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Advising clients on financial products-Financial broker

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Advising clients on financial products- Financial broker

Project work for Internship experience



ANIM Daniel Odame

Financial Representative at OVB (July 2012 – November 2012)

20/10/2012

Declaration

I hereby acknowledge that I have worked on this Bachelor thesis titled **“Advising clients on financial products- Financial broker”** by myself and all used resources are included in the bibliography and supplements section.

In Prague, 19.11.2012

.....

ANIM Daniel Odame

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Dedication

This project is wholeheartedly dedicated to the Almighty God for His preservation, provision, sustenance, guidance, protection and knowledge.

Skills acquired

- Communication skills
- Customer service skills
- Good knowledge on financial products
- Research skills
- Product Management
- Administrative skills

Summary of assignment

As a financial advisor or financial broker at OVB, my task was basically to find clients. I was in direct contact with the clients all the time. I found the clients and I explained the financial products we have to the clients. I provided the clients with several options (possibilities) of which ever financial product they wanted and gave them the chance to make their personal decision under my supervision. I offered objective advice to the clients and helped them with their decision making where necessary. I made sure that the client understood the product very well before signing a contract. For clients who needed some time to think it all over again I gave them the opportunity to do that. However, I contacted them from time to time to assist them with their thoughts and answered any questions they might have. For any client who was interested in life investment insurance, I prepared a financial project for them as something to think about or in other words something to help them as they take their decision. I prepared the projects by the help of some customized softwares popularly called calculators. Once a client agreed to sign a contract, I did all the administrative work by filling out the required paper work for the contract. I negotiated the best deals for my clients and made sure they were happy with the product before closing any deal. The last part of my task was to provide a life time customer service to my clients. I automatically became a personal financial advisor to each of my clients therefore as long as the contract holds I am responsible to offer any kind of assistance (customer service) to my clients.

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Introduction

Man cannot live without decisions. The human race is faced with numerous choices daily. It begins right after one wakes up. One has to choose the type of soap to use for shower, the colour of toothbrush, which clothes and shoes matches the other, whether to take bus or train to work etc. As the world advances in technology, it should be noted that the act of choosing will be part and parcel of human behaviour. The earlier we embrace it the faster we will get use to it. (Sheena, 2010)

For some people the act of choosing is something personal. Others also believe that seeking people's view when choosing is a better way of getting a good choice. Nevertheless, the way different people with different cultural backgrounds respond to the act of choosing is different across borders and even sometimes within the same nation. According to Professor Sheena Iyengar of Columbia University, there is a fundamental difference of our ideas of choice.¹ Through the American lens, choice is individualist (personal free will of choosing). The choice you make is as important as who you are. For example: Starbucks say happiness is in your choices. By this they mean that choice should be in accordance to what the customer wants. Simply put you get what you order. On the other hand, from the Japanese perspective, a person who cannot make good choices needs to be assisted.

Today, customer satisfaction has become an important element in every business. This is due to the fact that when customers are treated better there is a high tendency that they will come back to buy the same or related product. Developing a good relationship with the customer leads to customer loyalty and this tends to increase revenue. As firms strive to treat customers in a manner that encourages repeat sales, they maximise the lifetime of value of the customer relationships. (Zikmund et al., 2003)

It should be noted that planning is relatively proportional to decision making. Good planners tend to make better decisions. Most experts believe that people who put a lot

¹ Iyengar S., The Art of Choosing <http://www.youtube.com/watch?v=IDq9-QxvsNU>

of work into planning end up making good decisions. It can be concluded that planning is an important tool before decision making. However, some decisions are simple and they may require little or no planning. On the contrary, some decisions require the views of professional or experts if any good results is to be achieved.²

One of the areas in life where a person needs professional assistance in order to make any reasonable decision is in the domain of financial services. Financial services are that which includes stocks, bonds, mutual funds, mortgages, tax optimization, credit cards, all kinds in insurances etc. In this domain professional experience needs to be consulted. People who are knowledgeable in this field are called financial advisors. In the past two decades, the work of a financial advisor has become extremely necessary and very important to many. Financial advisors help their clients to attain financial stability and to maintain the desired balance of investment not neglecting the risk involved. The fluctuations in the prices of mortgages coupled with the recent global recession which led to limited money in people's pocket as a result of unemployment of most workers demands that people need professional financial advice when it comes to buying of properties, taking loans from banks, savings on taxation, investments and other financial products.

People can become their own financial advisors but means taking some huge risk. If one is scared, don't feel confident and have no time to research on some complex financial products then financial advice is worthwhile. Nevertheless in dealing with complex financial products, it's always advisable to pay for a professional help, an advisor to ensure that you get the right products at a reasonable price not disregarding the customer service that you will enjoy throughout the investment. When choosing a financial advisor it's equally important to choose an independent financial advisor. Such advisors have a neutral stand of all the products of the individual companies they work for hence they are likely to give you the good side and bad side of each product and help you to make your final decision.

² Planning and Decision, Corporate learning course, Team building block seminar, <http://www.capmembers.com/media/cms/Lesson Plan 35 Planning and Decisi 5A5628811B98A.pdf>

