



There's a good opportunity for advisors in estate planning services: Sapna Narang

Sapna Narang of Capital League says that advisors can offer estate planning which is today the monopolized by law firms.



Why should an advisor look at estate planning? How does it help him or her?

An advisor may consider offering 'estate planning' services to his clients as support/'add-on' services to the investment planning services being offered or as a 'business vertical' i.e. as a revenue generating service.

You said you do not charge for estate planning. But, is there an opportunity to build a revenue stream out of this for other advisors?

Yes, there is an opportunity for advisors to build a revenue stream out of estate planning. This is like any other consultancy service. You can charge for the consultancy.

What are the opportunities for advisors in offering estate planning services?

Firstly, the increasing 'wealth' in India has increased the need for estate planning. Secondly, a growing population of 'professional' first generation wealth creators has created a demand for professional estate-planning services. So far these needs are being catered to by law firms. But there is an opportunity for financial advisors to package and offer these services.

What are the processes involved in estate planning?

Estate planning involves in-depth understanding of the family's assets, family dynamics and knowledge of 'family law'. Estate planning could involve number of issues depending on the age and profile of the family members –

- Selection of guardian for minor children.
- Insurance policies to safe guard the family's financial goals.
- Implementation of 'nomination', 'either or survivor'

- Power of Attorney
- Will writing

What should advisors know about estate planning? Should the advisor try and build the competency internally or should he/she form an alliance?

At a basic level, the advisor should familiarize himself with various aspects of estate-planning (as mentioned above). He should develop an insight in to some of the typical needs/concerns of the client segment he is interacting with. This would give an understanding of the type of legal/accounting/taxation competencies to be built-up

It is likely that one may initially get the required competencies through external alliances. Once the practice/consultancy stabilizes, then one can plan the extent of internal support team to be built-up.

Should advisors focus on a particular segment of clients for estate planning (businessmen, HNIs, professionals, senior executives)?

One should initially focus on offering estate planning to the client segment one is already interacting with because one would already have some understanding of the likely issues / needs faced by this segment.

Each segment – retail / HNI and within these traditional families viz. professionals are likely to have different issues and require different competencies for estate planning.