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Faculty of Management and Business

Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

Development of Financial Insurance Consultancy on International Markets

(based on "Deutsche Vermögensberatung" case)

Bachelor student of the 4th year of study
Field of Study 29 – International Relations
Specialty 292 – International Economic
Relations
Educational program –
International Economic Relations

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Research supervisor

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Abstract

The work examines development of financial insurance consultancy and how does it influence international markets. The paper summarizes the theoretical aspects of the entity of financial insurance as well as its methods on economic growth, competitiveness including analysis of dynamics and structure of a current regulations. It also includes the study of financial insurance consultancy, with research and analysis activities and its economic growth of "Deutsche Vermögensberatung", along with its organizational structure and characteristics of financial and economic activity of the enterprise while focusing on justifying a long-term positive influence on the economy growth in which consumers may help firms reduce risk, that can have a long-term positive influence on the financial state. Furthermore, explaining accordance of the company activities in Germany and globally. Moreover, states several opportunities for enhancement of "Deutsche Vermögensberatung" in terms of economic growth and development, involving recommendation for improvements in the system of financial consultancy, instant adding analysis of the effectiveness of the proposed improvements in the company, while implementing proposed measures. In particular, the company model demonstrated its inherent strength and sustainability prospects. The work's enhancements have already been implemented, and the results are already beneficial. Despite the nearly full loss of the company's core market, financial indicators continue to rise. Most significantly, no other business has been as successful in customizing the financial consulting approach and matching it to the demands of consumers.

Keywords: financial insurance consultancy, economic development, current legislation and regulations, policy and legal obligations, international market

Анотація

У роботі розглядається розвиток консалтингу у сфері фінансового страхування та його вплив на міжнародні ринки. У статті узагальнено теоретичні аспекти суб'єкта фінансового страхування, а також його методи щодо економічного зростання, конкурентоспроможності, включаючи аналіз динаміки та структури чинного законодавства. Він також включає дослідження консалтингу у сфері фінансового страхування з дослідницькою та аналітичною діяльністю та його економічним зростанням "Deutsche Vermögensberatung", а також його організаційну структуру та характеристики фінансово-економічної діяльності підприємства, зосереджуючись на обґрунтуванні довгострокового позитивного впливу на економічне зростання, за якого споживачі можуть допомогти фірмам зменшити ризик, що може мати довгостроковий позитивний вплив на фінансовий стан. Крім того, пояснення відповідності діяльності компанії в Німеччині та в усьому світі. Крім того, зазначає кілька можливостей для покращення «Deutsche Vermögensberatung» з точки зору економічного зростання та розвитку, включаючи рекомендації щодо вдосконалення системи фінансового консультування, миттєве додавання аналізу ефективності запропонованих покращень у компанії, під час впровадження запропонованих заходів. Зокрема, модель компанії продемонструвала властиву їй міцність і перспективи стійкості. Удосконалення роботи вже впроваджено, і результати вже позитивні. Незважаючи на майже повну втрату компанією основного ринку, фінансові показники продовжують зростати. Найважливіше те, що жодна інша компанія не досягла такого успіху в адаптації підходу до фінансового консультування та його відповідності вимогам споживачів.

Ключові слова: фінансове страхування, економічний розвиток, чинне законодавство та нормативні акти, політика та правові зобов'язання, міжнародний ринок.

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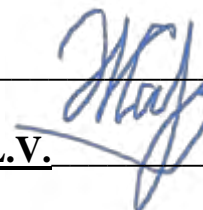
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Head of Department _____

Prof. Zharova L.V.

“24” січня 2024



TASK

FOR BACHELOR'S QUALIFICATION WORK OF STUDENT

Lina Zaidan

(Name, Surname)

1. Topic of the bachelor's qualification work

Development of Financial Insurance Consultancy on international markets (based on "Deutsche Vermögensberatung" case)

Supervisor of the bachelor's qualification work

Dr. of Sci. Liubov Zharova,

(surname, name, degree, academic rank)

Which approved by Order of University from **"25" September 2023 № 25-09/2023-5к**

2. Deadline for bachelor's qualification work submission **"20" December 2023.**

3. Data-out to the bachelor's qualification work *primary information from entrepreneurship, secondary information from open sources, scientific publications,*

4. Contents of the explanatory note (list of issues to be developed)

Analyze the entity of financial insurance consultancy.

Research system of financial insurance consultancy and how it effect economy globally.

Study the movement and structure of the current regulations of financial insurance

Assess the organizational structure and performance of financial and economic activity of "Deutsche Vermögensberatung."

Overview activity of "Deutsche Vermögensberatung" through economic view.







Develop the set the compliance of the enterprise activities with financial insurance consultancy trends economic industry in Germany and worldwide.

Assess performance and efficiency of "Deutsche Vermögensberatung" as a result of realization of suggested measures

5. List of graphic material (with exact indication of any mandatory drawings)

- key variables of better insurance industry
- function of life insurance firms in the gathering of savings
- flexible investing plan
- Duration Life insurance
- Financial year 2022
- Total Increase sum of contracts
- Open banking graph process
- Stylized relationship between Big Data and artificial intelligence (AI)
- Work- life balance measure
- Research on full time working in the consulting industry

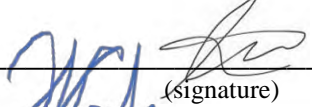
6. Consultants for parts of the bachelor's qualification work

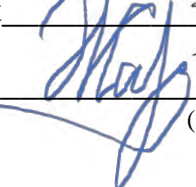
Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1	Prof. Liubov Zharova		
2	Prof. Liubov Zharova		
3	Prof. Liubov Zharova		

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the qualification paper (work)	Deadlines	Notes
1.	I part of master thesis	10.10.2023	In time
2.	II part of master thesis	10.11.2023	In time
3.	III part of master thesis	10.12.2023	In time
4.	Introduction, conclusions, summary	20.12.2023	In time
5.	Pre-defense of the thesis	22.12.2023	In time

Student 
 (signature)

Supervisor 
 (signature)

Conclusions: *The work is the result of a comprehensive study on the development of the insurance business on the example of a specific enterprise. Analysis of scientific literature is sufficient for the work of this qualification level. The practical results are based on the results of theoretical generalizations and practical experience gained during the long internship. In general, the work meets the requirements for bachelor theses, and under the conditions of a successful defense, it can be graded "very good".*

Supervisor _____

A handwritten signature in blue ink, appearing to be 'Maj', written over a horizontal line.

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INTRODUCTION

Insuring threats in a modern economy is a diverse process. It is a complicated industry that impacts every aspect of our life. The value of the insurance sector to an economy can only be assessed in part by the size of its company, the number of employees in a specific country, the assets under administration, or its contribution to national GDP. It extremely serves a more essential role in the functioning of a contemporary society, since it is a required prerequisite for many actions that would not occur without insurance. It should be evident by now how vital insurance is in financially safeguarding people and companies. Having enough coverage can assist policyholders in recovering faster from unexpected accidents and tragedies by giving the financial resources to restore their life. Nevertheless, one of the most significant advantages of purchasing insurance is having the piece of mind that no matter what occurs, you are financially secured. The industry of insurance is a key economic entity that contributes to the global economy. This is because they assist to the solid operation of the global economy by paying insurance claims and are regarded as one of the safest investments for consumers to make.

Certified Financial Consultants provide financial advisory services to major organizations, government agencies, and individuals. A financial consultant's function is to offer an independent, professional assessment on a proposed company strategy or choice. Insurance serves a purpose not simply in the corporate environment, but also in the whole economy. It has a significant influence on how firms grow, how individuals perceive economics, and how the world progresses. In addition, insurance is the foundation of the economy, and even though it doesn't have to be something you enjoy, but it is necessary to maintain your business.

Certainly, the insurance business employs a considerable number of people in both established and developing nations. The CEA claims that approximately 1,000,000 people are directly employed by 5,000 insurance corporations in its member nations alone. Moreover, to their own employees, insurers effectively employ a large number of specialists such as agents, brokers, financial intermediaries, and other service

organizations in fields ranging from information technology to transportation, lawyers to advisors, and so on. They almost certainly account for the same amount of indirect jobs produced by this particular industry.

Insurance has a double beneficial influence on an economy's savings: For first of all, it raises the overall savings rate (particularly through the availability of life insurance products), resulting in deeper markets and greater opportunities for investment. Second, by lowering restricted (and hence unproductive or less productive) capital, it reduces the amount of unneeded precautionary savings (savings that are frequently unavailable to capital markets) and increases investment and consumption. Because consumers do not have to safeguard themselves against the possibility of their home being damaged by fire, insurance helps to supply greater working capital to an economy. They only need to obtain enough coverage through a fire insurance policy and be willing to pay a considerably smaller amount of money over a longer period of time - a completely different system. This implies that the money saved may be put to better use, more in accordance with the desires of the individuals, and more productively. Inactive capital is converted into free capital by insurance processes.

However, insurance is more than simply employment and financial compensation for clients, it is also a critical component of a contemporary economy's stabilization process. It generates massive capital assets. Because of the nature of the contracts and often extremely prolonged time perspectives involved, funds generated by insurance frequently stays in a particular economy's financial market for a long period. It is not a risky investment capital that is searching for fast rewards, rather, it is aimed on the medium to long term. As a result, it plays a unique function in supporting an economy's growth. Furthermore, in a somewhat stable environment, the insurance mechanism assigns assets based on market forces. It also permits a method of optimizing returns based on market dynamics that are directly tied to risk structures. [37]

Another critical topic is the role of insurance as a safety net in the contemporary economy. This protection function is particularly critical for the current economy since it provides for the filtering out of unexpected increases in financial needs associated with a disaster for all insured participants who would otherwise be forced into bankruptcy.

The availability of insurance allows for more assurance in planning ahead, avoiding or managing certain risks that are judged to be hazardous to the overall company process.

In the first chapter will be discussed theoretical aspects of the entity of financial insurance consultancy as well as its methods on economic growth, competitiveness including analysis of dynamics and structure of a current regulations of a financial insurance. The second chapter includes the study of financial insurance consultancy, with research and analysis activities and its economic growth of "Deutsche Vermögensberatung", along with its organizational structure and characteristics of financial and economic activity of the enterprise. Furthermore will be explaining accordance of the company activities in Germany and globally. Finally the third chapter states several opportunities for enhancement of "Deutsche Vermögensberatung" in terms of economic growth involving recommendation for improvements in the system of financial consultancy, instant adding analysis of the effectiveness of the proposed improvements in the company, while implementing proposed measures.

The relevancy of this work is focused on justifying a long-term positive influence on the economy growth in which consumers may help firms reduce risk, that can have a long-term positive influence on the financial state. Insurance is like the economic backbone, while businesses, like consumers, might face financial difficulties as a result of unanticipated challenges.

The insurance industry has a wide global market value that significantly exceeds the gross domestic product of many nations, making it one of the world's largest businesses. The insurance sector is critical to the global economy, providing consumers and companies with a sense of security and stability in the face of danger. However, there are a number of difficulties that are affecting their development, revenue, long-term viability, client happiness, and credibility. These are heavily influenced by a changing technical landscape and increasing client expectations.

Insurance firms' difficulties, according to research, the top three main concerns for the insurance business in 2023 are price inflation, the evolution of technology, and climate change.

Because of the sensitive information insurers retain about their consumers, the

insurance business is a natural target for hackers. Insurers are expected to safeguard this information against breakdowns and cyber-attacks. However, because such attacks are becoming more advanced, insurers must continually upgrade their cyber security procedures to stay ahead of the game. Cybercriminals frequently take advantage of flaws in insurance systems to steal sensitive data, money, or intellectual property. Breach of cyber security may result in considerable financial losses, reputational harm, and consumer distrust. However, it is not simply obsolete systems that are vulnerable to interception. In fact, since they share so many files, links, and emails with consumers on a regular basis, industry personnel are among the most vulnerable to virus assaults and scam efforts. [27]

To reduce cybersecurity risks, insurance businesses must invest in comprehensive data protection measures such as personnel training, access restrictions, and network security. In addition, they must create emergency response strategies and undertake frequent vulnerability assessments to uncover and correct security flaws.