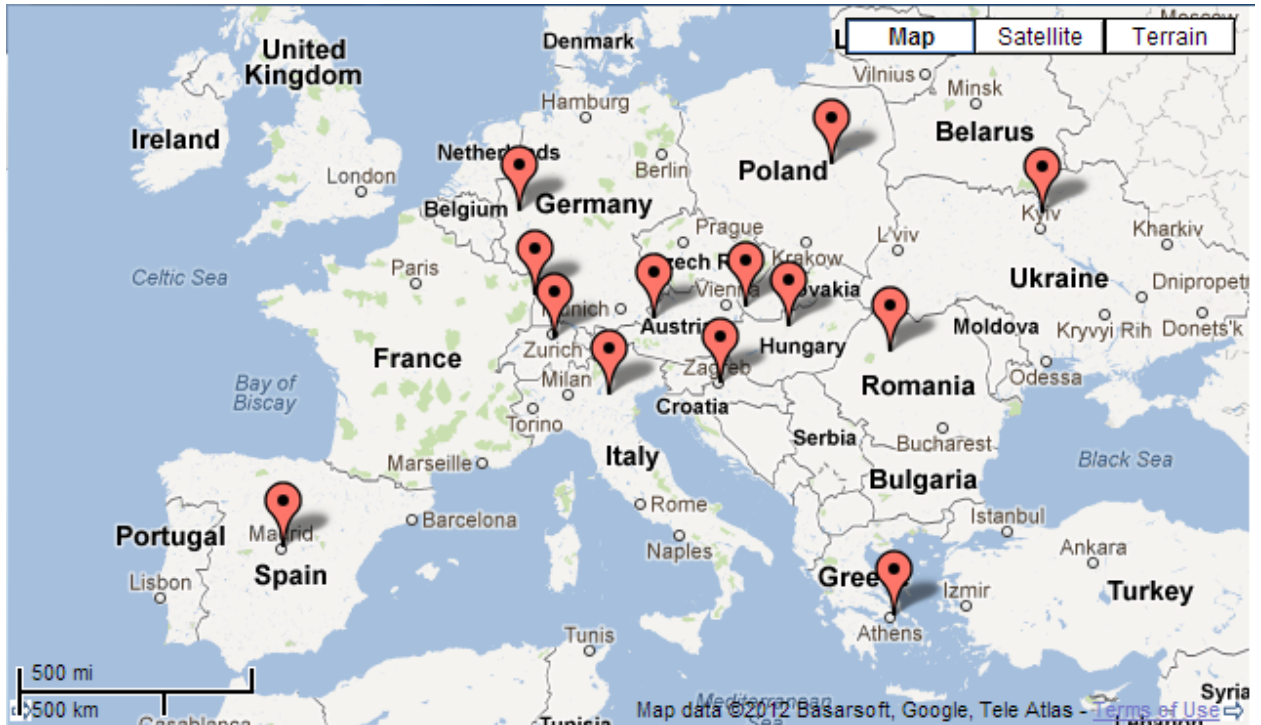
OVB is an independent financial firm which has existed for the past 40 years and its headquarters is in Cologne hence a German company. The company provides free and independent financial advice to its clients. It has experts in the field of financial consulting and provides professional advice for its clients. The company aims at helping each of its clients to achieve financial stability and financial freedom. As an independent and professional consulting firm since 1970, OVB has trained professional advisors to provide all kinds of financial services to its clients.³ In the Czech Republic and Europe at large, OVB offers the best deals in savings, investments and insurance for individuals and their families. It also recommends the best deals in mortgages and credit cards for its clients. It assists its clients in tax optimization for private individuals and firms. It also provide the possibility for refinancing of mortgages to decrease the interest rate and the last but not the least it offers career opportunities for lots of people.

In this paper, I will be discussing about the business portfolio of OVB in the first section. In the second section, I will focus on my experience at OVB, the lessons learnt, challenges faced and how I was able to integrate my theoretical studies in school with my work at OVB.

³ Official webpage address of OVB, <http://www.ovb.cz>

The company

OVB is one of the oldest and prestigious providers of financial services in Europe. It was founded in 1970 and currently operates in 14 European countries. The company has over 2.8 million clients in its database. A much more clear illustration of the subsidiaries of OVB can be found in appendix 1.



Source: <http://www.ovb.cz/Ospole%C4%8Dnosti/OVBvEvrop%C4%9B.aspx>

OVB realized that all European countries have similar problems when it comes to financial services hence the company decided to expand in the European market. The early and continuous internationalization of OVB has kept the company on the run and has created various growing opportunities for the company. Today, OVB receives more than 60% of the total sales from its European subsidiaries.

History of OVB in the Czech Republic

In the Czech Republic, OVB has been on the market for over 20 years. The company works with a lot of top companies as partners both in the Czech Republic and abroad. The introduction of OVB in the Czech Republic was facilitated by the current president

of the Czech Republic, His Excellency Vaclav Klaus who was then the Finance Minister of the Czech Republic. Before the separation of the then Czechoslovakia into independent countries in January 1993, there was an emergency need for financial institutions in the Czech Republic. In particular, the country needed some financial institutions that will be able to explain to the people the necessity to pay attention to some financial products like savings and investments to secure their future. This led to the introduction of OVB in the Czech Republic in 1992. OVB is been supervised by the Czech Central Bank.

⁴Facts of OVB in Czech Republic:

Established: 1992

Name: OVB Allfinanz, Inc.

Location: Prague, Czech Republic

Legal reform: From 01.01.2005

Business activities: Sales of buildings, savings, insurance, capital and mortgage loans

Capital: 16.5 million CZK

Shareholder: OVB Holding AG

Selection of local partners: Ceska pojistovna a.s., Generali a.s., Kooperativa pojistovna, Vienna Insurance Group, Uniqu pojistovna a.s, Wustenrot etc.

Number of employees: 60

Number of external active employees: 3000

Number of clients: 900 000

⁴ <http://www.ovb.cz/Ospole%C4%8Dnosti/Z%C3%A1kladn%C3%ADinformace.aspx>

In 2013, the Czech Republic will introduce a new pension reform. In this reform, the conditions of pension benefits in the Czech Republic will change. It is expected that many clients will run to OVB to seek financial help to secure their future. OVB expects a boom in sales after this period.

Local Partners of OVB

OVB has about 40 partners in the Czech Republic that offers approximately 200 financial products to its clients. The partners are made up of the “high-street” top names in the financial industry both in the Czech Republic and abroad. They are mostly banks, insurance and investment companies. The logos and business categories of the main local partners can be found in Appendix 2a and 2b respectively.

OVB operates as the mediator between its partner companies and its clients. As an independent company, OVB does not give priority to any of its partners. The financial advisors explain all the products to the client by pointing out both the good and bad sides of each of the financial products from the different companies and then allow the client to make his/her own choice. Nevertheless, the client can ask for recommendations or the financial advisor can help the client to choose the product that will best suit the client’s need. For the purposes of this paper, I will discuss a few of the partner companies that I mostly introduced to my clients. It should be mentioned here that I worked in the foreign department of the OVB. This department was recently introduced in the OVB branch that I worked and hence has very few employees. The department is solely for foreigners.



⁵Allianz is a subsidiary of Allianz New Europe Holdings GmbH and part of the world’s leading insurance group. It entered the Czech market in 1993. It offers life insurance, property insurance, liability insurance, industrial risk insurance, comprehensive car insurance, travel and pension insurance. Allianz was the only

⁵ <http://www.allianz.cz/o-spolecnosti/o-spolecnosti/>

insurance company that exempted many nationalities from taking part in its pension insurance scheme. Until September, 2012 countries like Ghana, Nigeria, Syria etc. could not purchase pension insurance from Allianz. Till now, countries like USA and Canada can still not purchase Allianz in the Czech Republic. Allianz was basically for Czech citizens and some few other EU states. However, Allianz provides relatively cheap services and good financial products. The basic requirement for foreigners to purchase Allianz life investment insurance is permanent residence. Allianz can insure people till the age of 90 years. A prepared financial project using the Allianz pension insurance software can be found in Appendix 3.



