

DAVID THOMAS

OCCUPATION: ENTREPRENEUR AND THINK GLOBAL FOUNDER

Disillusioned by slow business growth in the UK, David Thomas joined the exodus of British planners to Hong Kong in 1988. Eight years later Thomas sold his successful business and moved to Australia, intent on encouraging local planners to export their talent to the hoards of expats living in Asia. He spoke to **Simon de Bruyn** about the progress.

What is your background in financial planning?

I started in the UK and went to Hong Kong mainly because I was excited by the Hong Kong entrepreneurial story. I set up my own financial planning business when the industry was very much in its infancy and I found it fairly easy to establish a financial planning business there. Obviously I dealt mainly with expatriates from all nationalities. So when I came here my focus was to tell the Australian industry that they should be looking to do some of the things I'd done.

What is the aim behind Think Global?

Think Global is a concept that I've been working on for many years after I came here in 1995. I was a financial planner in Hong Kong for eight years and it seemed to me ridiculous that the expatriate world was populated by financial planners that came out of the UK. You could count the number of Australian planners on one hand. So it seemed to me that if you were an Australian living in Asia, and there were hundreds of thousands potentially, you were more likely to get advice from a Brit than you were from an Australian.

I set up Think Global to say to the financial planning community here in Australia that there is a world of opportunity offshore. It seemed to me like a classic export opportunity and I hope to be the catalyst for that through Think Global.

Think Global is trying to provide a range of services around developing offshore, ranging from training workshops and education through to actually leading them on a planning or study tour in China, to actually go and meet some financial institutions, to meet some expats, to meet some service providers just to get a flavour of the industry up there so it doesn't seem so scary.

So you are trying to motivate planners to move offshore to Asia and set up business there?

You've jumped to the end of that process which is to actually physically set up shop there. There are so many interim steps you could take. For example, you could provide a service to people who have been posted overseas, you could provide pre-departure advice, or repatriation advice for people coming back to Australia. Obviously I hope from dealing in these areas we could start to bring some business offshore, and start to service some of the Australian groups overseas, of which there are many. My hope is that one or two of the braver ones will start to set up offices offshore. And ipac have finally done it now and they do actually have an office in Hong Kong and Singapore and do have big plans to develop business there.

But these planners would still have to be under regulatory control of some kind?

I think you're right. If you start practising in Hong Kong or Singapore or Malaysia you've got to start operating under their regulatory framework. But in designing those frameworks most of those countries have used Australia as a model [but] you'll find that the requirements are much less than are imposed by FSR [financial services reform] here in Australia. I don't think that any planners would face difficulty meeting the requirements. However, they may need a local representative to conduct business in a particular market.



And what do you think is holding them back?

When I first came here in 1995 there was too much opportunity domestically to get people looking at an offshore market, and that's been the stumbling block to date.

But there is also a bit of an obsession here with compliance, and many reasons now are to do with regulation and technical issues.

I think planners have become more focused on compliance than delivering the products and the service that the clients are looking for.

It's a consumer-driven environment, and I think it's been slightly over engineered.

At some point you will hit a brick wall in terms of how many high net worth individuals you can source in Australia. So if you are looking at the long-term growth of your business you had better start looking at where that long-term growth is going to come from. And I'll say it's going to start coming from outside Australia.

But FSR has only just been implemented. If I were a planner I would be thinking we should fix our industry before we take it offshore.

Certainly that gets said, but I would also say that offshore the bar is so much lower than it is here. So you could look at it completely differently and say rather than trying to fight here in this small pool in this highly competitive environment, why not go somewhere where there is far less competition and the bar is set a lot lower and you can be successful just by being there.

There's 45,000 Australians living in Hong Kong and all of them are expatriates, which means their housing's often provided, they get company benefits and school fees, which gives them a very high disposable income, which is a lot higher than the average Australian with his school fees and mortgage and the high tax rate we have to pay here. So that offshore Australians represents a much better opportunity than domestic Australians with all the tax and expenses they have here. The question is getting to them. ■■■