

Fleas and elephants

The Institute has appointed Ian Neal FSIA as its new President. He talks with JASSA editor, John Arbouw, about what he believes are the continuing educational needs of the finance and investment industry.

Twenty-years ago Ian Neal took the Institute's course and made the mistake of commenting to the Institute's President at the time, Max Powditch, that the course was a bit average. Powditch acted quickly and invited Neal for "a free lunch" at the Institute. Twenty years later, Ian Neal is the new President of the Securities Institute of Australia. During that period he served as lecturer and as NSW Councillor for past 10 years.

As Managing Director of Nanyang Ventures, a leading venture capitalist firm, Neal works in the sharp and pointy end of the finance and investment industry. So how does Ian Neal view the Institute today?

"I think the metaphor used by noted economist and author Charles Handy in his latest book *The Elephant and the Flea* is relevant to the members and activities of the Institute," says Neal.

Handy's metaphor describes today's business environment as being made up of elephants and fleas. Elephants are those large organisations with big brands and the fleas are individual contractors who have started their own business but the two have a symbiotic and inter-dependent relationship.

"The Institute is made of up around 10,000 plus members and many of them are employed by the big elephants. Sometimes they stay with the elephants as full-time employees, other times they move out and start their own businesses and sometimes they move back in.

"Large organisations have a need for smart people with specific skills. For instance, the large American brokers and investment bankers came into the market a few years ago and hired a lot of people. But when the market turned down some of them left.



"Where have those people who were employed by them gone? The reality is that they are still around either working for someone else or they have started their own business. And this is where the Institute plays a vital role in helping the fleas gain new skills to meet the changing corporate strategies and needs of the elephants."

According to Neal, the opportunity to meet and discuss issues of mutual interest with fellow members at Institute lunches and other forums is extremely valuable. However, he says the Institute does have a reputation in the finance and investment industry as merely being a 'school' and he would like to see the Institute improve its public profile and its public voice.

"The Institute is brilliantly placed to have a leadership view to lead some of the current debates. This provides an opportunity which we should take advantage of. We represent a broad church and not everyone will have the same view. The trick is picking the right debate," he says.

"This doesn't mean that there has to be any great agenda change. The

Institute is very solid and it has proved over the years that it is very good at adapting to change.

"Traditionally the Institute has concentrated on educating new people entering the market. The industry is now in a much more mature phase. A big growth area will be continuing education by way of seminars and major conference events.

"We are a niche provider of relevant information to industry professionals. This means packaging relevant information available on a global level and from our own members and making this available."

According to Neal, the financial planning sector is an area where the Institute will have to put in more resources over the next three years.

"The Intergenerational report contained in the Budget papers shows quite clearly that financial planning in terms of superannuation and fund management is a critical issue which we, as a nation, need to get right. Our children and our grandchildren should not be burdened by heavy taxes because we didn't save for our old age.

"One of the possible ways forward for the Institute is to facilitate the educational and knowledge needs of the financial planning market right down to the DIY super fund operated by small business owners or informed investors. This obviously needs discussion on whether this is an area appropriate for us to go into.

"The world of fleas and elephants is complex and constantly changing but I am confident that the Institute will be able to play its role."

NOTE: On behalf of the Securities Institute, Ian Neal would like to thank the previous President, Mike Willis, for his hard work, enthusiasm and leadership.* **J