⁶ Deutscher Ring is a German/Swiss insurance company that operates on the Czech market as a branch. Hence it abides by the rules and regulations of both the Czech Republic and Switzerland. It is the second largest company in Germany. With this company, there is a possibility to save in Euros as well as in Czech Crowns. It offers the best life investment insurance for children. In addition, it also provides the following benefits:

- Parents can be insured for the case of death in their children's policy. This means that should a parent decease the company will not stop the policy but instead pay monthly contributions to the children's account up to their age of 25. Should both parents decease the contribution will double
- Possibility of additional insurance options such as accident and injury insurance, insurance in case of hospitalization, etc.
- Possibility of partial withdrawals throughout the course of the insurance policy
- Possibility to change or re-balance funds free of charge
- Possibility of an additional investment account
- Tax benefits

⁶ Deutscher Ring webpage, http://www.deutscherring.de/microsite/usn_cz/index.html

- This product is part of the new social reform in the Czech Republic

The basic requirement for benefiting from this kind of insurance is permanent residence. With a long term investment policy, the minimum period to realize good dividends on your investment is 15-20 years. A prepared financial project using the Deutscher Ring life investment insurance software can be found in Appendix 4.



GENERALI
Pojišťovna

⁷Generali Insurance company is a comprehensive insurance company which is able to offer its clients both life and non-life insurance. Generali is a multinational company and is the third largest insurer in the world. Generali has existed for over 180 years. It provides life insurance for both Czech citizens and foreigners. It has one of the best and affordable financial products in the Czech Republic. In this insurance, the insurer can get up to 5% bonus if he/she keeps the contract for the full life span of the contract. It is also easy to stop the contract and flexible in the sense that clients are free to increase the amount of contributions of the initial contract. Like any other life investment insurance, Generali offers some tax benefits to its clients. The minimum requirement needed for this kind of insurance is a long term residence permit. A prepared financial project using the Generali pension insurance software can be found in Appendix 5.



⁸ING is a Dutch insurance company that operate on the Czech market as a branch hence it adheres to both the rules and regulations of the Czech Republic and the Netherlands. ING provides financial products like life insurance, private medical insurance, pension insurance, mortgage orange etc. However, ING specialises in life insurance and today ranks among the top providers of this product on the Czech market. ING offers clients the possibility to withdraw part of their savings within the first year. Due to the affordability of this product, ING has lots of clients in the Czech Republic. The minimum requirement needed for ING insurance is a long

⁷Generali webpage, <http://www.generali.cz/stranky/o-generalii/>

⁸ ING webpage, <http://www.ingpojistovna.cz/o-ing/ing-pojistovna-cr/>

term residence permit. A prepared financial project using the ING pension insurance software can be found in Appendix 6.

Products

After 20 years of establishment in the Czech Republic, OVB has trained experts who are able to access the financial market of the Czech Republic and are able to choose the most interesting possibilities from a broad portfolio of products from its partners for its clients. OVB can advice virtually on everything in the domain of finance. It offers all kinds of insurance products including car insurance, house insurance, unemployment insurance, travel insurance, health insurance etc. However, the main products that OVB has expertise and offer by the help of its partners are

- Contributions of capital and investment
- Securing the Future
- For young and small
- Old age security
- Financial Strategy
- Housing finance (Mortgages)

In the foreign department where I worked, we offered products like Investment Life insurance, credit cards, mortgages, refinancing of mortgages, tax optimization and savings. Nevertheless, we emphasized on three main products including the Investment Life insurance, mortgages/refinancing of mortgages and credit cards.

Investment Life insurance: This is a comprehensive product that can be both insurance and savings. It is the most important product in our department. Some of our partners who provide these products are ING, Allianz, Deutscher Ring, Generali etc. In this product, the client sends a monthly contribution from his/her accounts freely to the insurance company who tend invests the contributions of the clients through partnership investment firms on average dividends of 10-15% per annum (depending on the fund) After a while, the client begins to use this insurance as savings accounts

and can withdrawal a part of the invested money plus the dividends yielded. Most insurance companies allow this practice (using it as savings account) after 2 years of contributions but in other insurance companies, it's just after few months. Also, before 2 years of the insurance contract, the client can only increase the monthly contributions but not decrease the contributions. The client can be insured against the following risks: in case of trauma, disability, serious diseases, failure to pay for credit, death etc. The product can solve the following financial problems of the clients: initial fee for mortgages, payment for children's education, well fixed retirement, payment of expensive goods like cars, household appliances..., holidays etc.

In the contribution scheme, the client determines the amount they are willing to contribute per month. However, this amount should be more than 500 CZK. The client can also choose to make payments either monthly, quarterly, semi-annually, annually or one-time payment. Every contract begins right from the first payment of the contributions. However, after the first payment, the payment of a current month can be done within the month. In the contract, it is important that three documents are signed. The first document which is the original document goes to the insurance company, the second goes to the client and the financial advisor responsible for the signing of that contract keeps the third document in the archives for future reference.

This product is basically opened for everyone within the ages of 0-75 years. The client can either be in the Czech Republic or outside the Czech Republic. Every account is insured for 100 000 euro in the case of some unanticipated failures.

There are many advantages for purchasing this product. A few are as follows; the client can have a dividend rate between 3-12 % annually and possible discount on taxes for clients (employee and employer) as indicated in the table below

This product is considered to be the best way to save money or to protect your money because money invested in Investment Life insurance cannot be confiscated or taken from the client in any way! (Divorce, conviction etc)

Table showing the Tax benefit as a result of contributing in Investment Life insurance

The average monthly salary (czk)	21.000	
The average annual income (czk)	252.000	
	Direct	IŽP
Estimated increasing of salary per month (czk)	2.000	2.000
Estimated increasing of salary per year (czk)	24.000	24.000
Social and health insurance, paid from the amount of increase (czk)	2.640	0
Income tax paid (czk)	4.550	0
Total amount of paid taxes (czk)	7.190	0
Total amount of real increasing of salary per year (czk)	16.811	24.000
Increasing income of employee per year (czk)	7.190	
Increasing(with IŽP) in percent compared with an increasing(Direct)	43%	

Credit cards: This product is offered as an additional motivation for our clients only. Only clients who have Investment Life insurance with us can apply for this product. This is so because the Investment Life insurance is used as a guarantee for the credit card. Clients can receive a credit card up to the sum of 50 000 CZK without showing the source of their income. For clients who want to have more money on their credit cards, there is the need to show their source of income. However, one of our partner companies, Citi bank can supply credit cards to clients directly without necessarily being a client of OVB. However, the criterion for the selection is very strict and very few people are able to qualify to the conditions necessary to get a direct credit card from Citi bank.

It should be noted here that as financial advisors, we do not encourage our clients to take credit cards. This is because, we rather educate our clients how to manage their finances to have financial freedom and stability and not to take debt.

Meanwhile, credit cards can be a very good product when it's managed with caution. With credit cards, clients have nothing to worry about when they do online purchases.

Clients will have their money back in case they their flight tickets get cancelled. Also there are no extra charges when it is used in the shops to buy goods.