The goal of the thesis are:

- To study theoretical aspect of Financial Insurance Consultancy its entity and theory
- To guide the study of the theory on the basis of "Deutsche Vermögensberatung"
- To find the opportunities for improvements of the company in terms of economic growth.

To reach these aims, some objectives are set.

1. Investigate the entity of financial insurance consultancy.
2. Research system of financial insurance consultancy and how it effect economy globally.
3. Analyze the movement and structure of the current regulations of financial insurance
4. Determine the organizational structure and performance of financial and economic activity of "Deutsche Vermögensberatung."
5. Research activity of "Deutsche Vermögensberatung" through economic view.
6. Set the compliance of the enterprise activities with financial insurance consultancy trends economic industry in Germany and worldwide.
7. Analyzing several recommendations for improvements of the enterprise activity

8. Predict the performance and efficiency of "Deutsche Vermögensberatung" as a result of realization of suggested measures.

Methodological basis for this bachelor thesis are company information, journals, legislative n documents, online articles, statistical reports, calculations and personal data analysis.

The research object of the thesis is the study of the theoretical, methodical and practical approach to set ways to enhance economy business development and establish the competitiveness of the "Deutsche Vermögensberatung".

Deutsche Vermögensberatung's success story began in 1975 in a tiny office in Frankfurt am Main. Prof. Dr. Reinfried Pohl and his wife Anneliese created the enterprise there.

DVAG has since established and improved its market leadership among German financial consultancies.

Today, it stand for a comprehensive counseling strategy that is totally focused on customers' financial desires and aspirations. Andreas and Reinfried Pohl, the company's sons, are currently running it in a forward-thinking way in the company's second generation.

After more than 30 years of successful collaboration, the AachenMünchener handed over the entrepreneurial administration of its sales to Deutsche Vermögensberatung in 2008. As a result, it became AachenMünchener's exclusive sales channel.

This led in the formation of the new firm Allfinanz Deutsche Vermögensberatung, which has been continuously increasing since it began. Almost every former salesperson found a new professional home here. The Deutsche Vermögensberatung organization has added almost 1,200 additional financial advisors.

Nowadays, Deutsche Vermögensberatung AG is a German property (investment) consultation financial company, located in Frankfurt, Germany, as well as it available in Austria and Switzerland. Moreover, Deutsche Vermögensberatung Holding is the organizational umbrella the Deutsche Vermögensberatung Group and holds the majority of the Shares in the operating group companies.

The aim of the holding company is to ensure the long-term security of the family business. In the company management, with Andreas Pohl as CEO and Reinfried Pohl as general representative, continuity is very important.

Bachelor's qualification report consist of an introduction, three chapters, conclusion, list of references.

CHAPTER 1.

THEORITICAL BASELINE OF FINANCIAL INSURANCE CONSULTANCY IN INTERNATIONAL ECONOMIC RELATIONS CONTEXT

1.1 The entity of financial insurance consultancy

Recent research is increasingly focused on measuring efficiency. The insurance business is increasingly using advanced effectiveness strategies in its investigations.

Several studies focused on the productivity of insurers across various scientific fields: Topics covered include agent channels of distribution, capital exploited financial handling of risks, efficiency the theory of evolution, regional comparisons, market framework, consolidations and acquisitions, governance of corporations, and regulatory concerns.

Agent Distribution Techniques:

Investigations indicate that hired agents are less efficient than autonomous agents in distribution networks. Another research, undertaken by Berger. (1997), involve that direct distribution methods are more cost-effective, yet both are equally efficient in terms of profit. Ward (2002) found that insurers that use several distribution methods are less efficient compared to those who only use one.

Financial Exploitation and Economic Management of Risks:

Initially, various research conducted implicit investigations in this search sector. Cummins and Nini (2002) conducted a research on US insurance from 1989 to 1999. Research indicates that insurance companies within the same nation or business line tend to be less efficient when dealing with significant claims.

Capital augmentation inefficiency is attributable to a significant overuse of equity capital. Brockett. (2004) found that solvency scores have limited impact on efficiency when analyzing property-liability insurance in the United States.

Cummins. (2006) is the most well-known study that examines the relationship involving the efficiency of the economy, financial intermediary service, and the management of risks. The study examines the impact of risk management and financial intermediation on the efficiency of the insurance firm. The results indicate that shadow pricing for these two activities are favorable. Effective risk management and financial intermediation lead to increased efficiency.

Overall degree of efficiency and progression across time

This part of the research marks the first time efficiency measures were used to insurance businesses in several regions. Examples of initial application studies in various countries are Mansor and Ramadam (2000) in Chaffai, Ouertani, Malaysia (2002) in Worthington and Tunisia.

Hurley (2002) for Australia, Barros and Obijiaku (2007) for Nigeria. The results in this topic are inconsistent due to the large number of nations and varying time periods studied. However, studies indicate that insurance firms have significant inefficiencies that need to be addressed. Noulas (2001) discovered that Greece's insurance firms have an average cost efficiency of 65%, while Yao. (2007) found that the average technological efficiency in China's insurance business is 70% for life insurance firms and 77% for non-life insurance organizations.

Cross-country Comparisons

Cross-country comparisons can show insurance businesses' competitiveness in different nations. However, these research are confined to certain locations and nations. At the outset, studies employ aggregate economic data.

Weiss (1991b), Donni and Fecher (1996) research increasingly relies on company-specific data. Rai (1996) utilizes a database of 106 insurance firms from nine European nations, the United States, and Japan. However, this study's database is restricted in size. Diacon. (2002) analyzed 450 enterprises from 15 European nations between 1996 and 1999. The study found significant variations in overall efficiency

between countries. The authors find that long-term business insurance has the highest efficiency scores. Furthermore, UK insurance businesses have the least ratings for allocative and scale effectiveness. Fenn. (2008) utilize a historical record of 14 European nations during 1995-2001. The authors argue that mergers and acquisitions improve performance in liberalized EU markets. Furthermore, the largest and most market-shared insurance businesses have high the affordability rankings.[39]

Market framework

Choi and Weiss' works (2005,2008) are the most well-known in this search topic. The authors examined three theoretical presumptions.

- The "structure-conduct-performance" model suggests that increasing concentration in markets leads to higher prices and profits, which encourages collaboration among businesses.
- The "Relative Market Power (RMP)" concept suggests that enterprises with higher market share are regarded as to be market leaders. They can utilize their authority to influence market pricing.
- "The efficient structured (ES)" refers to the most efficient organizations charging lower pricing than their competitors. As a result, this circumstance enables them to earn significant financial rents in addition to their share of the market.

Choi and Weiss (2005) provide evidence supporting the efficiency structure theory. The authors propose prioritizing efficiency above industry consolidation and market strength. In their second analysis, Choi and Weiss (2008) support the position of the relative market power theory. The study suggests that insurance businesses in dynamic and non-strictly regulated areas may charge higher costs to capitalize on their market leadership position.

Acquisitions and mergers of companies

Acquisitions and mergers are an increasingly popular study field for implementing efficiency strategies in the insurance sector. Kim and Grace (1995) study

the impact of hypothetical vertical acquisitions on the efficiency of US life insurance businesses. They find that the majority of unlike for big non-life insurance firms, mergers normally result in increased cost efficiency. Research suggests that mergers benefit both the acquiring company and target property-liability insurance businesses. Also, a firm's financial vulnerability increases its risk of acquisition. Klumpes (2007) found that mandating businesses in the European coverage market is more effective, similar to previous research that conducted more effective than non-acquiring enterprises.

Governance of Companies and Institutional Forms

Several studies examine the impact of corporate governance and organizational structure on business efficiency. This field search focuses on two hypotheses: the management discretion hypothesis and the expenditure preference hypothesis, provided by Mayers and Smith (1988), Mester (1991). Cummins and Weiss (2000) found that stock firms and mutual insurers do not use the same technology. According to the authors, mutual businesses have smaller management discretion and are more efficient in company operations than stock companies. According to the second theory, stock businesses outperform mutual insurers due to mutual managers' advantages. Empirical investigations of the two hypotheses described above yield inconsistent findings. Many studies have shown that stock firms are less efficient than mutual insurance. So the Diacon. (2002) discovered lower ratings of technological efficiency for stock corporations than for mutual insurance companies, for a sample spread over 15 European nations. As for Greene and Segal's (2004) study on US life insurance businesses found that both organizational types are cost-effective. Several research have found that mutual businesses are less efficient than stock corporations, supporting the expenditure preference theory.

Other research in this subject, such as Jeng (2007) and Xie (2008), compare efficiency improvements after devaluation or between private enterprises and initial

public offerings Hardwick. (2004) investigated the relationship among the amount of members of the board of director and cost efficiencies.

Regulatory challenges

Financial industry regulation promotes competition among enterprises, leading to improved market efficiency and customer choice. However, there is no unanimity on how deregulation affects efficiency improvements. Rees. (1999) investigate the life insurance market of the UK and Germany during the decade 1992-1994. Their findings claim that deregulation enhances the efficiency of life insurance businesses. Mahlberg (2000) conducted a research on Germany's life and non-life insurance businesses from 1992 to 1996. He demonstrates that deregulation reduces efficiency but increases production. Moreover, Boonyasai. (2002) found that deregulation improves productivity in Korea and the Philippines. pointing out that Hussels and Ward (2006) demonstrate that there is not sufficient proof supporting the relationship between deregulation and productivity.

In addition, previous researchers that investigated the link between the financial sector and economic growth mostly concentrated on the banking sector or the stock market, whereas insurance has been largely ignored.

According to the literature, there are four possible links between negative effects of insurance and economic growth which are:

- Demand generation
- Supply following
- Dependency
- Non-existent link;

Previous investigations claimed that the role of insurance's function in encouraging economic growth is not continuous but rather follows an S-shaped curve; for example, insurance plays a limited role in developed nations as well as have been

undertaken to investigate the link between insurance and economic growth have used a single reference such as net written premiums, penetration, or density.

From the literature review point, just a few studies look at the link between insurance and economic growth. Ward and Zurbruegg's study is regarded as the first to investigate the link between insurance and economic development in OECD nations. They evaluated insurance using a total insurance premium proxy and used Granger Causality to investigate the demand-supply link between insurance and economic development. The findings found that in some cases economic growth in OECD nations, insurance demand was higher than for others. It is worth noting that the authors discovered a negligible association for two OECD countries, particularly the United Kingdom and the United States.

Similarly, Kjosevski used multiple regression techniques to analyze the association between insurance and economic development in Macedonia. The findings revealed that the aggregate insurance sector and non-life insurance had a favorable and considerable impact on Macedonia's economic development from 1995 to 2010. Life insurance, on the other hand, has significant but harmful to Macedonia's economic progress. According to the author, a powerful banking industry (saving replacement and investment route) might be one explanation. Macedonia's unfavorable link between life insurance and economic growth. [36]

Despite the fact that various research mentioned above support the assumption that insurance plays a critical role in encouraging economic growth through risk sharing, greater savings, greater spending, and trade. It may, however, lead to carelessness and dishonesty. Another potential cause for the negative link among overall and non-life insurance and GDP growth is that they utilize a different measure to evaluate insurance activity, such as the amount of insurance purchased.

This section highlighted key research areas focusing on efficiency in the insurance business. Topics covered include agents networks of distribution, resource exploitation, risky financial management, and general effectiveness and changes

throughout time. The cross-country assessments, market structure, consolidations and acquisitions, and governance of corporations, organisational kinds, regulatory concerns.

1.2 Mechanism of financial insurance consultancy on economic growth and its competitiveness

Net composed insurance rates, penetration, and density are three separate variables used to quantify insurance activity. The Hausman statistics supported the suitability of the fixed-effects model for this batch of data. This study discovered a beneficial and scientifically important link between life insurance, as measured by net written premiums and density, and economic growth for developed nations is similar to that of developing nations. When insurance is quantified using a degree of penetration estimate. The findings also show that non-life insurance shows a statistically significant connection with all three variables of economic growth in emerging countries, whereas in developed countries, insurance density is employed as an indirect measure for insurance, the findings are marginally significant. Furthermore, non-life insurance plays a larger significance in emerging nations than in advanced nations.

