

Tough people for tough times

Stubborn determination and sharp focus spell success for Eternal Financial Advisory, writes **CONRAD TAN**

ETERNAL Financial Advisory has been in business for less than four years, but so much has happened in that time that it seems much longer to its founders. Freddy Sim, its chairman, started the small independent financial advisory firm with its chief executive Viviena Chin – his former protege – in August 2005 with little more than high hopes and stubborn determination to make it a success.

Together, he and Ms Chin – both top life-insurance agents from the former Keppel Insurance business – spent months preparing to launch their new venture, including convincing regulators they were up to the task.

“It took a lot of work, pain and capital to build the infrastructure, the IT, compliance, accounts and administrative departments, finalise our business plan and clear the red tape before we could launch,” says Mr Sim.

When they finally obtained a licence from the Monetary Authority of Singapore to start operations, several of their former colleagues who had agreed to join them at the new firm decided to stay put instead.

“We were played out by the advisers at the 11th hour,” Mr Sim recalls. “It was like a bride not showing up at the wedding banquet and leaving the bridegroom in a lurch, while the gold and everything else had already been prepared.”

He blames “money and greed” but isn’t eager to reopen old wounds. “We left our previous firm emp-

ty-handed, with a heavy heart and started Eternal Financial from a zero-income base.”

Determined to succeed nevertheless, he and Ms Chin worked day and night to sustain the new firm.

After just three months it made a “very good net profit”, he says – a remarkable achievement for a start up – and has remained highly profitable since. He declines to reveal just how much the firm earned but says its profits kept growing, by six-fold the next year and 12-fold the following year.

But there were problems along the way. “We built our team from just two people to 24 advisers in two years,” says Mr Sim. “Then we were levelled again because one of our advisers was poached and pulled all our other advisers away, except for one loyal and faithful Wilson Koe who is our company director now.”

What happened then? Mr Sim, Ms Chin and Mr Koe set about rebuilding the team from scratch. Today, “we are back on our feet again, with a team of 22”, Mr Sim says. And the company is “still expanding”.

One advantage of having suffered so many setbacks is that he does not fear the current downturn. “The financial crisis has not changed the way we do business,” he says. “Our business is not about good or bad times. I went through the 1987 and 1998 recessions, and we were, in fact, doing very well in those periods.”

“We are very confident that the 2009 recession is going to be a great opportunity for us again. In bad times, clients need more finan-



Mr Sim: ‘We are very confident that the 2009 recession is going to be a great opportunity for us again.’

cial-planning advice. These past couple of months, we’ve been very busy helping clients.”

His optimism – and determination – stem in part from a hard childhood he still remembers vividly. “Both my parents were illiterate. My mum never had a chance to put on a school uniform or a pair of school shoes,” he says. We lived in a very small space and both my parents had to moonlight two or three jobs to support us.”

I asked her why, she said that it was embarrassing that people looked down on us.

“My dad worked as a security guard at Orchard Towers, taking the last bus home at night, then the first bus out in the morning to work as a gas delivery man, carrying gas cylinders. At weekends, sometimes, he worked as a bus conductor.”

Watching how his parents worked so hard yet “never seemed to succeed”, Mr Sim realised the importance of mentoring and coaching to improve a person’s livelihood.

Stepping into the financial services industry “transformed my life”, he says. “I started in the financial business in March 1991 with Keppel Insurance (now part of HSBC Insurance Singapore). All my family, relatives and friends went against my decision. They thought I could not make it unless I came from a well-to-do background.”

But he proved to have a knack for the job, as did Ms Chin, who joined Keppel Insurance in 1995. They both quickly became top agents, qualifying for the coveted Million Dollar Round Table honour for high-performing agents year after year. “I was single-minded and as focused as a needle,” Mr Sim recalls.

In December 2002, HSBC’s insurance arm bought Keppel Insurance for \$150 million from its existing shareholders, Dutch banking group Fortis, Keppel Capital and Kephinance investment.

“It was status quo for a while, but HSBC wanted to build up its bancassurance business, so they started shifting people to the bank,” says Mr

Sim. At that point, he and Ms Chin decided to start their own advisory business. The effort has paid off handsomely. Last November the firm won an Enterprise 50 award, gaining recognition as one of the 50 most successful privately owned Singapore companies.

One reason it has done well is that it keeps its fixed costs low, while rewarding its staff well. “Even in this period, when the market is down, we don’t cut down on our staff. We’ve increased their pay and their bonus,” says Mr Sim.

He prefers to save on rental costs instead. As rents soared, the company moved its office from Shenton Way to Bugis, then to its current premises in Beach Road.

“We believe that a good business should be lean,” he says. “Many businesses have a huge turnover – but they still go bankrupt. It’s not about being big.”

“It’s like when we do financial planning, clients’ finances may look beautiful, but when you really look into things, they have huge debts. Companies are the same – being lean is important.”

Today, the firm’s client base includes “the man in the street, professional entrepreneurs, politicians, magistrates, managing directors of businesses and listed-company chairmen”, Mr Sim says. He and Ms Chin each handle about 200-250 clients, cultivated over many years, and other staff each look after their own clients.

What of the future, given the difficult outlook for most businesses? “My motto is, tough times don’t last, tough people do,” says Mr Sim.