Once a credit card is used, the credit card company sends a statement to the clients telling him/her the deadline to replace the amount taken from the accounts. It's usually 45 days. If the clients are able to make the payment within the stipulated date, he/she will not have to pay any additional interest rate for the withdrawal. However, if a client is not able to replace the money withdrawn before the date indicated on the statement, he/she will be required to pay a 2% interest rate on the amount withdrawn. The client will receive a new statement showing the additional interest rate to be paid and a new date to make that payment. If the client refuses to pay that amount in time again then he/she will receive another statement with a higher interest rate and a new date to make the payment. If care is not taken the client will accumulate a lot of debt as the interest rate keep increasing due to the inability to settle the last debt.

Mortgages/Refinancing of mortgages: These are loans that are taken from banks to finance the payment of a property usually building. Some of the banks (our partners) that provide such loans for mortgages are Volks bank, Raifeissen bank, Hypotecni banka, Komerčni Banka (KB) etc. We help our clients to get the loans from the bank. The mortgages work in such a way that the client pays a small percentage of the total value of the property and the bank pays the rest of the money. The client will then make payments to the bank in installments for a period between 5-30 years to a maximum of 70 years until the entire loan together with the interest accumulated on it is settled. The interest rate ranges between 3-3.5%.

For most banks, it is required that a client with permanent residence pay 10% of the total value of the property and for clients with long term residence it is required that such clients pay at least 20% of the property. The more initial money of the property the client is willing to pay the less the interest rate. For instance, clients who pay 20% of the property gets better interest rate Also, clients with life insurance can have very good interest rate than clients without life insurance. Actually, life insurance makes it

easier for a client to get a loan for mortgage. With mortgages, the property itself stands as the guarantee for the loan. Hence, non-payment of the loan will result in the property being taken from the client. Once the client obtains the flat or house it is required that the property should be insured.

Banks which offer mortgage loans to clients have a period called fixation period. During this period neither the bank nor the client can change the conditions of the contract. This period can last between 3-5 years. Normally, banks offer attractive interest rates to clients to increase their desire to have a mortgage loan. However, after the fixation period the bank can raise the interest rate and this means that the monthly payments of the loan (installment) will become expensive. Financial advisors are able to find new banks with better interest rate before the current bank increases its interest rate after the fixation period. This practice of finding a different bank for the finance of the property to avoid high interest rate from the current bank is called refinancing.

There are a lot of advantages in taking a mortgage. Firstly, the property becomes your own property after the payment of the mortgage loan. The client will be able to write off 350 000 CZK off from his/her taxes. A part of the flat can be rented out and the money can be used to make the monthly payment of the mortgage.

Assignment at OVB

At OVB, there is a career perspective. Every employee at OVB goes through initial training to be equipped with the skills needed to approach clients. For the first month, trainees attend special classes at least twice a week. After the completion of the trainee course, the employee gets a certificate as shown in appendix 7. Trainees are categorized as representative 1 (R 1). After a trainee has been able to sign a three 1000 CZK life insurance contract which is equivalent to 250 banking units (BJ), he/she graduates to the next level called R 2. At this level, the employee is allowed to recruit 2 new people whom he/she can train making him/her the team leader of that structure he/she has formed. Later, after the required amount of training and BJ, the trainee

graduate to R3 and finally to a position called VR. He/she can go on to managerial position if he/she wishes. At the VR position, the employee would have built his/her structure such that he wouldn't have to go to find clients. He will only have to sit in the office to conduct interviews with clients, train new trainees and do administrative work. However, at OVB you are your own boss hence you need to be disciplined and be able to manage yourself before you can manage the finance of other people. There only exist team leaders or coordinators.

Work at OVB basically goes in circles. Every employee goes through basically 4 main steps to handle clients which are popularly known to us as CAPS. These principles of work at OVB are as follows:

- C-contact
- A-analysis
- P-project
- S-service

Contact (Findings clients): The strategy used by OVB to find a client is one of a kind. Our work ethics does not allow us to send mass emails (SPAM) to people we don't know. We prefer to meet the clients on one-to-one basis. The company does not utilize telemarketing approach where employees are given phones to call potential customers to discuss the products we offer on phone. On the contrary, employees at OVB start finding clients using their friends and close relatives as their clients by preparing a contact list. Of course, the number of our friends and family members are limited so we always ask for recommendations from them so that we can also help other people. Other places where we can find clients are shops, gyms, previous workplace, schools and basically everywhere. OVB designs a professional contact card for each employee to be given to clients as shown in appendix 8. Clients who do not show interest in the first meeting can keep this contact cards and get back to us if they change their mind or in case they want to give some recommendations to their friend or family. OVB employees present themselves in professional business attire because

in this industry first impression is very important. The idea is that you cannot manage someone if you cannot manage yourself. Your outfit motivates the client and pushes them to pay attention to what you have to say.

There are basically 2 techniques we use to invite potential clients to our office for discussion of our products. The techniques used to approach potential clients are by asking questions and through normal chat. Both strategies are psychological and in both cases we try to let people think of their life and how it would have been if they had plan their lives well some years back and the possibility to get on track with our help.

Analysis: This is the phase where we bring the client to the office for discussion on our products. Here, we discuss the needs of the clients but most often we use questions to identify the needs of the client. We initiall the discussion by telling about our company, OVB and what we do and what we can do to help the client. We also introduce ourselves and talk a little bit about our background. We do this to get some trust from the client and make the client feel comfortable to tell us everything about them. After we have established the trust, we go ahead to ask the future plans of the client, what they live on (source of income), how long they have lived in the Czech Republic, how long they intend to stay, what are their financial problems or plans, their age, nationality, family(wife/husband and children) etc.

Project: After we have discussed the needs of the clients, we prepare a financial project for the client by the help of some calculators from the different partner insurance companies. A sample of a financial project for Allianz, Deutscher Ring, Generli and ING can be found in Appendix 3, 4, 5 and 6 respectively. The financial project shows the contributions and dividends accumulated over the period of investment. The project is given to the client as something to think about or something to help them decide whether they need to sign a contrat or not. After the discussion, the prepared project is given to client to go to think about it for some days. During, this period the client is free to contact the financial advisor for any questions they might have.

Service: After the client has completely digested the financial project, they come to sign a contract. The financial advisor in this case is responsible for all the administrative work. He gets

all the required documents ready for the signing of the contract. Thereafter, the financial advisor becomes the automatic personal financial advisor of the client with regards to the signed contract. As long as the contract holds the client can contact the financial advisor anytime to view the trend of the investment. The client can therefore enjoy customer service from the financial advisor to the full length of the contract. The financial advisor is therefore required to have a copy of the contract at all times for his personal records and reference.