Nine countries typically incorporate economic activity stress in the scenarios they create for market anxiety tests. In Canada, insurance company macro-stress tests are based on an unfavorable macroeconomic scenario that includes economic climate, as well as the housing and financial sectors, which are all affected. In Russia has experienced slower GDP growth, as well as decreases in gross capital creation and salaries. Earnings are included in economic stress testing is used in Germany and Austria, while elements that have an indirect influence on financial markets, interest rates, and lapse rates as well as other signs in Colombia, macroeconomic scenarios are utilized to assess the economy effect of economic performance (as well as interest rates and financial market conditions) on the investment returns of insurance companies.

Insurance serves similar responsibilities to the banking industry and the stock market, however, research on the impact is weak. From the standpoint of economics,

statistics show that the insurance business has a significant market share which is roughly 6.23% of global gross domestic product. Nonetheless, considering the enormous contribution of insurance for the entire economy, insurance furthermore, offers a stronger sense of security, as well as a reduction in stress and anxiety among individuals, corporations, and governments. To people who acquire insurance are allowed to maintain his ongoing usage in the event that his stuff is stolen or destroyed, insurance allows firms to function in a secure environment with risk transfer in an efficient way mechanisms. In contrast, the government's expenditure on natural catastrophe impacts such as hurricanes, tornadoes, and other natural disasters is decreased, if not removed, as a result of insurance purchase.

Insurance, like other kinds of financial services such as banks and the stock market in particular, is critical for any country's long-term economic success. Every individual's action, from social to economic, has some level of risk. The importance of insurance cannot be overstated because of the economic prospects. For example, insurance spending is increasing. Sigma Swiss-Re estimates that it accounts for 6.23% of global GDP. More specifically, insurance spending for wealthy countries nations is around 8-11%, but it is just 2-4% in underdeveloped countries. However, some statistics indicated a dramatic decrease in the representation of developed countries, from 88 to 67% since 2005, and an increase in insurance prices for emerging and developing nations.

Human behavior, particularly fear of risk, would lead to either avoidance of these activities or extreme caution, both of which would result in a social status harm. In the absence of risk the transferring party firms such as insurance, the stock market, and banks, the amount of such transactions would be reduced. Economic activity would be significantly reduced, resulting in an economic loss. Insurance does more than just smooth out the stormy economic waves. However, insurance agreements are more stable and they are more liquid. According to the Orthodox perspective of insurance, it is a critical risk-transfer mechanism.

Careful and tactical people do not like risk, yet, if it is unavoidable, they either save an accumulated surplus or establish a retirement account to cover whatever might happen. These choices, accumulation or sinking fund, use limited resources and are

either useless without contingency or not sufficient to restore an individual's situation. As a result, society is going to suffer as a result of the risk's presence, since it will be exposed to the possibility of a decrease in general well-being owing to inefficient resource utilization or failure to use resources and in accomplish the intended goal. Moreover, transferring risk to a third party reduces fear, anxiety and as a result insurance promotes innovative thinking, creativity, entrepreneurship, and commerce, all of which are necessary for long-term sustainability.

Previous researchers that investigated the link between the financial sector and economic growth mostly concentrated on the banking sector or the stock market, whereas insurance has been largely ignored.

According to the literature, there are four possible links between negative effects of insurance and economic growth which are:

1. Demand generation;
2. Supply following;
3. Dependency;
4. Non-existent link;

Previous investigations claimed that the role of insurance's function in encouraging economic growth is not continuous but rather follows an S-shaped curve; for example, insurance plays a limited role in developed nations as well as have been undertaken to investigate the link between insurance and economic growth have used a single reference such as net written premiums, penetration, or density.

From the literature review point, just a few studies look at the link between insurance and economic growth. Ward and Zurbruegg's study is regarded as the first to investigate the link between insurance and economic development in OECD nations. They evaluated insurance using a total insurance premium proxy and used Granger Causality to investigate the demand-supply link between insurance and economic development. The findings found that in some cases economic growth in OECD nations, insurance demand was higher than for others. It is worth noting that the authors discovered a negligible association for two OECD countries, particularly the United Kingdom and the United States.

Similarly, Kjosevski used multiple regression techniques to analyze the association between insurance and economic development in Macedonia. The findings revealed that the aggregate insurance sector and non-life insurance had a favorable and considerable impact on Macedonia's economic development from 1995 to 2010. Life insurance, on the other hand, has significant but harmful to Macedonia's economic progress. According to the author, a powerful banking industry (saving replacement and investment route) might be one explanation. Macedonia's unfavorable link between life insurance and economic growth.

Despite the fact that various research mentioned above support the assumption that insurance plays a critical role in encouraging economic growth through risk sharing, greater savings, greater spending, and trade. It may, however, lead to carelessness and dishonesty. Another potential cause for the negative link among overall and non-life insurance and GDP growth is that they utilize a different measure to evaluate insurance activity, such as the amount of insurance purchased.

Insurance, as a component of the financial system, conducts six main processes:

1. Resource pooling;
2. Capital transformation;
3. Efficient pricing;
4. Risk hedging;
5. Trade facilitation;
6. Commerce;

So, functioning as an agent to deal with asymmetrical data difficulties in order to promote prosperity in the economy. All six insurance functions can be classified as intermediation, risk transfer, or protection. Because of the stability and compensation qualities of insurance contracts, insurance has a prominent position among other financial institutions. From the other side, industry of insurance not only aids in the growth of the financial industry (competitive pricing and effective deployment of resources), but it also indirectly fosters economic growth. However, the role of insurance changes depending on the situation. Different economical stages, and it is heavily influenced by the indicator employed to assess insurance activity.

1.3 Analysis of dynamics and structure of current regulations of financial Insurance

DFA models an insurance firm's financial statements to estimate liabilities, assets, including loss probability. It also generates entire balance sheets for various situations. In recent years, DFA has become a key tool for assessing an insurance company's financial status. Insurance firms are increasingly employing internal risk management models to establish risk-based capital, making it a key tool for stability monitoring.

Throughout the 1990s, the European insurance sector was regarded prosperous yet relatively stable. The tight regulatory network, homogenous goods, tariffs, and restricted competition, together with predictable market changes, led to ongoing growth and earnings over centuries. Nevertheless, the situation substantially shifted in the mid-1990s. Three aspects of this transformation are especially important.

First, the process of deregulation of the financial services sector led to increased competition and managerial concentration on profit. Increased visibility into the market and overseas rivals resulted in fierce competition for prices, margin erosion, and cost pressure. Some insurance businesses responded by attempting to establish themselves both as global or niche players, while others that didn't have a defined position of strength risked being driven away from the market.

Second, significant developments happened in stock market circumstances. Due to historically low interest rates, buying secure bonds with lengthy maturities and high interest rates has become challenging for long-term investments. The period has to be replaced by bond issuance with significantly lower interest rates. Minimal interest rate guarantees and product options in life insurance contracts have become harder to sustain due to the inability to get enough investment returns through risk-free government bond investing. This highlights the need of sound investing strategies that balance risk and return, as well as effective asset and liabilities management.

Third, recent changes in regulatory and legislative frameworks caused the reregulation of the financial services sector, necessitating the implementation of an integrated risk control system inside insurance businesses. There was a solvency II

discusses the recent rearrangement of the European Union's solvency requirements. The new solvency regulations encourage insurance companies to use internal risk management models to assess their risk-based capital. The insurance industry is grappling with the impact of recent IFRS changes on assessment and financial statistics.

DFA has been a crucial instrument for monitoring an insurance company's financial status in recent years due to three key factors. First, liberalization of the financial services sector led to increased competition and an enhanced managers are primarily concerned about profit. Low interest rates highlight the need of sound investment approaches and effective asset liabilities management. Third, new supervisory and legislative frameworks led to the implementation of an integrated risk management system.

As a result, framework and functioning of the international financial system have gone through significant changes in recent decades, owing to dramatic advances in technology, rapid innovation in products, going on global financial issues integration of systems, competition in financial services, and decisions, legislative, and reforms related to trade. These innovations have resulted in a changing, refined, and worldwide financial services arena, as well as economic progress, yet, confidence and trust issues have plagued the financial system, with occasionally serious implications, as seen by the latest crisis. Considering in progress questions regarding the effectiveness and efficiency of financial regulation, as well as its capacity as a reform tool, authorities have kept on evaluate and reevaluate the regulatory and policy environment for the financial system, with the goal to maintain public trust in the program's solidity and security while also keeping the system's adaptable and creative ideas traits.[5]

What are the larger economic advantages of encouraging private sector savings and future funding for the capital sector within a particular financial system? To begin, savings like these can be made accessible to private sector manufacturing, agricultural, energy, and trade firms, among others, in the form of equity or loan financing. New businesses can be established, and existing businesses can raise their capital investment on new plants, equipment, and more. Furthermore, because the time spans for

investment are long-term, such savings can be held up for a long period and therefore made accessible for spending decisions that will only create rewards in the future. Because banks can only give short-term funding to manufacturing and other firms due to the short-term duration of their deposits, the financing activity of life insurance coverage supplements the lending procedures of the banking system.

All of these savings that are long-term produced by life insurance providers may additionally be made accessible to the government to provide infrastructure improvements, as infrastructure investment is critical, particularly in emerging economies, not only to support the growth of domestic private-sector businesses but also to motivate foreign companies to become part of the local marketplace.

These choices regarding capital investments, both by businesses and the government as a whole, should result in increased employment and a higher standard of life across the economy. Furthermore, as the nation's production base expands, so does its exporting potential, allowing the country to produce more of the items that it now purchases from overseas. Not only is the ratio between the balance of transactions and foreign exchange holding improved, but so is the national exchange rate, as well.

The encouragement of increased saving provides short-term economic advantages. Individuals who can be convinced to save more will, by definition, consume less. This lowered spending will aid in reducing potential inflationary pressures that may present in the economy. This inflation-fighting impact will undoubtedly be higher in a market where consumption is squeezing out potential capital spending.

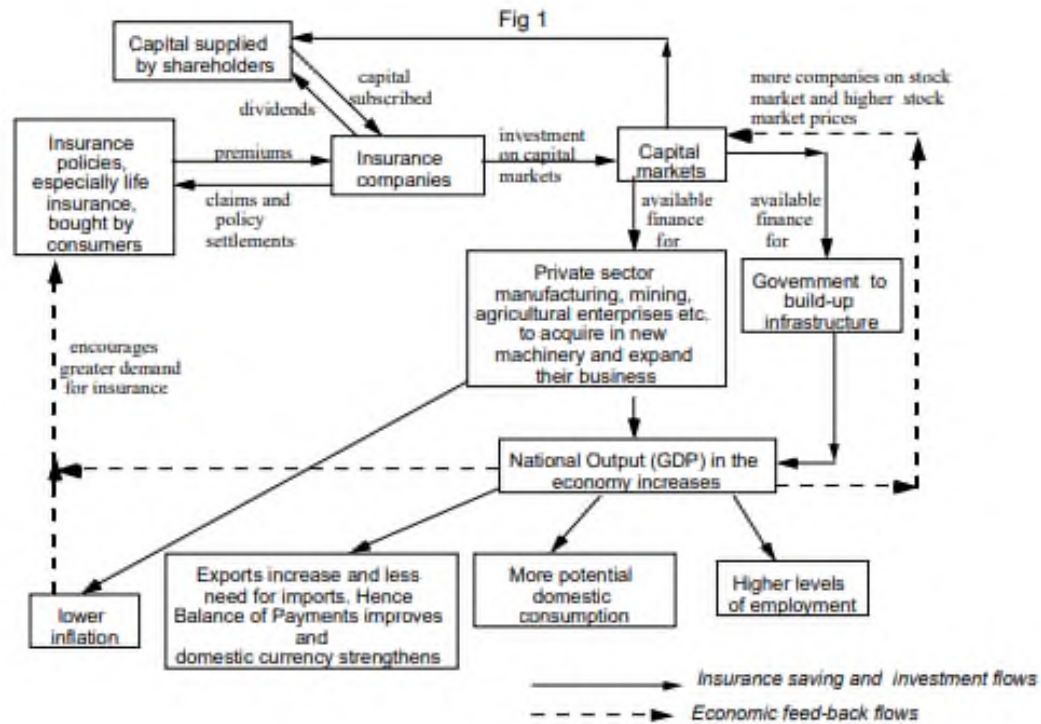


Fig. 1.1 function of life insurance firms in the gathering of savings

**Source:* Designed by the author

Furthermore, stimulating the increase of domestic saving inside a country has a broader psychological advantage. This is because when a country creates its own domestic savings, it relies less on inward foreign investment or, in other words, less on foreigners' savings, because all inward foreign development is ultimately derived from foreigners' savings that are invested over time. Despite the fact that the world economy is now transnational in character, there must be an appropriate degree of domestic income to support domestic capital spending. If domestic savings are insufficient, the ownership of the economy will progressively tend to slip under foreign control, either directly or indirectly. Clearly, a balance must be achieved between the levels of local and foreign ownership inside a country, a level that will be determined by political choices as well as the nation's psyche. However, it should be highlighted that international industrial and commercial enterprises investing in a country like to see the presence of a well-developed capital market, as they will want to raise funds on this marketplace in the future to help fund the future expansion of their local operations.

