

The Architect of a Revolution

2020 was a Pivotal Year

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PEAK Financial Group experienced in 2020 what is referred to internally as the PEAK Revolution.

In January 2020, Robert Frances once again became President and Chief Executive Officer, a position he previously held for 24 years. He spearheaded a series of technological changes, which accelerated in the spring because of the pandemic. Despite the storm, PEAK maintained its robust financial health and gained market share.

In recognition of his success, the jury of Finance et Investissement's Top Quebec Financial Industry Leaders named Mr. Frances the winner in the Securities Dealer and Insurance of Persons Category. "His firm recorded an excellent performance and achieved controlled growth thanks to his work with advisors. He also saw to his employees' well-being, notably by meeting some of them in the context of the Black Lives Matter movement," the jury said.

In mid-January, PEAK's assets under administration (AUA) stood at \$12.3 billion, having grown 12.5% over the previous 12 months.

As compiled by the Institut de la statistique du Québec, PEAK's AUA represented 3.37% of the assets held by all retail securities brokerage firms in Quebec in July 2018, but rose to 3.58% in August 2020.

This gain in market share is due to such factors as clients' higher savings rate and dedicated work by advisors, according to Mr. Frances: "If we did a good job, it's because our advisors don't use speculative investments. They provide well-constructed portfolios."

The increase was also due to the addition of more than 100 advisors since 2018, bringing their numbers to more than 1,500. A total of \$272 million from new advisor portfolios was added to PEAK's AUA in 2019, after \$250 million in new AUA in 2018. PEAK expects the amount of assets from new advisors in 2020 to be similar to that of previous years.

PEAK's acid test ratio, which indicates its ability to repay current debt with current assets, is improving from year to year. From 1.1 in 2016, it rose to 1.2 in 2020 – "a comfortable and enviable position that testifies to the Company's financial health," PEAK said in a statement sent to Finance et Investissement.

These figures are the result of the considerable work done in recent years by Mr. Frances and his teams. The PEAK Group, which is relatively discreet about its operations, was led for four years by Marc Doré, who orchestrated not only this growth, but also the compliance department's turnaround.

In July 2020, PEAK acknowledged shortcomings in the control and supervision systems put in place between 2011 and 2017. Under a settlement with the Mutual Fund Dealers Association of Canada, it was fined \$75,000. In May 2018, the Tribunal administratif des marchés financiers imposed an administrative penalty of \$200,000 on PEAK for similar findings. According to PEAK, the investing public sustained no losses. Since 2016, PEAK has spent more than \$1 million on a review of its policies and procedures by external consultants and lawyers. Moreover, since 2017, it has hired 10 additional people for compliance. "It's been a significant turnaround due to our extraordinary growth and now we're definitely on the right track," Mr. Frances said.

Intense Year

In January 2020, Mr. Frances announced a technological repositioning requiring \$10 million in investments over five years. In March, the pandemic forced PEAK's 130 employees to start working remotely. "We've gone from a few offices to literally 138 business offices. We've had to work twice as hard on cyber security. We've invested in additional tools and provided a lot of training to our employees," Mr. Frances said.

"At the beginning, I found the experience difficult and very troubling," he said. But he soon realized that the crisis was the opportunity to lead a technical revolution.

PEAK is developing its own videoconferencing platform and a "two-way vault" so that conversations between clients and advisors, and the documents they exchange, are secure. PEAK has also launched a business intelligence tool that informs advisors of their clients' behaviour. For

example, a representative will be able to call a client after being notified that the client has suddenly started to track his account status on a daily basis. "It enables us to offer more personalized service, to bring advisors closer to their clients," Mr. Frances said.

Throughout the crisis, PEAK has multiplied its initiatives to strengthen the connections between advisors and senior management, and to support its employees, such as with financial loans to assist employees whose spouses have lost their jobs and a program to give them and their families access to private medical care. "COVID is striking everywhere. We've lost clients, family members and even one of our advisors. We've had to stay in very close touch with our people."

His talent as a communicator and motivator has undoubtedly helped, according to lawyer Michel Brunet, who is a partner at Dentons and a member of PEAK's Board of Advisors: "Robert is extremely engaging and articulate. He knows how to talk to people, whether in private or on stage; he motivates his people and gets them to buy into his strategy."

During the Black Lives Matter crisis, Mr. Frances met personally and had discussions with visible-minority employees. He also took a public stand against discrimination. "[In this respect,] I was mentored by employees. They confirmed that PEAK is on the right track and told me what we could do. It was inspiring and very touching," he said.

PEAK offers "a positive and respectful work environment that celebrates diversity," according to an employee survey conducted by Kincentric. Last December, the organization gave PEAK a Best Employer in Canada award.

To help PEAK with its 2020 revolution, Mr. Frances has also hired a culture and talent director, an innovation director, a technology content director and a social media consultant.

He and his team will continue working in 2021 to enhance their existing tools and also add new tools, including portfolio management software from Croesus.

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