⁹ Successful financial advising strategies (Recommendations)

Being an independent advisor is not enough. Serious financial advisors need to position themselves well in order to be successful. Skills are not taught. They are learned. One question every financial advisor should ask is: Am I willing to do the work? Your success in financial advising depends on your answer to this question. Successful financial advisors are willing to do what the average advisor will not do. Here are some few tips to become a successful financial advisor:

Take the job as your Private business: Your success doesn't depend on anyone but you. Therefore, it's vital to look at the job through the lenses of the owner. Until you start seeing the job as you're the owner of the company, you will not be able to work efficiently and effectively. You will be doing the job anyhow. Once you see yourself as the owner, you will not go to work late, you will not forget to do client follow up, you will be present at every meeting etc. Also, you will be organized, develop your schedule well, focus on the important strategies of meeting with clients and asking for recommendations from them. At OVB, we are advised to become "financial doctors" and not just financial advisors. By this, we should be able to familiarize ourselves in all spheres of life so that we can also advise our clients on other things that might not necessarily be financial. Your clients should be able to count on you for any kind of advice or discussion.

The target (client): A successful financial advisor knows detailed information about their clients. At least you should know the basic demographics of the clients like

⁹ http://www.prosperitycoaching.biz/newsite_070707/finad_strats.html

gender, age, education level, income, profession. You should be able to define your clients. This is very important because you cannot serve everybody and anybody.

Be known for something: You should be able to realize the area of your strongest financial skills and specialize on that. By this, your clients will be able to know your specialty. This will offer you a reputation and boosts your income. Also, there are so many benefits of being an expert on what you do. Some are; it will make it easier for you to market yourself, more opportunities, more clients and referrals, limit competitors, creates uniqueness etc. It is very important to invest in yourself as a financial advisor. This does not only relate to your knowledge about the products but also in your personal health and fitness, education etc.

Go out to meet the people: Successful financial advisors do not only sit in the office to wait for clients. Many financial advisors are limited to only their past clients. They sit in the office to respond to the emails, phone calls and do the paper work of the old clients only instead of going to find new clients. A successful financial advisor is about to identify where his potential clients hang out so that he can go there to mingle with them and with time win them as clients.

Challenges and Lessons learnt

My greatest challenge during my work at the foreign department of OVB was that all the materials for work was in Czech language. All the administrative materials including the calculators and all the paper work are in Czech language however my level in Czech language still remains at the basic level. It therefore, became difficult to explain things to clients who are also foreigners and have no knowledge in Czech language. The results from the calculators were all in Czech language and needed to be translated all the time to help the clients who don't speak Czech to understand. I had to develop my own template for filling out the paper work for signing a contract. The foreign department is fairly new so there is more to do to suit both the clients and the foreign financial advisors who don't speak Czech.

Another challenge was the fact that the internship was my first experience to work in a financial industry. Thanks to OVB. In the beginning I thought it was impossible to find clients.

After putting in some little more effort in it I came to think otherwise. With time, I became so busy with setting up appointments and meeting clients in the office for discussion of the products. However, to reduce the stress I tried to book just one appointment for each day and I used the rest of the day to find new clients and asked for referrals from old clients. Nevertheless, responses from some clients were sometimes not pleasant and made the job more challenging. It takes someone with strong convincing skills and lots of patience to deal with financial service clients.

Also, the salary was based on 100% commission. This means that you only get paid after being able to close a deal for a successful contract. Everyone in OVB worked on commission. There was no fixed base salary and there was also no limit to how much one could earn at the end of the month. The commission system of paying salaries demanded that if you want more money then you had to work harder to get clients to sign a contract. You can also work together with your team if you are a team leader and you can benefit by getting some points from your subordinates for any successful contract initiated by your subordinates.

One of the lessons I learn't at OVB is that clients do not know what they want. Sometimes we assume that people know themselves better than others hence they will be in good position to make better choices for themselves than what any other person ever could do for them. However, my internship at OVB proved otherwise. I was amazed to find out that many people do not plan their lives for their future. Only few people save some of their income for their pension. The few who do it also do it very badly. It is either they are planning their finances themselves which means they are obviously mismanaging it or they have forsaken everything to some advisor and they don't monitor what is happening to their finances anymore. In some cases, clients came knowing what product they wanted to purchase but after the discussion they change their mind to stick with my recommendations.

Again, I learnt that in the financial advising industry, perseverance pays. Looking at all the challenges I faced in the beginning and the challenges I continue to face I have stood strong and as a result its paying off really good in terms of finding clients and signing contracts. Nothing is easy anyway but it takes a person who is dedicated and persistant to become a successful financial advisor. In this industry, you will not go any further if you pay attention to the negative comments from friends and some clients. You have to first believe in yourself and convince yourself that you can do it come what may. To stay strong, you also need to able to

encourage yourself and find something about the job that motivates you. To do this you have to have a focus or aim. Until you know where you are going, you will not be able to find the way to your destination. Once you set goals for yourself and stick to it, you will be motivated for the job until you reach your goal.

Conclusion

Financial advising can be a very successful career when it is practiced well. Today, lots of people need professional advice when making decisions on financial products. This is because a fail in the financial system can send many bankrupt. This has made the work of a financial advisor very important. The demand for financial advisors also throws a challenge to financial advisors to advance in what they know to do best.

If you want to be a successful financial advisor, it's necessary to adhere to the ethics of the profession and also be willing to do more work than the average advisor.

Challenges will come but it's only those who stay strong who can see good results at the end.

Indeed, OVB has done a great job in training experts in the domain of financial advising. After 20 years on the Czech market, OVB is familiar with the trend on the financial market of the Czech Republic and the other 13 European countries it exists and as such is able to propose objective advice for its clients. Customer satisfaction is the expectation of every business these days and OVB is not an exception. OVB positions itself in such a way that it provides the best customer service for its clients. No wonder the company has a collection of trophies for its performance.

The company continues to expand and has plans to expand to more countries in the future. Already, OVB is trying to open a branch in Russia. Looking at the company's strategy, it is obvious that the sky is the limit. The company has the potential to expand and explore many other countries worldwide particularly in Asia, Latin America and Africa.

My internship at OVB will forever be remembered and have a space on my CV. It was a pleasure to work in a team of professionals and experienced financial advisors. I enjoyed the teamwork with my colleagues from multi-national background. Although, it was not my first experience to work with people with such a diversity of culture, at OVB, I was exposed to a much larger group of multi-nationals. It was interesting to have all these people on the round table to brainstorm on strategies we can use to approach clients.

Nevertheless, OVB gave me the opportunity to have many important contacts. These contacts are not only good as clients but moreover, they will be great assets to me in the near future. Through OVB, I met people from all spheres of life with different cultural, educational and professional backgrounds which offers me a comparative advantage to other mates.

In a nut shell, I am very grateful for the exposure and experience I acquired at OVB. This will definitely open lots of opportunities for me in my future career. Now, I can conduct interviews with clients with no supervision. I can explain all the financial products at OVB without any difficulties. I know the good and bad sides of all the partner companies of OVB and more importantly, I can recommend the best option of financial products to a client depending on his/her situation. All these skills coupled with my improved knowledge in finance will boost my expertise and ease to find a future career.