Figure 1 shows the function of life insurance firms in the gathering of savings and their influence on the broader macroeconomy through capital market investment

of these savings. It is evident that, because the insurance sector is simply a portion of the economy, the insurance industry will be more impacted by economic circumstances than the economy will be by the insurance industry's operations. [11,3]

More specifically, a country's overall standard of living has a significant impact on the amount of demand for insurance, whereas excessive inflation has a significant deterrent effect on every form of saving, especially saving through term life insurance.

CHAPTER 2.

STUDY OF FINANCIAL INSURANCE CONSULTANCY AND ITS ECONOMIC GROWTH OF "DEUTSCHE VERMÖGENSBERATUNG"

2.1 Organizational structure and characteristics of financial and economic activity of the enterprise

Deutsche Vermögensberatung's success story began in 1975 in a tiny office in Frankfurt am Main. Prof. Dr. Reinfried Pohl and his wife Anneliese created the enterprise there. DVAG has since established and improved its market leadership among German financial consultancies.

Today, it stand for a comprehensive counseling strategy that is totally focused on customers' financial desires and aspirations. Andreas and Reinfried Pohl, the company's sons, are currently running it in a forward-thinking way in the company's second generation.

Nowadays, Deutsche Vermögensberatung AG is a German property (investment) consultation financial company, located in Frankfurt, Germany, as well as it available in Austria and Switzerland. Moreover, Deutsche Vermögensberatung Holding is the organizational umbrella the Deutsche Vermögensberatung Group and holds the majority of the Shares in the operating group companies.

The aim of the holding company is to ensure the long-term security of the family business. In the company management, with Andreas Pohl as CEO and Reinfried Pohl as general representative, continuity is very important. Both are also shareholders and managing directors of Deutsche Vermögensberatung Holding.

Partnering with:

- Generali
- DWS Group
- ADVOCARD
- Deutsche Bank
- German building society Badenia
- Commerzbank.

Deutsche Vermögensberatung assists people from all walks of life in making sound financial decisions. Each customer receives personalized advice as well as a variety of services designed just for them. With the proper inquiries and listening, the organization always puts the consumer first, taking into account any personal ambitions, financial opportunities and current contracts.

Financial advisers recognize their role as a lifetime partner to clients and their money.

Using this as a foundation, assist in developing a people-specific financial idea.

So, there is few important Elements of independent and holistic advising for private clients consist of:

- Health insurance
- Bank
- Life insurance
- Property insurance
- Investment
- Financing

For corporate clients consist of:

- Risk management
- Employee management
- Financial management

The firm primarily focused on people's needs, which was reflected in personal, long-term guidance, but it also meant demonstrating passion and taking responsibility - whether for climate protection or elsewhere.

When it comes to security, retirement planning, and asset accumulation, almost 8 million clients rely on the competence and experience of the financial advisers of the Deutsche Vermögensberatung corporate group. As financial trainers, they assist their clients in making the most of their money. For over 45 years, they have offered cross-industry all-finance assistance in over 5,000 directorates and branches, true to the slogan "Think about later."

As well as, People require people is a non-profit organization whose aim is to build and enhance societal lives and circumstances over time. As a result, it focuses on

programs and organizations that promote education and development, research and science, and nature and environmental conservation. In addition Deutsche Vermögensberatung contributes heavily to the non-profit organization.

On the other side trip to the doctor can be costly: The statutory health insurance (GKV) does not cover all procedures. Even after a probable GKV refund, insured persons frequently face extra costs.

A significant amount of money for your health: an extra payment of 1,500 euros each year on average.

Most, if not all, co-payment services cover vital and medically valuable therapy areas. This turns people with statutory health insurance into co-payment masters: extra treatments will cost about 1,500 euros per person in 2021 on average. Almost one out of every five insured persons was affected.

Dental treatment or denture costs will be applied. According to the Generali co-payment study, 50 percent of extra services are related to supplemental dental insurance, such as fees for dental treatment or dentures.

Private co-payments are the second most common in the clinical sector, accounting for 40% of all expenditures. Of them, 48 percent may be attributable to assistance, especially visual aids.

Also, the costs rise with age. People aged 50 and over bear the great bulk of the additional expenditures for health care (more than 60%). The expenditures per person rise with age: persons over the age of 50 pay an average of 2,100 euros per year for health insurance. This sum is already 3,500 euros per year at the age of 70, and it is even 4,800 euros at the age of 80.

However, even at younger ages, there is a considerable co-payment, particularly for inpatient care and dental treatment: for those under 50, it may amount to up to 1,100 euros or 1,035 euros per year on average.

- Extra coverage for essential medical treatment

If you want to guarantee that you and your family are properly taken care of, you should seek private solutions as soon as possible. Anybody who is unable to obtain complete private insurance may obtain one private supplementary health insurance

policy to assure complete medical treatment. The benefits of a GKV may easily be enhanced with supplementary packages from a private health insurance (PKV), whether for a medical facility stay, a doctor's appointment abroad, or an appointment to the dentistry.

- Optimal GKV and PKV combination

Private supplemental insurance can help to mitigate or even pay excessive extra costs. People with statutory health insurance benefit from a wide range of benefits when they pick a GKV that collaborates with a PKV. By delivering payments to your GKV, which then handles processing them with the PKV, you reduce effort on difficult administrative procedures.

- Additional benefits of supplemental health insurance

Supplemental insurance frequently provides additional benefits, such as access to a health hotline: Insured persons can obtain assistance with appropriate therapies, information on particular diseases, alternative drugs, and contacts with qualified professionals. If the insured participates in specific GKV incentive programs, they can gain various benefits and save money.

Anyone who has the help of a coach may achieve more. Because coaching entails being supported. Having someone on your side who cares about your goals and will assist you in achieving them. As a result, financial adviser means personal financial coach, assisting with security, retirement planning, and asset growth.

Company goal is to understand person specific circumstance. And then collaborating with, to make what is feasible a reality.

- Listen:

Personal financial counselor is attentive any needs. The emphasis is on objectives and desires.

- Analyze and make sense:

Record the present financial position and set reasonable goals together.

- Make a plan:

Personal coach will help create a customized financial plan for stability, retirement, and wealth building. With a quality stamp.

- Together, we can achieve our objectives:

Financial coach will assist in putting your savings and retirement objectives into action, as well as making the most of person's money.

- Long-term coaching is recommended:

Whatever happens in life, your financial coach will be there for you. Everyone has their own set of aspirations, desires and objectives. Deutsche Vermögensberatung assist you in realizing your dreams and achieving your financial objectives as well as can give their costumers more than just a pension, including:

- Individual solutions:

Implement the intended investment plan well into old age and structure pensions flexibly based on your individual requirements or have assets available as a lump sum payments.

- Wealth building:

Invest money for the long term with beneficial interest rates - and use the adjustment wheel to freely set your investment plan.

- Security:

Even if you die before the age of 90, your family will not be left empty-handed if you have survivors' insurance. You are given the remaining amount of the entire credit.

Benefits for your assets:

- A one-time payment of 2,500 euros is allowed.
- The insurance policy has an adjustable term.
- The potential returns are attractive.
- The investing strategy can be chosen.

Advantages for your income:

- You simply determine when you want an annuity payment or when you have your whole assets accessible.
- Flexible pension design: Up to the age of 90, you can choose whether to receive a lifelong pension, a temporary pension, or numerous pensions at the same time.
- Your tax benefit: Only the so-called income element of a lifelong pension is taxed.

- Inheritance: If you die before the age of 90, your remaining dependents will get the contractual credit that you have earned.
- Integration of the fund-linked pension stage - the pension is never reduced to less than the agreed upon minimum pension.
- You can change your pension to a security-oriented pension at any point in time.

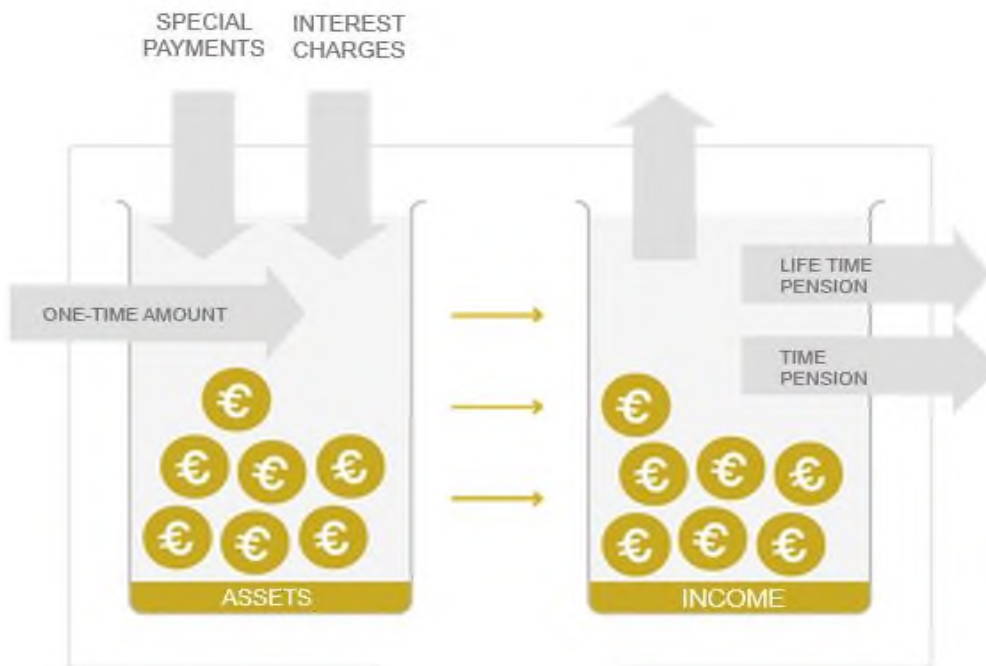


Fig. 2.1 flexible investing plan

*Source: Designed by the author

You may pick a flexible investing plan with great return potential and adjust future special contributions according to how you go.

You may do the following using the Wealth & Income Plan:

- Develop your own investing plan.
- Individually mix strategies
- Regularly respond to market conditions with flexibility.

In technical terms, network marketing (network marketing, multi-level marketing MLM, or structured sales) is a type of direct sales.

Network marketing is distinguished by the recruitment of new sales employees in addition to the acquisition of clients and the direct sale of items. Those are integrated into the seller's organizational structure and are meant to address other workers, who

consequently recruit prospective sales partners. This results in an organizational structure that simulates a pyramid.

Every organization, regardless of sector or size, has many levels of leadership and management. Every organization, when viewed in this way, is structured basically like a pyramid system: The chairman of the board with the board of directors or the managing director/owner is at the top of the pyramid, followed by several hierarchical levels who carry either technical as well as human responsibilities for particular sectors. The amount of responsibility grows with each professional level, and this also holds evident at DVAG.

Another objection leveled at a pyramid structure is that the "tops" at the top of the pyramid are motivated to hire as many fresh workers as possible. Companies that use a pyramid scheme are thus marked by extreme volatility. At DVAG, however, the fluctuation rate among financial advisors is quite low, averaging 3.5 percent. Those who are interested in a job in finance can begin by learning about the financial adviser profession as a part-time employment - that is, in addition to their current work. The decision to join, when to join, and how quickly to join is entirely up to the parties who are interested. Each incoming financial adviser receives extensive training and coaching. This takes a significant amount of time and money, both for the DVAG organization and for the person interested in the job. Both of the new financial adviser and DVAG are focused on permanent and stable collaboration.

