

Media Release

Financial Sector Needs to Seize the Moment & Focus on International Opportunities

Monday October 27, 2014. The current environment could not be better for Australian entrepreneurs and business people – especially those in the financial services sector to seize the moment and capitalise on the commercial and investment opportunities that are rapidly emerging within the economies of Asia said Connect Financial Service Brokers (Connect) CEO Paul Tynan.

Commenting further, Paul Tynan said there has been lots of talk recently about promoting and marketing Australia's immense financial services expertise that will be required by the emerging Asian middle class which is expected to reach 1.75 billion by 2020.

"These conversations have been accelerated by the Federal government's desire to enter into free trade agreements with a number of our close Asian neighbours. The work being done to establish Asia as the largest free trading block of nations representing 40% of global trade has rightly been described as an economic game changer".

The recent Financial Services Council conference was keen to promote Australia's funds management capabilities throughout Asia by championing the Asian Regional Passport and asking for government to drive the opportunities.

Paul Tynan continued, "But these opportunities cannot be driven by governments alone – businesses must seize this moment in history and capitalise on their entrepreneurial spirit to develop these opportunities".

"The conservativeness of Australia's large financial institutions (banks) is a two edged sword as they are very risk averse and cautious as they stringently safeguard the wealth accumulation and retirement nest eggs of the nation's investors and working population".

Unfortunately, this conventional and guarded approach is reflected in a lack the entrepreneurial flair to develop the commercial potential overseas. A further consequence is the lack of capital afforded to SMEs wishing to exploit these off shore opportunities. This is understandable as big businesses do not have a great track record in foreign markets (AMP, NAB).

Australia as a nation needs to act now and respond to the challenge about how we can live, engage and develop within the Asian century.

Paul Tynan went to say that the government needs to consider better promotion of its financial incentives for exporter ready businesses and use of expat experience as a vehicle to encourage smaller private companies to show the larger institutions the way.

"The fund management industry in Australia has been driven by compulsory superannuation and regulatory change over the past 25 years. Today distribution is controlled by product design, platforms, research, industry funds and vertical integration of advice".

"To win in the Asia market the Australian fund management industry will need more than product design, returns and the lowest cost if they are to succeed".

Business will need to dust off the business cards and focus on developing contacts, networking skills and nurture relationships with local Asian business partners as this is very different to the current marketing to source the superannuation dollar in the Australian market.

Australia is facing an unprecedented challenge, the growth of multinationals from the emerging markets and governments are enhancing the global coordination of these free market blocks.

Australian financial service businesses and individuals must embrace the potential prospects of doing business overseas and use the right '*connecting skills*' in order to develop the opportunity.

Paul Tynan concluded, "There is no doubt the Asian middle class will explode over the next decade and this sector will demand financial product, food, health, education, technology, entertainment to satisfy their new found wealth".

"However, doing business in Asia will take time and a long term commitment, but if the Australian funds management industry takes their short term performance culture to Asia they will fail. To develop these markets business large and small need to start their engagement activities now and proactively support government initiatives, embrace expats, knowledge/networks and most importantly, apply the '*old world skills*' of relationship management".

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