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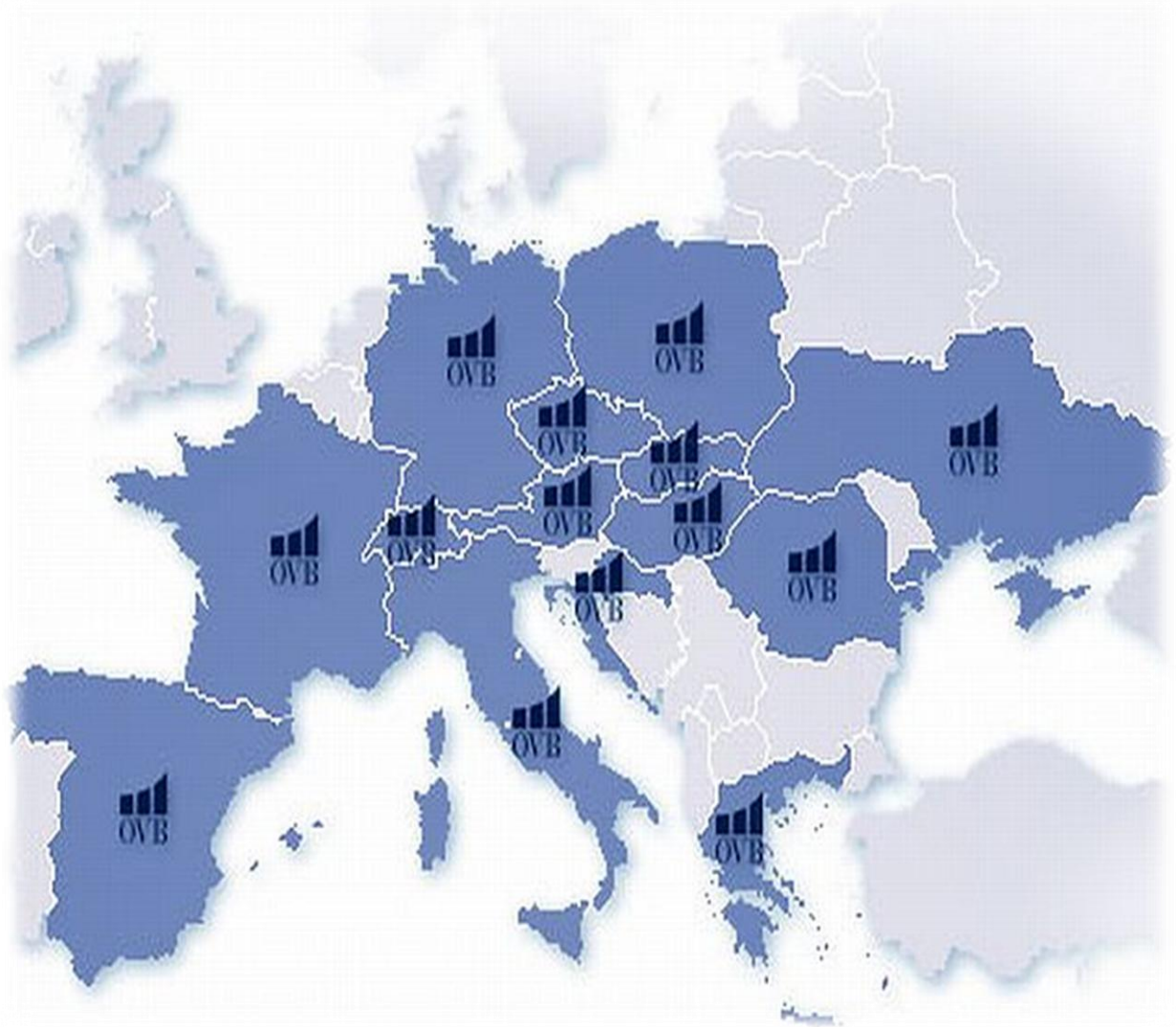
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Appendix

1. Locations of OVB Allfinanz in Europe



2. The main partners of OVB in the Czech Republic

a. Logo's of the main partners



Source: <http://www.ovb.cz/Ospole%C4%8Dnosti/Partne%C5%99i.aspx>

b. Business categories of the main partners

Insurance:

- Allianz Insurance Company
- Amcico insurance as | MetLife
- Czech insurance business, as, Vienna Insurance Group
- Czech Insurance Company
- Czech Health Insurance Company, Inc.
- CSOB Insurance Company, Inc.
- DAS legal expenses insurance undertaking, as
- Deutscher Ring, Czech Republic branch
- Generali Insurance Company
- ING Life Insurance Company NV, a subsidiary of the Czech Republic
- Kooperativa insurance company, as, Vienna Insurance Group
- Uniqa Insurance Company
- Wüstenrot Insurance Company
- Wüstenrot - Life Insurance Company

Pension funds:

- Allianz pension fund, as
- CSOB stability of pension funds, as
- Generali Pension Fund, as
- ING Pension Fund, as
- Pension Fund of the Czech Insurance Company
- PF banka

Building societies:

- Českomoravská building society, as
- Raiffeisen, as
- Wüstenrot - building society, as

Mortgage Bank:

- Czech Savings Bank, as - mortgage loans
- CSOB, as
- Mortgage Bank, as
- Commercial bank, as
- mBank - BRE Bank SA, a member of Commerzbank
- Raiffeisenbank, as
- Unicredit Bank, as
- Volksbank, as
- Wüstenrot - mortgage bank, as

Banks and investment companies:

- Alico Funds Central Europe | Metlife
- ATLANTIC financial markets, as
- Conseq Investment Management, Inc.
- Cornhill Management, ocp, as
- C-QUADRAT Kapitalanlage AG
- Společnost, as
- IAD Investment administrations. spol., as
- ING Bank NV, as
- Pioneer Investments

Source: <http://www.ovb.cz/Ospole%C4%8Dnosti/Partne%C5%99i.aspx>

3. Allianz Financial project for 1000kc monthly contributions

Investiční životní pojištění Allianz Mercury - modelový příklad vývoje pojištění

OVB
Allianz

Základní údaje o hlavním pojištění

Osoby	Příjmení, jméno	Vstupní věk	Pohlaví	Zaměstnání	Druh činnosti
1. pojištěný		42	Muž	Administrativní pracovník	OSVČ / lékař