The promotion and career system of Deutsche Vermögensberatung is straightforward and fair, and salary choices rise towards the top. The terms are balanced and equitable, and they apply to all financial advisors, regardless of gender, age, religion, or national origin. Performance should be worthwhile, and DVAG rewards it.

Unlike the selling of products, for example, the distribution of financial products is a significantly challenging undertaking governed by stringent legal and regulatory regulations. They protect customers by ensuring the efficacy of advice.

This leads in a critical distinction in the consumer goods industry's structural sales: advisors and salespeople must have solid professional training. In terms of relevance, long-term nature, and extent, the financial and insurance products they

provide cover crucial areas of security and accessibility for clients and are not similar to consumer items. As a result, the phrase "financial sales" has become more necessary.

Deutsche Vermögensberatung is the leading financial consulting firm in Germany. Because the firm does not provide its own financial and insurance goods, but rather sells the partially unique goods offered by its chosen goods partners, it is defined as a financial sales company in the most literal sense.

Clients and the financial professionals at DVAG are able to profit from certain unique features:

1. Expert instruction and ongoing learning for financial consultants

DVAG is a financial services pioneer, investing more than 80 million euros each year in the credentials of its financial advisers. Every new employee receives thorough basic training and is encouraged to grow professionally and psychologically. Customers will also have the assurance that they will receive professional, thorough guidance based on their specific aims and desires.

2. A tried-and-true principle of all-finance guidance

After examining current agreements as well as individual needs, financial advisers collaborate with consumers to develop a cross-industry security and protection model that includes insurance, retirement provision, expenditures, government aid, and reserves.

3. Services and Quality advice

Financial advisers should ideally accompany their clients throughout their lives: this long-term customer connection is built on mutual trust and extends far beyond product broking.

The partnership's dependability is represented, among other things, in high-quality service, such as settlements of claims or other client problems. Small cancellation rates, nearly no BaFin complaints, and a high desire to recommend clients are additional evidence of DVAG's service excellence.

4. Self-employment from a professional standpoint

Beginners who get into investment consultancy establish their own business and are thoroughly supported and encouraged in their independence. Having multiple

alternatives for running and expanding your company. Unlike other network marketing organizations, Deutsche Vermögensberatung has no turnover, product sales, or identical requirements. [9]

5. A simple and focused on outcomes promotion and compensation scheme

Every financial advisor has equal opportunity, regardless of race, ethnic background, gender, or other considerations. Those who attain success develop professionally based on fair career and salary standards that applicable to anyone.

6. High accountability and long-term collaboration - quality above quantity

The primary goal of MLM sales is to recruit as many new employees as possible in a short period of time. The volatility is proportionally high.

At Deutsche Vermögensberatung, new partners get extensive training as well as intense assistance and introduction from their coaches. Making such investments in new partners are both time and money consuming. As a result, recruiting competent persons to serve as financial advisers is prioritized from the outset. [35]

Moreover, in 2021 the independent rating agency Assekurata once again awarded Deutsche Vermögensberatung the top certifications, confirming that Germany's biggest independent financial consultant has great career prospects as an investment advisor. The framework conditions for professional achievement were investigated, including income and career options, sales assistance, training and continuing education, guidance and support ideas, and the entrepreneurial environment. DVAG performed wonderfully in all categories investigated.

- Crisis-proof path to prosperity and sustained growth

This marks the 14th consecutive prize for Deutsche Vermögensberatung. Dr. Helge Lach, a member of Deutsche Vermögensberatung's board, confirms the family business's crisis-proof success course: "Even under challenging Corona conditions, we achieve top marks for the professional environment that we now offer to our more than 18,000 financial advisors." Despite hard conditions, the DVAG continues to expand in the Corona year. "The financial strength, digital positioning, and targeted support measures ensure that the growth situation remains stable," according to the agency's evaluation. Sales and the number of full-time financial advisors rose again in 2020. For

Dr., the outcome is unsurprising: "Especially during times of crisis, the need for counsel grows exponentially. Because of the closure and severe limitations, many individuals have serious worries and are reconsidering their financial plans and security. As a result, the role of financial counselor is growing in priority.

- Professional achievement via thorough support

Overall, the analysts at DVAG agree that their financial advisers give outstanding and careful help. "The support offer adequately covers all steps from the first contact conversation to ongoing support and impresses with targeted measures to increase efficiency." Financial advisers are provided with tools that assure customer-oriented and efficient guidance through online applications, advisory apps such as the new "Wealth Planning Digital" tool, and existing e-applications. "If you want to be successful in your profession as a financial adviser in the long run, Deutsche Vermögensberatung offers the greatest conditions in all areas. You could scarcely do better as a financial advisor!"

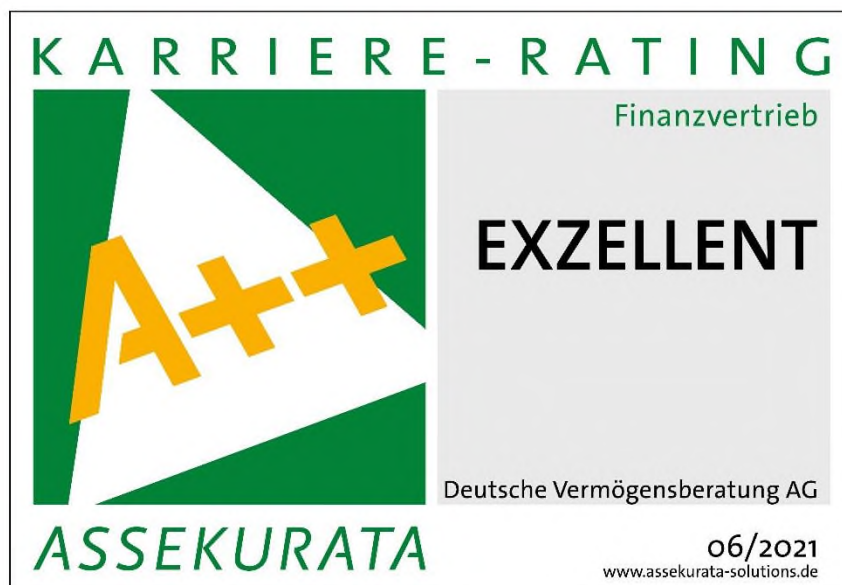


Fig. 2.2 Assekurata rating: Excellent for the 14th time in a row

**Source:* Designed by the author assekurata

Numerous support measures, as well as a wide choice of training and continuing education options, assure outstanding career chances and pleased consultants. In addition, DVAG may expect an increase in the number of full-time financial advisors

by 2020. Career beginnings, career changers, and those looking to transition from the financial and insurance industries have found a fresh start at Deutsche Vermögensberatung.

Each supervisor has a significant deal of responsibility for his employees' training and education as a coach, counselor, mentor, and role model. To summarize, the business model of Deutsche Vermögensberatung involves more than only structural sales. Over 45 years on the market attest to the family business's success and security.

2.2 Research and analysis of the "Deutsche Vermögensberatung" activities

Russia's campaign of aggression against Ukraine dominated the year 2022, as did the news coverage. It created uncertainty, tested the global economy, enhanced worries regarding energy supply, and resulted in an immediate rise in inflation and, as a result, interest rates. In this atmosphere, our financial advisers and their efforts have proven themselves more than ever. They not only provided their consumers with the greatest advice and service available. They were also desirable experts when it came to explaining financial market links and, due to the steep rise in costs, assisting in identifying savings chances in other sectors.

The corporation was able to maintain its sales income at more than 2.2 billion euros, nearly at the level of the previous year, which was marked by special effects, and even raise it by about 10% compared to the "normal year" of 2020. The yearly surplus (245.7 million euros) and numerous individual company activities set new records. And, like in previous years, well over 1,500 people chose to leave their prior jobs in 2022 to take advantage of the prospects and benefits of working as a financial adviser. All of this demonstrates that Deutsche Vermögensberatung, together with its investment advisers, is on a long-term road of development and success, which has maintained even in a challenging year given the overall circumstances. [16]

Performance-oriented, human, and strong – these are the principles that define the company's and its professional community's culture, by which we collaborate and by which every financial adviser is directed. Deutsche Vermögensberatung is a family

business at its core, and every financial adviser, as well as those who work for its Allfinanz subsidiaries or in Austria and Switzerland, is a part of it. They also contributed to 2022's achievement. A critical component here is that financial advisers freely share their success recipes with their colleagues. The success of one person leads to the success of another and, ultimately, the success of the entire firm.

Everyone knows that the pension is not secure. The statutory pension has continuously declined over the previous few decades, and it is presently worth only 48% of one's income in old age. And the outlook isn't much better. One of the most essential jobs of our financial advisers is to demonstrate their clients how to acquire an appropriate and safe pension. Whether through individual pension insurance, employer retirement savings plans or government support.

The statistics also reveal that this is accomplished on a daily basis: Deutsche Vermögensberatung increased its portfolio (amount covered excluding occupational disability insurance) by 2.7 percent to 179.2 billion euros (prior year: 174.5 billion euros) in life insurance. As a result, the firm outperformed the market, which was down 2%.

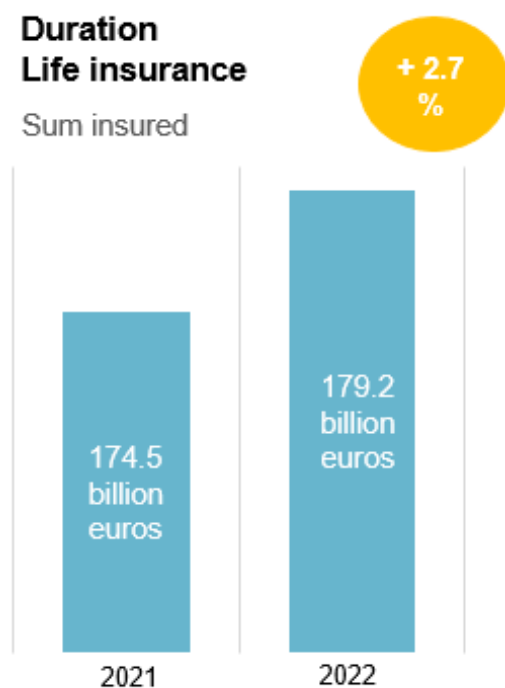


Fig. 2.3 Duration Life insurance

**Source: Designed by the author based on a company data*

New business totaled 16.6 billion euros, a modest decrease from the previous year's (19.1 billion euros). This was primarily due to politicians' failure to alter the Riester pension, which is particularly appealing to low-income individuals and children. As a result, the product will no longer be available after 2022. However, the loss might be somewhat compensated for. As a state-sponsored product, financial advisers may now offer their consumers a significantly enhanced basic pension with significant tax benefits beginning this year. 35,298 contracts have already been negotiated, and the trend is upward. This is an increase of more than 72.3 percent over the previous year.

Deutsche Vermögensberatung increased its market share in this area from 20.3 percent to 30.2 percent. This emphasizes the fact that financial advisers always have the greatest answer to give their clients. And they contribute to gaining government support for the essential topic of pensions.[18]

On the other side, many individuals have been affected by the epidemic, including their knowledge of their own health. People in Germany are also becoming older. However, statutory health and nursing care insurance only provides minimum protection and has significant gaps. When it comes to additional health insurance components or supplementing the wholly insufficient statutory nursing care insurance, financial advisers are the first point of contact. One reason for this is the collaboration with BKK Linde, from which every financial adviser can profit with legally covered customers.

