

People

Good work, well done, time to set up your own business

Financial advisory boss happy to see his employees leave and do well on their own

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Many business owners might dream of some day taking their company public or opening offices around the world.

But Eternal Financial Advisory (EFA) chairman Freddy Sim's burning ambition is to have his employees become so good at their jobs that they can leave the firm and strike out on their own.

"We are looking to groom our people so that they can set up their own financial advisory firm some day," says Mr Sim, 52.

"Once they are ready, we'll let them go and we'll give them vesting rights, meaning that whatever they built here, they can take with them - every single cent."

EFA itself would not benefit from such a deal, he admits, but says the satisfaction of seeing an underling succeed would be worth it.

This dream of Mr Sim's stands as testament to how deeply he believes in mentoring and helping others succeed. After all, he himself had it tough in his early years and had to make his own way to the top.

"We lived in poverty," Mr Sim recalls of his childhood.

His parents took on three to four jobs each to make ends meet. His mother would work the midnight shift at a factory before starting a day job at a hair salon. She also took on laundry work and laboured on construction sites as well.

His father was at one time a security guard, gas-tank delivery man and petrol kiosk attendant.

Mr Sim had to start working part-time at 15 to help with the family's bills, taking up jobs in industries as varied as sales and construction. In 1991, as he sought a job that could help him earn a bigger salary, he decided to become a financial adviser.

"A lot of people told me, 'Fred, you will fail because you have no network, you didn't come from a wealthy family, so how are you going to make it?'" he recalls.

But he joined Keppel Insurance anyway, learnt the ropes, put in the



Mr Freddy Sim and his wife, Ms Viviana Chin, decided to set off on their own in 2005, but on the day they got a licence for their firm, former colleagues who wanted to join them changed their minds. PHOTO: MATTHIAS HO FOR THE STRAITS TIMES

long hours and, before long, was named the firm's top agent, top manager and top recruiter.

Keppel Insurance was bought by HSBC in 2003, by which time Mr Sim was managing a large team of agents and working alongside his wife, Ms Viviana Chin.

"We met at Keppel when I was just starting out in the industry. Freddy was my mentor and he encouraged me even when I was close to giving up. Of course, I never thought we'd end up married," she quips.

The couple have three sons, aged 13, 12 and three months. Mr Sim also has a 19-year-old son from a previous marriage.

By 2005, the couple disagreed with some of the changes HSBC was putting in place in the insurance business and decided to set off on their own by launching an independent financial advisory firm.

They began making plans and convinced about 10 of their team members to join them in their new venture.

"But I think nobody really thought we would actually get the licence from the regulator because it's very, very tough," Mr Sim says.

"And at the eleventh hour, on the

day we received the licence in August 2005, one of the team members sent us a text message saying that they had all decided to stay put and not join us."

It became more fraught for the couple when, on that same day, Ms Chin got news that her mother had been diagnosed with third-stage breast cancer. As daunting as it was, the couple decided to forge ahead with their plans.

"We were talking to contractors for our office in the morning and then dashing to the hospital afterwards. We had to screen all the contracts with all the different principal insurers, set up our infrastructure and IT system, meet compliance standards and so on, just the two of us."

And they pulled it off. When EFA closed its books at the end of December 2005, it was already in the black. Profit jumped sixfold the next year and 12 times in 2007.

Things were not all smooth sailing, though. The firm's rapid success drew attention from competitors, one of which poached all but one of EFA's 20 advisers in 2007.

"It felt like we were starting from scratch all over again," Mr Sim says. The one adviser who stayed be-

hind, Mr Wilson Koe, is still with EFA today as a director.

"I felt it wasn't right to leave after all that Freddy and Viviana had taught me," he said. "Money isn't everything."

Strange though it may sound coming from the mouth of a finance professional, this turns out to be a sentiment shared by other advisers at the firm.

"When I first decided to become a financial adviser, it was just because I wanted to make money," recalls EFA associate director Jaime Ng. "But after I joined EFA, Freddy taught me to see the bigger picture. He instilled a conviction in me about the importance of insurance and he taught me that this business is about helping people and building relationships, not just chasing commissions."

Even though he had had a job as a tied agent at a big insurance firm, Mr Ng did not have a policy of his own until he joined EFA.

"At the big firm, they did teach us some basics about the importance of insurance but ultimately they just wanted us to keep making sales."

EFA client Lee Chian Yorn says his experiences with the firm

have convinced him that Mr Sim and Ms Chin care for their clients' well-being more than their own bottom line. "Sometimes if I ask them about a product in the market that they are not offering but that they feel would be good for my portfolio, they will still advise me to take it up."

Fellow client Colin Teo says he was impressed when Mr Sim reviewed all the insurance and investment plans that he had bought for himself and his family and ended up helping him to save about \$750,000 in future premiums by streamlining his portfolio.

As a surgeon, Dr Teo has helped a lot of patients fill out insurance forms but said that he was himself baffled by some of the policies he had bought over the years.

"Freddy really brought clarity to what goes into each plan and opened my eyes to a lot of things."

As EFA celebrates its 10th anniversary this month, Mr Sim says he will not be shooting for the moon.

"We are here not to build a big company. We are here to build big people. We want to be lean and niche. We want quality."

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