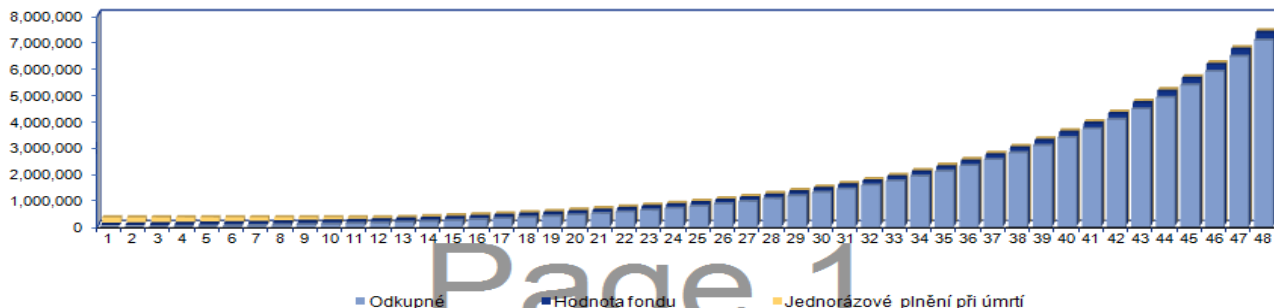
Lhůta placení: Měsíční

Sjednané krytí v rámci hlavního pojištění	Pojistná částka	Pojistná doba
<input checked="" type="checkbox"/> Investiční část hlavního pojištění	---	48 let
<input checked="" type="checkbox"/> Konstantní pojistná částka pro případ smrti	200,000 Kč	43 let
<input checked="" type="checkbox"/> Smrt následkem úrazu při dopravní nehodě	500,000 Kč	43 let

Měsíční pojistné za hlavní pojištění

1,000 Kč

Graf vývoje hodnoty fondu



Ilustrativní vývoj pojištění (zobrazeny jsou hodnoty na konci roku)

Modelované zhodnocení: 9.00%

Modelované plnění při dožití: 7,319,318 Kč

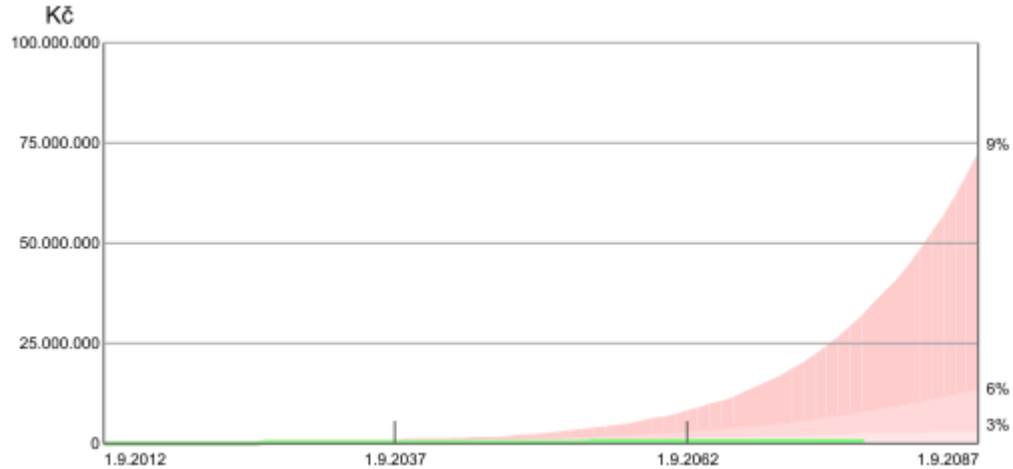
Rok	Zaplacené pojistné	Pojistné hlavní pojištění pojistník	Pojistné hlavní poj. zaměstnavatel	Pojistné za připojištění	Hodnota fondu	Odkupné	Jednorázové plnění při úmrtí	Rizikové pojistné z hodnoty fondu
1	13,284 Kč	12,000 Kč	0 Kč	1,284 Kč	10,116 Kč	0 Kč	200,405 Kč	574 Kč
2	26,568 Kč	24,000 Kč	0 Kč	2,568 Kč	20,096 Kč	0 Kč	200,826 Kč	1,189 Kč
3	39,852 Kč	36,000 Kč	0 Kč	3,852 Kč	30,811 Kč	8,754 Kč	201,264 Kč	1,838 Kč
5	66,420 Kč	60,000 Kč	0 Kč	6,420 Kč	55,249 Kč	32,448 Kč	202,195 Kč	3,232 Kč
7	92,988 Kč	84,000 Kč	0 Kč	8,988 Kč	84,559 Kč	60,852 Kč	203,204 Kč	4,742 Kč
9	119,556 Kč	108,000 Kč	0 Kč	11,556 Kč	119,848 Kč	95,074 Kč	204,296 Kč	6,162 Kč
11	144,840 Kč	132,000 Kč	0 Kč	12,840 Kč	162,612 Kč	136,583 Kč	205,479 Kč	7,224 Kč
13	168,840 Kč	156,000 Kč	0 Kč	12,840 Kč	214,799 Kč	187,293 Kč	214,799 Kč	7,538 Kč
15	192,840 Kč	180,000 Kč	0 Kč	12,840 Kč	277,951 Kč	248,719 Kč	277,951 Kč	7,538 Kč
17	216,840 Kč	204,000 Kč	0 Kč	12,840 Kč	353,753 Kč	322,523 Kč	353,753 Kč	7,538 Kč
19	240,840 Kč	228,000 Kč	0 Kč	12,840 Kč	444,358 Kč	410,823 Kč	444,358 Kč	7,538 Kč
21	264,840 Kč	252,000 Kč	0 Kč	12,840 Kč	552,656 Kč	516,466 Kč	552,656 Kč	7,538 Kč
23	288,840 Kč	276,000 Kč	0 Kč	12,840 Kč	682,105 Kč	642,859 Kč	682,105 Kč	7,538 Kč
25	312,840 Kč	300,000 Kč	0 Kč	12,840 Kč	836,842 Kč	794,078 Kč	836,842 Kč	7,538 Kč
27	336,840 Kč	324,000 Kč	0 Kč	12,840 Kč	1,021,814 Kč	974,997 Kč	1,021,814 Kč	7,538 Kč
29	360,840 Kč	348,000 Kč	0 Kč	12,840 Kč	1,242,939 Kč	1,191,452 Kč	1,242,939 Kč	7,538 Kč
31	384,840 Kč	372,000 Kč	0 Kč	12,840 Kč	1,507,295 Kč	1,450,422 Kč	1,507,295 Kč	7,538 Kč
33	408,840 Kč	396,000 Kč	0 Kč	12,840 Kč	1,823,348 Kč	1,760,256 Kč	1,823,348 Kč	7,538 Kč
35	432,840 Kč	420,000 Kč	0 Kč	12,840 Kč	2,204,689 Kč	2,130,947 Kč	2,204,689 Kč	7,538 Kč
37	456,840 Kč	444,000 Kč	0 Kč	12,840 Kč	2,660,580 Kč	2,574,445 Kč	2,660,580 Kč	7,538 Kč
39	480,840 Kč	468,000 Kč	0 Kč	12,840 Kč	3,205,634 Kč	3,105,052 Kč	3,205,634 Kč	7,538 Kč
41	504,840 Kč	492,000 Kč	0 Kč	12,840 Kč	3,857,336 Kč	3,739,879 Kč	3,857,336 Kč	7,538 Kč
43	528,840 Kč	516,000 Kč	0 Kč	12,840 Kč	4,636,597 Kč	4,499,393 Kč	4,636,597 Kč	7,538 Kč
45	552,840 Kč	540,000 Kč	0 Kč	12,840 Kč	5,568,436 Kč	5,408,089 Kč	5,568,436 Kč	7,538 Kč
46	564,840 Kč	552,000 Kč	0 Kč	12,840 Kč	6,100,707 Kč	5,927,322 Kč	6,100,707 Kč	7,538 Kč
47	576,840 Kč	564,000 Kč	0 Kč	12,840 Kč	6,682,778 Kč	6,495,263 Kč	6,682,778 Kč	7,538 Kč
48	588,840 Kč	576,000 Kč	0 Kč	12,840 Kč	7,319,318 Kč	7,116,480 Kč	7,319,318 Kč	7,538 Kč