GROUP KEY FIGURES FINANCIAL YEAR 2022

NEW BUSINESS (IN EURO)			
	2022	2021	
Construction financing	3,7 Mrd.	4,1 Mrd.	-10,5 %
Life insurance	16,6 Mrd.	19,1 Mrd.	-13,2 %
Building savings	3,7 Mrd.	2,1 Mrd.	+77,7 %
Investment	3,0 Mrd.	2,9 Mrd.	+2,0 %
INVENTORIES (IN EURO)			
Insurance	10,4 Mrd.	10,1 Mrd.	+2,7 %
Building savings	26,2 Mrd.	23,4 Mrd.	+11,9 %
Total portfolio (incl. building loan)	242,0 Mrd.	234,0 Mrd.	+3,4 %
Life insurance	179,2 Mrd.	174,5 Mrd.	+2,7 %
Investment	33,8 Mrd.	37,2 Mrd.	-9,2 %
GROUP FINANCIAL DATA (IN EURO)			
Sales revenue	2.204,6 Mio.	2.240,9 Mio.	-1,6 %
Earning before taxes	390,6 Mio.	378,3 Mio.	+3,3 %
Annual surplus	245,7 Mio.	241,6 Mio.	+1,7 %

Fig. 2.4 Financial year 2022

*Source: Designed by the author based on a company data

In 2022 alone, almost 18,000 new customers were recommended to the replacement fund and were additionally insured with the favorable Generali health insurance costs. This is a new record. In 2022, our company's private health and nursing care insurance portfolio reached by 3.5 percent to 1,531.6 million euros in annual goal contributions. We outperformed the market in this area as well. New business was just slightly lower than the previous year, at 58.3 million euros. [17]

People face several dangers. If something goes wrong, it may be quite costly. In the case of a liability, robbery, flames, or weather-related damage, for example. Or in accidents that result in injuries or, in the worst-case scenario, lifelong disabilities. Each of these hazards is insurable independently. However, it is preferable to obtain a wealth protection insurance (VSP), which is only accessible through financial advisors and provides comprehensive coverage for common hazards. Over a million contracts have

already been negotiated by the company's financial experts.

In 2022, the company's portfolio of property, liability, accident, and legal protection insurance will have grown by 2.9 percent to 2.8 billion euros. New business declined slightly (410.2 million euros), owing mostly to the extremely competitive vehicle insurance industry, where many customers are solely concerned with price. Quality, on the other hand, is a must for financial advisers, which means comprehensive coverage and first-rate assistance in the case of a claim.



Fig. 2.5 Total Increase sum of contracts

**Source:* Designed by the author based on company data

Low interest rates, harsh interest rates from banks and savings banks, and now rising inflation - basically leaving your money in your account does not generate wealth; it destroys it. However, many Germans continue to have a low level of faith in stocks and stock funds. Wrongly. Stock savings, particularly when it comes to long-term savings, are practically as risk-free as other types of savings - but with far higher return prospects. This is especially true if the emphasis is on broadly diversified funds rather than individual equities.[7]

One of the most essential jobs of a financial adviser is to explain each of these connections in detail. In this approach, he assists his customers in making the most of their hard-earned money over time - with a return that is mainly secure. What financial advisers don't do: They don't promote high-risk investment products or encourage their customers to undertake short-term, supposedly profitable ventures. Instead, Deutsche

Bank and its subsidiary DWS Investments are dependable and financially strong partners on the side of financial advisers, with the correct solutions.

In 2022 alone, 350,000 new fund savings plans were established. So, about 1,000 each calendar day. This is also a new record, especially given the temporary stock market turmoil induced by the war. New business with investment funds (direct investment without unit-linked life insurance) climbed by +2.0 percent to a new high of 3.0 billion euros. Despite the price decline, the investment portfolio dropped only little to 33.8 billion euros. When the stock market recovers, this drop is rapidly countered in favor of customers.

If a person were smart enough he would have had a financial counselor explain the concept of saving in 2022. Because this has never been more vital or meaningful than it is right now. With interest rates now rising, people can secure in the current rate for the long term by entering into a contract, regardless of how high interest rates increase. A loan for the purchase of a place of residence in 5 or 10 years becomes simple to calculate, while the required equity capital is built up in the building investment contract. It's no surprise that, in light of inflation and the consequent interest rate expectations, financial advisers are now at a loss for how to help themselves when it comes to advising requests. Deutsche Vermögensberatung's new building savings business gained an all-time record value of 3.7 billion euros, rising 77.7 percent.

The construction finance industry via banks was unable to keep up. That's understandable: anyone who didn't want to or couldn't wait any longer to buy a home was forced to finance it with much higher interest rates. The remainder is taken care of by high real estate prices and building material prices. As a result of dropping demand and a financing record of 3.7 billion euros (prior year: 4.1 billion euros), the company's new business with construction finance declined somewhat at -10.5 percent. [18,10]

Addressing the customer's payment habits is always part of financial counseling. Overdrawing your account is the most costly kind of financing. And "cost eaters" may be immediately discovered by carefully examining monthly spending. As a result, financial advisers also provide their customers with financial advice and goods, most notably a checking account with special terms from Deutsche Bank and low-cost private

or consumer loans that may be utilized to save a lot of money with debt restructuring. In 2022, a loan of 508.7 million euros might be arranged. And Deutsche Bank's "Interest Account Plus" has been picked by 52,426 consumers.

Because gold glows, it excites people, and they wear it as jewelry or offer coins as gifts. The precious metal is also thought to be crisis and inflation-proof, therefore it is frequently included in investments. The possibilities are wide and available only through financial advisors: whether in the form of real gold, as a savings plan or one-time investment, or as part of a retirement provision option incorporated into private life and pension insurance. In 2022, the offer was complemented with a new special silver investments plan. [4]

Due to increased demand, the selling price of gold is no longer far from its all-time high. Financial advisers were recently able to broker 6.4 tons of gold in direct transactions, representing a rise of more than 80%.

Private clients are not the only ones who may benefit from advice regarding finances. Many small and medium-sized firms, as well as self-employed individuals, require commercial guidance in order to avoid losing money or exposing themselves to overly high risks. Many individuals are interested in business pension plans as a method to link employees to their own firm. Deutsche Vermögensberatung was able to develop its commercial insurance business even more. The inventory grew 7.8 percent to 316 million euros. The spectrum of services given by the German Clearinghouse, which financial advisers may only supply to their commercial customers, is particularly fascinating and unique in the market.

To conduct a full examination of the different aspects influencing the organization's success, current approaches must be used in a methodical manner. To do this, we must undertake a PEST study of the company.

PEST evaluation of domestic environments

Political

- The Deutsche Vermögensberatung group is the second biggest donor in German politics, contributing a total of 1.4 million euros to various major parties since 2013.

- German firms strategically donate money to political parties in small sum to pass under the radar of the country's lax party donations laws Insurance giants and major industry associations spread their donations to parties out over a year – whether it's campaign season or not – or pass money through subsidiary companies, so that they can donate to their favorite parties.

Economical

- On an overarching level, 2022 was shaped by Russia's war of aggression against Ukraine. Put the global economy to the test, led to fears about energy supply and caused inflation – and, by extension, interest rates – to spike. Our financial advisors and their work have more than proved their worth, under these circumstances. Not only did they advise and look after their clients to the best of their ability, they were also sought-after as a source of advice when explaining the interdependencies on the financial markets, and assisting clients to identify ways to economize in other areas as prices rose sharply. Alongside all the associated successes for the company, this once again boosted the importance and value of the profession.
- New records were set in terms of annual net profit (EUR 245.7 million) and by many individual business areas. Furthermore, as in the previous years, 2022 also saw far more than 1,500 people opt to give up their previous profession to enjoy the opportunities and benefits of working as a financial advisor. All of this above highlights that Deutsche Vermögensberatung and its financial advisors are currently on a long-term path to growth and success, one that has also continued throughout a year marked by challenging overarching conditions.
- More than 1,500 people ready to give up their previous profession to enjoy the opportunities and benefits of working as a financial advisor. All of this above highlights that Deutsche Vermögensberatung and its financial advisors are currently on a long-term path to growth and success, one that has also continued throughout a year marked by challenging overarching conditions.
- Deutsche Vermögensberatung was able to further expand its B2B insurance business, growing its portfolio by 7.8 percent to reach EUR 316 million. The range of services offered by company, which financial advisors can broker exclusively for their

commercial clients, exert a particular appeal and are not available anywhere else on the market in this form. These products revolve around invoice and receivables management, and the financing of operational investments. The demand for these services and corresponding financial advice is constantly growing.

Socio-Cultural

- The third generation of the Pohl family, Annabell Pohl and Nathalie Pohl, are the central founding members of “People need people eV”. They want to actively continue to live up to Deutsche Vermögensberatung's high standards of social commitment in the association: "Equal educational opportunities for everyone and social participation are the key to equal coexistence and a strong community today. By founding the non-profit association “People need people” company expanding its social commitment in the long term. The association, which is significantly supported by Deutsche Vermögensberatung, has set itself the task of sustainably strengthening the livelihoods and conditions in society. Targeted funding at national and regional levels .The non-profit association “People need people eV” works with various cooperation partners, non-profit organizations and experts. He is involved in society wherever it is important to set the course for a better future. The focus is on central social issues - and in particular on the people who need help.
- As a cooperation partner of the foundation, we have been involved in projects in the area of education and development support since 2020 in order to work together to support children. Also, reconstruction of destroyed facilities for children is supported as part of flood relief. The association reacted quickly to the flood disaster and, together with DVAG, provided comprehensive emergency aid.
- Aid projects and campaigns “Athletes for Ukraine” help refugee children and their families. Thanks to the emergency aid from Deutsche Vermögensberatung, the Pohl family and numerous donations, over 150 tons of humanitarian goods were distributed to the people in the war zones.

Technological

- Deutsche Vermögensberatung AG (DVAG) is considered a pioneer in sales support with mobile technologies. DVAG was the first company in Europe to

introduce laptops into sales in the early 1990s. Further innovations were a purely online-based sales software, as well as equipping financial advisors with iPads, including the company's own apps, at the same time as the market launch. The more than 50 DVAG apps available today, the iPad advice and, above all, the new electronic application process illustrate the pioneering role of Deutsche Vermögensberatung in technical sales support.

During this past year: it demonstrates how adaptable business was, even in the face of adversity. Workers all shown an exceptional degree of devotion, particularly financial advisers, who provided and continue to provide their clients with stronger support than ever before in topics that include financial security, career provision, and financial strategy.

The way company addressed the main problems of the last few years distinguishes it from many other firms in our industry and is the foundation of our company's great performance for 2022. Following outstanding year in 2021, it crossed the EUR 2 billion sales mark for the second time in our company's history in 2022.

This year, in especially, business model established its distinct strength and sustainability prospects. No other firm has had as much success as we have in personalizing the financial consulting approach and matching it with the needs of our customers. This closeness to our clients is becoming more and more important as financial concerns get increasingly complex.

Deutsche Vermögensberatung has reached a new benchmark in its success story. Andreas Pohl, CEO of Deutsche Vermögensberatung AG (DVAG), announced the formation of a strategic relationship with Swiss business Global Sana AG. With this collaboration, Germany's largest independent financial distributor expands its business in Switzerland while remaining committed to long-term growth. Deutsche Vermögensberatung becomes the majority stakeholder of the independent insurance broker Global Sana AG. The joint objective is to become the leader in all-finance advising in Switzerland.

Deutsche Vermögensberatung's DNA has always included strategic and forward-looking investments. "With Global Sana, we have found a competent partner who can

quickly expand and establish holistic financial advice tailored to the individual needs of customers in Switzerland," says Andreas Pohl. Dani Kass and Daniel Neumann, managing directors of Global Sana AG, add, "We are delighted to have found a solid partner in Deutsche Vermögensberatung for future growth in Switzerland. Deutsche Vermögensberatung, with its multi-award-winning business model, has the bancassurance experience that we want to make available to our clients.

During the course of the year, a holding company will be formed to consolidate Deutsche Vermögensberatung's activity in Swiss markets. This holding company will consist of two separately running companies: Global Sana AG and SVAG Schweizer Vermögensberatung AG. To effectively push forward development in the Swiss market, DVAG hired Remo Weibel, a seasoned sales professional. Remo Weibel has held a variety of executive positions in the financial services industry since 1995, including the latest as CEO of a well-known Swiss all-finance company.

As a family-owned business, we are well-positioned to address the issues of digitalization, diversity, equity, and long-term sustainability, all of which are currently changing the way people live.

