



IDS AND STRATEGI TO MERGE AT CRITICAL TIME FOR FINANCIAL SERVICES SECTOR

Industry compliance services specialist Independent Development Solutions (IDS) and adviser training, compliance and consultancy firm Strategi Group will merge, it was announced this week. The merger brings together two of the most well-known names in the sector: Barry Read and David Greenslade, and comes at a critical time, as AFAs, RFAs, adviser networks, and QFEs transition into the new regulatory regime and become financial advice providers (FAPs), financial advisers or nominated representatives.

The merger is all about capacity and cost-effectiveness. "The IDS team has been absolutely committed to ensuring our clients received the best service and advice possible, says Read. "It was clear that with the imminent regulatory changes, we needed to expand and make a massive financial commitment to meet the demand. This is now achieved via the merger with Strategi." The intention is to use the two companies' combined expertise, staff and systems to meet the needs of all segments of the advisory industry, while at the same time helping to keep adviser compliance costs to a minimum.

Both companies have been growing to meet the demand from advisers for compliance and training services. Strategi has almost doubled its staff in the past two years. "We have been impressed with all the work and investment that Strategi Group has been making in technology in order to deliver compliance and adviser training services at an affordable price" says Read. He is mindful of the trends that have seen compliance costs rocket in similar markets overseas. "Fragmentation causes duplication of resources and increased cost. Merging with Strategi Group enables the required expertise, resources and economies of scale to be made available to assist the entire industry as it transitions to the new regime."

Financial advisory firms will need to rationalise their business models over the next 12-24 months in order to thrive, Greenslade believes, and we will see more consolidation and mergers to obtain scale."We recognise that the next two years will be stressful for many financial advisers and advisory firms. We wanted to bring together under one team the best experience and resources available in the industry to make the adviser and business transition as smooth as possible." The newly merged company will be based at both Strategi's Albany offices and IDS's Stonefields base from March 1.

For more details contact David Greenslade in 021 400 600 or 09 404 1302, or Barry Read on 021 888 054.

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