Upozornění: Uvedený modelový příklad vývoje pojištění představuje pouze ilustrativní ukázkou, která není právně závazná.

Informace o fondech a strategiích najdete na našich internetových stránkách www.allianz.cz/fondy.

Source: Allianz software for pension insurance (calculator)

4. Deutscher Ring Financial project for 2000kc monthly contributions



2000 CZK/month

Year	Funds invested (total)	Investments' value
5	120 000	70 000
10	240 000	245 000
15	360 000	504 000
20	480 000	916 000
30	720 000	2 569 000
40	960 000	6 672 000
50	1 200 000	16 962 000
60	1 440 000	42 974 000
75	1 440 000	160 249 000

Source: Deutscher Ring software for life investment insurance (calculator)

5. Generali Financial project for 1000kc monthly contributions



Investment Life Insurance GENIO Tarif Z61

Insured person

Name : **XXXXXXXXXX**
Year of birth : **86** (Male)
Entrance age : **26**
Start of the contract: **1.11. 2012** Span of the contract: **49** let End of the contract: **31.10. 2061**

Regular installment: **1 000** CZK paid **12** x a year
Of this risk insurance (in the 1st year): **247** CZK

In case of survival by the end of insurance period

In case of investments growth of: **9,00** %

The estimated amount to be paid by the insurance company is: **7 362 960** Kč

This amount will be increased by a 5% bonus in the amount of **350 617** CZK if the insurance period is more than 15 years and the total yearly payment is at least 12 000 CZK. In order to be entitled for the bonus payments cannot be interrupted or reduced, while investments cannot be withdrawn before maturity.

In case of death of the insured person

- The dedicated persons will get the amount accumulated by the date of the event, the minimum amount according to this contract being

50 000

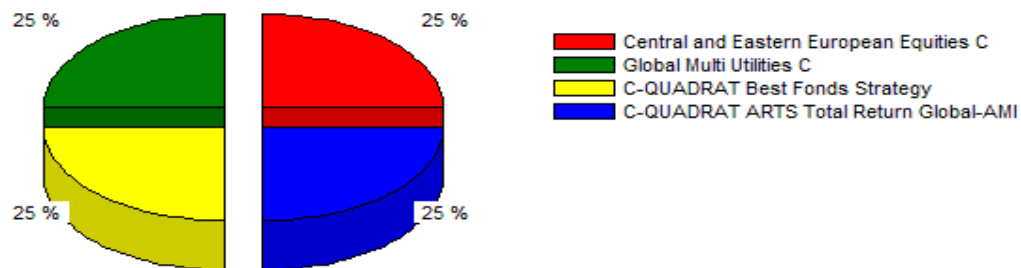
Regular payment according to this contract

1 000 Kč

Investment strategy

Money will be invested into investment funds in the following proportions::

Name of the fund	Proportion
Central and Eastern European Equities C	25 %
Global Multi Utilities C	25 %
C-QUADRAT Best Fonds Strategy	25 %
C-QUADRAT ARTS Total Return Global-AMI	25 %



It is legally possible to deduce a maximum amount of **12 000 CZK** from the client's tax base, in case of this contract the amount is:

12 000 Kč

Estimated investments' evaluation if paid 1000 CZK/month

Year	Insurance paid	Investments' value
5	60 000	58 000
10	120 000	147 000
15	180 000	281 000
20	240 000	486 000
30	360 000	1 284 000
40	480 000	3 100 000
49	588 000	7 362 960

Source: Generali software for life investment insurance (calculator)

6. ING Financial project for 1000kc monthly contributions

Životní pojištění ING SMART



1. POJIŠTĚNÝ			
Jméno a příjmení:	Kwasi Dwumfour	Datum narození:	01.01.86 Věk: 26 let
Pohlaví:	Muž Mzda hrubá:	0 Kc / čistá:	0 Kc
Pojistná doba:	49 let	PČ hlavní pojištění:	10 000 Kc
Datum počátku:	30.09.12	Zhodnocení:	9,00 % Frekvence placení: Měsíčně
PŘIPOJIŠTĚNÍ 1. POJIŠTĚNÝ			
Zaměstnání:	Zaměstnanec	Povolání:	Běžné - bez rizika
Sport			
Připojištění		Doba	Poj. částka
0012	Smrt následkem úrazu	49	200 000 Kč
CHO1	Hospitalizace - výplata od 1. dne	39	200 Kč
CHU1	Hospitalizace následkem úrazu - výplata od 1. dne	39	200 Kč
CRDF	Zproštění od placení pojistného při ztrátě zaměstnání nebo pracovní neschopnosti	39	1 078 Kč
KALKULACE		Zdravotní dotazník	
Hlavní krytí včetně zhodnocení	1 000 Kc	1.pojištění	Žádný
Rizikové pojistné za připojištění	112 Kc		
Rizikové pojistné 2. pojištění	0 Kc		
Sleva za frekvenci placení	0 Kc		
Celkové pojistné po slevě	1 112 Kc		
Hodnota fondu při dožití	7 492 620 Kc		
Roční částka pro daňový odpočet	12 000 Kc		

1000 CZK/month

Year	Funds invested (total)	Investments' value
5	60 000	40 000
10	120 000	132 000
15	180 000	274 000
20	240 000	494 000
30	360 000	1 349 000
49	590 266	7 492 620

Source: ING software for life investment insurance (calculator)

7. Certificate for completing the basic course for trainees


Certificate

This certificate is issued to confirm that
DANIEL ODAME ANIM
passed the basic course
on the position of "**Financial Advisor**"
and by the results, of which was
successfully assigned 1st degree

Oblastní Feditelka
OVV Allfinanz, a.s.  Zhanna MARTYNYENKA

Prague "14" 09 2012

Sokolska 84-86, 180 00 Prague, Czech Republic

8. Contact card

Daniel Odame Anim
Financial advisor


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