The digital change is affecting practically every aspect of life, including our own. We are investing heavily in strengthening our processes. Having said that, our ultimate purpose is not to rush digitalization. Instead, we strive to provide the greatest possible support for our financial advisers' personal financial guidance. After all, the epidemic and our recent success have proved that personal financial advice is in great demand. And in that scenario, we will continue investing in the project.

While some organizations have just recently begun to include equality and diversity into their corporate cultures, we never noticed any differences on this matter. Our professional structure is the same for everyone, regardless of their origin, gender, age, or gender identity. Everyone has the same opportunity here: performance is what matters. We are a strong community of over 50 ethnicities that supports one another. For more than 47 years, we have been able to play a good part in making the workplace more balanced.

Aside from that, we have always been conscious of the specific responsibility we

carry to future generations. Because, as a family-owned business, we place a premium on long-term success over short-term profits. Because our financial advisers work with their customers for the rest of their lives. In addition, we were recertified as a climate-neutral firm in 2022.

Entrepreneurship is a major component of our company approach, alongside our comprehensive financial advice idea. For young people, the capacity to work freely, assume responsibility, and choose your own working hours is becoming increasingly crucial. Many individuals may now envision themselves working independently.

We provide the ideal professional environment for these individuals. After all, the profession of a financial counselor is one with a future, one that is satisfying and full of opportunities. In the year 2022 alone, 1,500 persons choose to work for the Deutsche Vermögensberatung Group. In doing so, they also chose the finest market conditions: specialized and personal training and professional development that satisfies the highest industry requirements and provides the greatest credentials for their dream career of being a financial adviser. [42]

Company do everything possible to allow our financial advisers to concentrate their efforts only on their customers. This comprehensive assistance includes everything from marketing to IT to delivering innovative financial counselling tools. We provide our partners everything they need to be financially and entrepreneurially successful.

We can look forward to the future with confidence, supported by the knowledge that our company model is future-ready. These years will undoubtedly bring new problems in terms of legislative changes, shifting markets, and specialized sector developments, some of which are impossible to predict at this time. We have the necessary experience, training capacity, and flexibility to withstand this storm.

However, in my opinion, the crucial reason for success is our professional community's outstanding team spirit and mutual trust. I am certain that our position of strength will allow us to solidify our position as Germany's premier independent financial advising business in 2024 further. After all, it's hard to think of high-quality, educated financial advice today without also thinking about Deutsche Vermögensberatung.

2.3 Compliance of the company activities with management of innovative activity of the enterprise

Digital processes evolve under the slogan "faster, greater, and more productive." This alters not only user behavior, but also the needs clients place on businesses. The financial services sector is no different. But what really are the new consumer requirements?

“We know from our daily advice: the more individually you can respond to the customer and connect with them via their preferred communication channel, the more successful and long-term the customer relationship is,” says Christian Glanz, member of the board of Deutsche Vermögensberatung AG.

"MyApp" which was created specifically to connect the consumer and the financial adviser, is more than simply a standard financial app. Cash is also obtained it gives the entire thing the innovative reward.

Of course, "MyApp" allows the user to record their present financial condition, material contracts, retired service, and investments at a quick glance. Above all, it permits the safe exchange of essential documents and messages with the competent financial consultant. This is also supported by the TÜV Saarland certification for certified data protection. The data is only accessible momentarily and is not saved on the smartphone; the transfer is encrypted. If the consumer requires an electronic insurance confirmation (eVB), it may be readily downloaded there. In addition, the consumer may simply and immediately report incidents of damage to his or her insurance firm, avoiding filing any paperwork. [12,14]

Other technological elements, however, make life less difficult for both clients and financial professionals. Because of the consumption of electronic applications, more than 90% of businesses can be created digitally. A decreased amount of paper means quicker processing, which means better communication.

Insurer consultants deal with a variety of insurance firms and are able to knowledge about products that are not provided online. While purchasing insurance online may appear to be a cost-effective and easy option, coverage is sometimes limited, due to weak underwriting, which may cost you more in the long run. This is due to the

fact that insurance firms frequently increase the cost of coverage to compensate for the increased risk of having inadequate underwriting information. If you're in excellent condition, doing a more in-depth health assessment might result in big savings. Insurance advisors use their extensive product expertise and industry insight to locate the plan that best fits your medical status, financial position, and insurance requirements.

Insurance is only one aspect of a well comprehensive plan, which considers all areas of your financial stability rather than concentrating on a single requirement. An insurance consultant, in collaboration with your wealth adviser, guarantees the protection you have corresponds with your financial targets, has the proper coverage term, and prevents gaps or redundancies. They may also inform you about product factors you may not be aware of and explain the significance of satisfying such demands.

Claims are frequently filed under challenging circumstances, such as the death of a loved one or the diagnosis of a life-changing disease. When a claim is postponed or refused, having an insurance consultant on your side may be quite beneficial. They will assist you in navigating the claims process and submitting the required evidence to substantiate your claim. They will serve as a contact between you and the insurance company as your advocate to ensure the claim is processed immediately.

Financial advisers must establish a "emotional connection" with their customers. While the business frequently draws people with analytical and rational minds, true emotional involvement with customers is important for consulting companies and banks to succeed. Meetings that are entirely focused on business issues miss out on the potential for advisers to interact with clients on a more personal level. Understanding the human lives, hopes, and objectives of customers is just as vital as addressing their financial plans. Clients create strong ties and trust when they feel emotionally linked to their advisers or the people supporting them. [30]

On the other side, development is speeding around ourselves, maybe faster than at any other time in history. Environment, science and technology, labor force, and customer or societal expectations shifts, together with macroeconomic and geopolitical volatility, encourage enterprises around the world to modify the technology they use

infrastructure, products and services, business models, and organizational culture in order to adapt not only to fuel profitability, but also to remain helpful and survive. The industry of insurance is identical. Indeed, these interacting factors have the ability to drive innovation in both how the sector does business and its broader purpose and function in society.

Insurance companies have the ability to do much more good since they currently serve as society's "monetary security net," offering an economical guarantee for numerous dangers throughout the world. However, more insurers are recognizing that they have a larger role to play in preventing risk, lowering loss severity, and filling life and non-life protection gaps in international markets, particularly in light of the rising number that tend to be economically unsustainable risks.

Being existential threats that include severe climate change, an increase in cybercrime, and concerns about large unprotected and uninsured, populations are leading many insurers to rethink how to deal with disruptions caused by the changing environment and assist consumers through every industry in preventing or mitigating risks before they occur, compared to simply paying for repairs and recuperation after the fact. Even if the most catastrophic disasters appear unavoidable, insurance combined with proactive risk management may assist reduce the extent to which they harm impacted people and their surroundings.

The second panel of the day looked at the effects of digitization on sales. Forecasting is tough in such complicated conditions, but DVAG is beneficial regarding a single item: financial service providers will be required in the future. Personal interaction and a comprehensive examination of individual circumstances are especially important when it comes to complex issues like planning for retirement. And, in terms of innovation, there remains quite a lot in the works.

CHAPTER 3.

RECOMMENDATIONS FOR ENHANCEMENT OF "DEUTSCHE VERMÖGENSBERATUNG" IN TERMS OF ECONOMIC GROWTH

3.1 Action plan for improvement of the enterprise's activity

Consulting firm play an important role in assisting organizations in disciplines as broad as company planning, producing and supplying chain, advertising and promotion, and personnel management. They aid their clients in a variety of ways, including developing business models, cutting expenses, predicting risk, and innovating goods, as well as enhancing their procedures to control personnel, remaining compliant, and recruiting workers. Helping customers remain ahead of the curve when acknowledging new technology or responding to quickly changing geopolitical conditions has become more important. As a result, while the global economy appears to be weakening, the consulting business continues to expand quickly.

The Deutsche Vermögensberatung AG (DVAG) has been struggling with its data management systems. Depending on custom-built technologies resulted in communication challenges via emails and static websites. Complexity increased, making access difficult for all but top consultants. Content generation and updating become challenging.

DVAG's within the organization Intranet originally matched expectations, but was unable to keep up with changing demands due to outdated technology. System fragmentation, restricted content access, and old-fashioned Website alignment were among the challenges. The process of exacerbating issues, making improvements costlier.

Reorganizing the strategy and updating technology were required answers. The new intranet project's main goals were to provide a dependable and straightforward to use platform for newly hired staff members, provide customized internal communication, ensure immediate access to company knowledge, involve experts with senior leaders, provide stated statistics, establish numerous feedback channels, and incorporate external systems and information in one place.

Moreover, exhaustion and spontaneous staff turnover, as stressed-out consultants seek an improvement in their work-life balance. This has been linked According to Consultancy.uk research, around 77%. On average, questioned consultants work 9.3 hours per week, which is beyond what they receive payment for (consultants are rarely paid overtime).



Fig 3.1 Research survey

**Source:* Designed by the author based on company data

Nevertheless, there are significant variances between consulting company divisions and levels, as well as men and women. Young analysts work more overtime on average than consultants, although this number increases as they advance in rank. Women work much less overtime than males, frequently by one hour per week, but for senior management and director jobs, the disparity is more than two and four hours, accordingly. Male consultants in senior roles work the longest hours, averaging 9.9 and 12.4 hours, respectively, with the final figure equal to the average overtime of consulting partners.

In the post-pandemic era, a more global hybrid workforce, and a desire for improved work-life balance, consulting businesses that wish to retain talent should address excessive working hours.

High financial compensation and additional advantages can inspire consultants to some extent, but they have a limit. For example, when consultants find they don't have time to spend their substantial bonuses, their shine fades. When employee satisfaction diminishes, voluntary turnover might occur.

Employee turnover is projected to cost up to 150% of a staff member's compensation, particularly for technical and senior workers. Then there's the

interruption to project execution to consider, as well as the danger that clients will leave your business when their favorite consultant does. Given the harmful effects of work-life conflict, consulting companies should prioritize addressing work-life difficulties and excessive hours following the global crisis. [2]

Another problem that company is facing is compliance risks with a regulations for financial services, which is change all the time, so, firm must continually adapt their offerings to meet changing requirements. The newest challenges is the adoption of open banking. This work follows the release of the EU Directive PSD2 (Payment Services Directive). PSD2 requires banks to allow third-party service providers (TPPs, such as fintech companies) access to information on their clients accounts, that is shown on fig. 2.8.

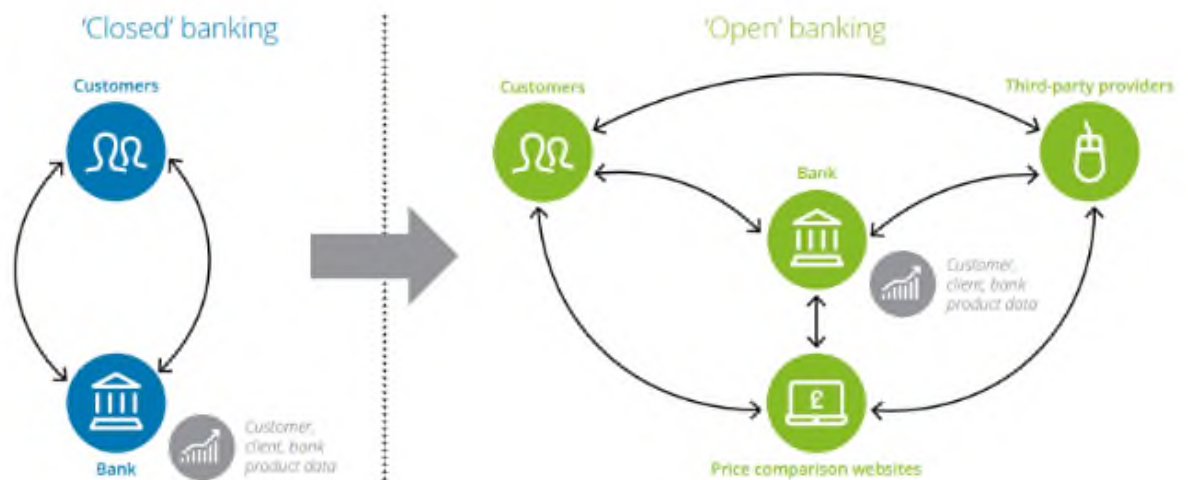


Fig 3.2 Open banking graph process

**Source:* Designed by the author based on company data

The introduction of emerging innovations with promise in the financial sector is frequently accompanied by legal challenges. This is the situation with cryptocurrencies, for example: they are not recognized as legal currencies in the majority of nations, accordingly trading them is highly risky because it is not controlled by law.

