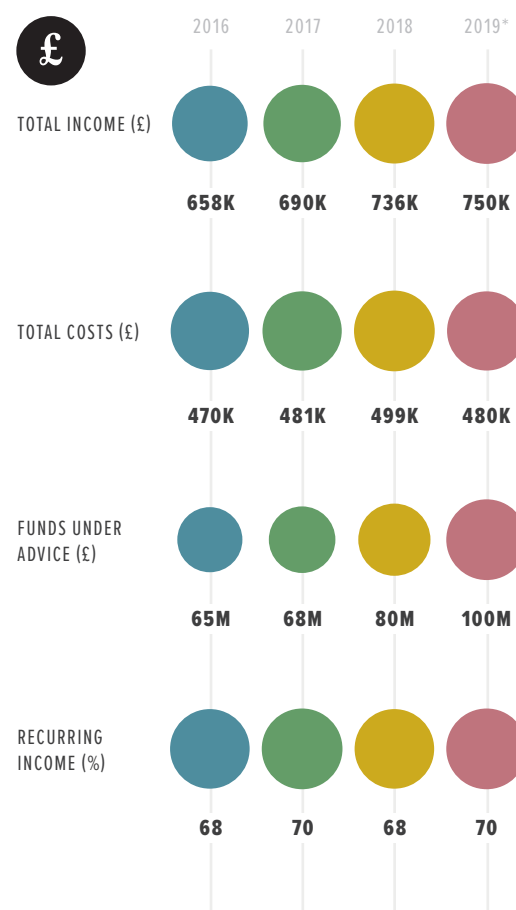
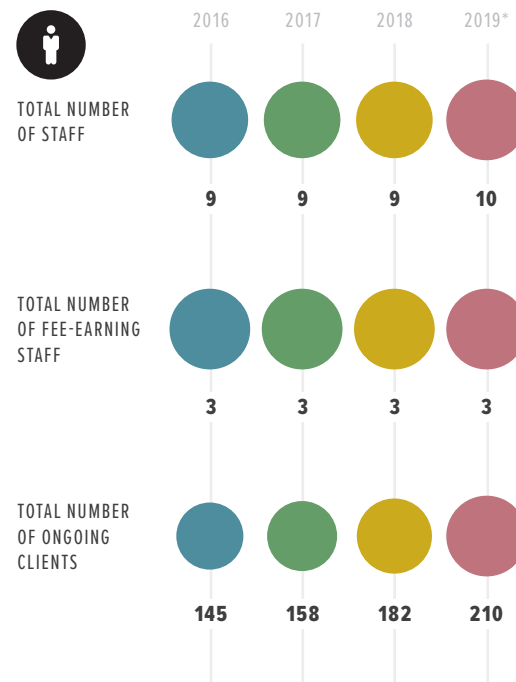
TOP FUNDS - CORE PORTFOLIO

UK equity	Vanguard FTSE All-Share Index
UK fixed interest	iShares Core Corporate Bond
Global equity	Vanguard US Equity Index
Property	TIME Commercial Freehold

So we looked for a solution for that lower end and made the decision to go down the route of using the SEI portfolio funds.'

DFMs are usually used if there is a specialist need, such as a request for ethical investment, or if a client requests a DFM because they want to separate planning from investment.

SHAW GIBBS



*projected figures