A final issue in DVAG is a big data which means large collections of varied data that are challenging to process and analyze owing to their amount and structure.

Artificial intelligence (AI) is a discipline whose purpose is to construct artificial intelligence (imitating a human and eventually becoming even more flawless) in computers. Big data and AI essentially compliment one another. Access to inconceivable amounts of data enables you to successfully train models and conduct extensive assessments.

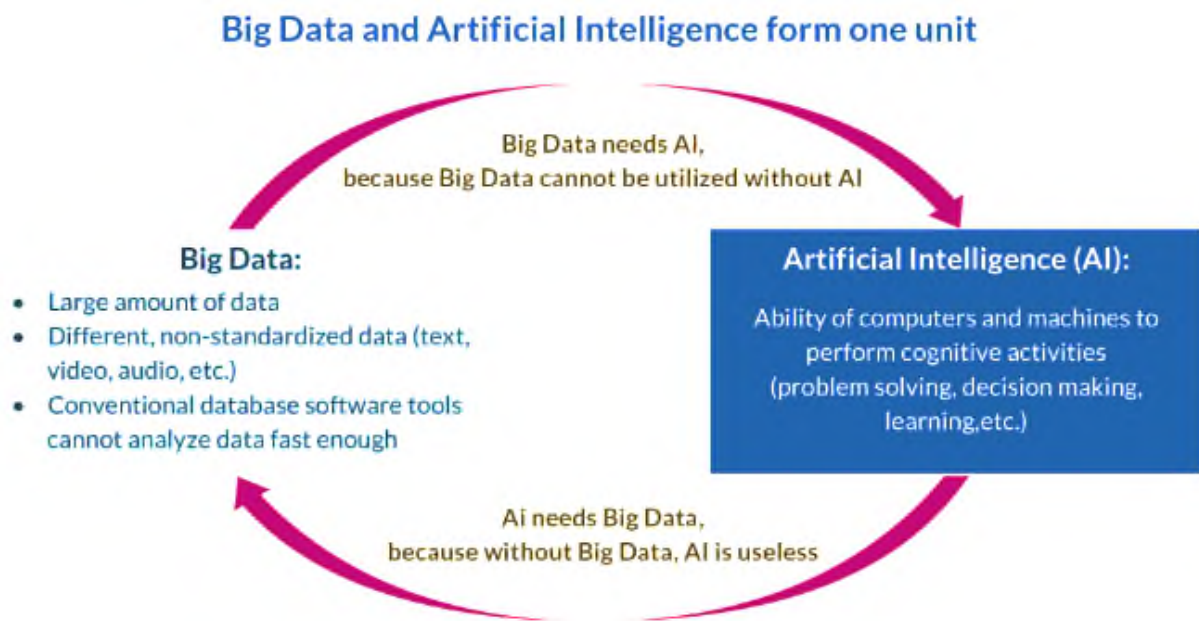


Fig. 3.3 Stylized relationship between Big Data and artificial intelligence (AI)

*Source: Designed by the author based on company data

However, deploying these two technologies is not so simple. It entails updating the company's infrastructure and introducing new tools. You should additionally keep in mind that a firm that uses new technology need professionals in those sectors, which may necessitate expanding the IT department or outsourcing services. It is also required to develop new procedures, particularly those aimed at assuring the high quality of data utilized in analytics and automation.

3.2 Improvement of the system of Financial Consultancy in the "Deutsche Vermögensberatung"

Deutsche Vermögensberatung AG, Germany's the biggest advisory firm,

collaborated with Workai to transform internal communications in a distributed environment by creating a modern, interesting, and multichannel web page with immediate use of personalized information and sales knowledge for over 18,000 financial consultants.

Faced with tight deadlines, limited money, and a need for quick results, the team selected agility and the Workai technology over starting again. This decision was easy to make because the product properly met the needs of the company. As the project progressed, stakeholders, departments, and the board were satisfied with the early outcomes. Building on this foundation, the intranet team focused on a larger challenge: moving the existing intranet to the shared platform. They established objectives, collaborated with stakeholders and users, devised a strategy, and began transferring material utilizing Workai's current features.

Eric Schmidt, Marketing Director at DVAG said “Implementing the new Intranet has revolutionized our whole sales communication. Our new internal platform now provides a holistic Digital Employee Experience for all of our consultants. Workai CMS shortens the time spent on content and knowledge management, allowing us to focus on executing our internal campaigns and strategies rather than struggling with technology or asking external agencies to prepare needed content for us”

Moreover, company is facing a compliance risks with a regulations for financial services and in order to resolve, it must develop an adequate plan that allows you to efficiently cope with regulatory changes and should employ adaptable solutions that may be simply and swiftly updated in the case of regulatory changes. When developing a plan, it is also beneficial to employ RegTech (Regulation Technology) technologies that automate the organization's adjustment to current rules. Furthermore, selecting the most flexible business model is worthwhile since it allows for fast adjustments to the operation of a financial organization in response to market fluctuations. [15]

This model should include the use of cutting-edge technologies such as the cloud (which increases mobility and improves communication within the company's environment), artificial intelligence (which allows you to make data-driven decisions rather than intuition-based ones), and the ability to use different kinds of outsourcing.

Remember to keep the code for your digital financial products (apps, systems, and websites) basic and clear. This allows for straightforward and rapid modifications when needed, as well as collaboration with third-party professionals and teams.

Besides, to incorporate cutting-edge technology like artificial intelligence, the entire firm must often undergo a digital transformation. This process requires the upgrading of software and infrastructure, as well as a shift in company culture. Digital transformation affects not only the IT department, but the entire enterprise. It will enable you to improve the efficiency of all departments and teams inside your firm. It is normally a significant investment, and the entire process takes time, but its adoption allows the organization to become more innovative and adaptable.

Over the past 2 years, firms have progressively implemented rules that allow consultants to take some time off from work to rest and recharge. The concept that increased job happiness and a fulfilling life outside of the office contribute to higher productivity appears to have been adopted by a large number of HR agencies and consultancy partners.

Part-time job is a very widespread measure used by consultants to enhance their work-life balance. Consultancy.uk's survey found that 29% of consultants work fewer than 40 hours per week, with 43% being women. The majority of advisers work about 36 and 40 hours per week or 32 to 36 hours per week. The majority of junior consultants work full-time, with 87% of men and 73% of women having a 40-hour-per-week contract. At the Director / Principal level, the standard a full-time rates is 76%.

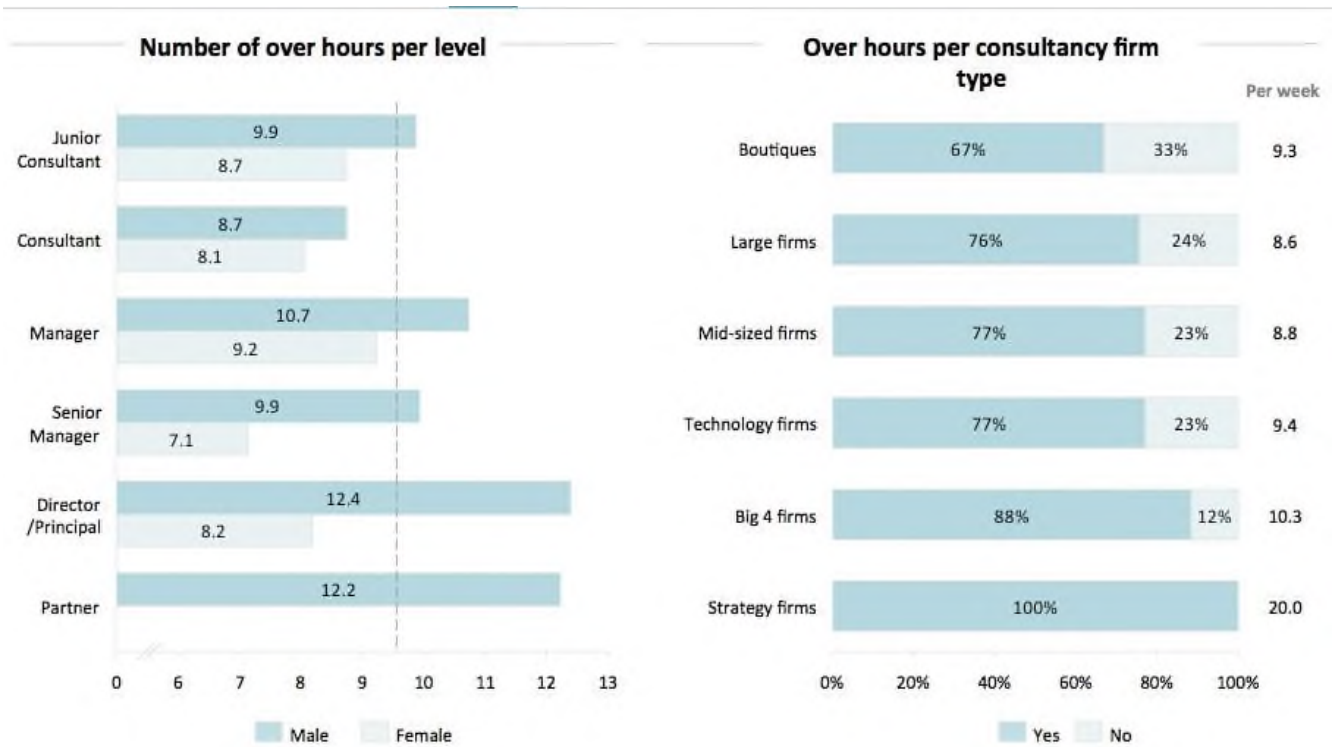


Fig 3.4 work life balance measure

*Source: Designed by the author based on company data

Another common strategy for improving work-life balance is to schedule days off between projects. This allows advisors to minimize their workload by concentrating on less (time-intensive) projects or having temporary vacation between two projects. Working on internal initiatives with shorter days is also a possibility. This leisure expansion comes to an end when the next large project arrives, requiring them to work their full business hours once more. In addition, a lengthy time of unpaid leave or a sabbatical is endorsed by an increasing number of consultants, but frequently after several years of hard work or due to substantial changes or obstacles in the consultants' personal life.

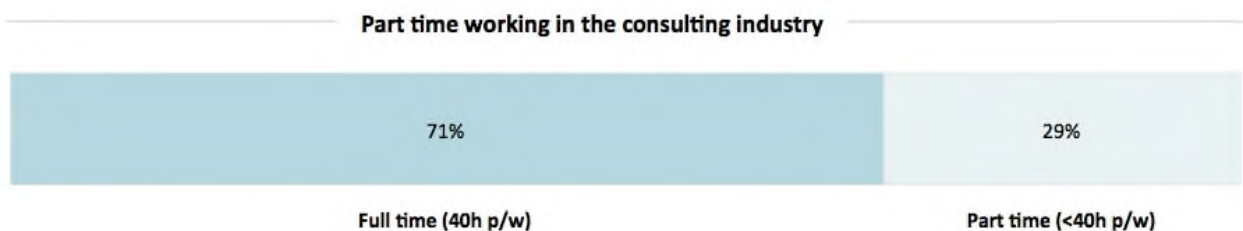


Fig 3.5 Research survey

*Source: Designed by the author based on company data

Another policy measure that may be implemented is the option to temporarily move back from the typical consultant client-facing or management position to a more defined supporting role, such as in HR, Training, and Organizational Strategy activities. There are additional methods emerging that provide structure to overtime, such as making overtime equitably distributed on specific days. In such cases, advisors collaborate with managers to create events such as a set day to exercise and fulfill family duties, or certain weekends that are fully free of work demands. On a more tactical level, balancing work and personal life is increasingly being included into talent management plans, allowing consultancies to plan for their consultants' future career objectives. So consultants may decide if they want to be extremely active for a certain amount of time (which might be difficult for work-life balance) or be allocated less hard assignments, or the opposite.

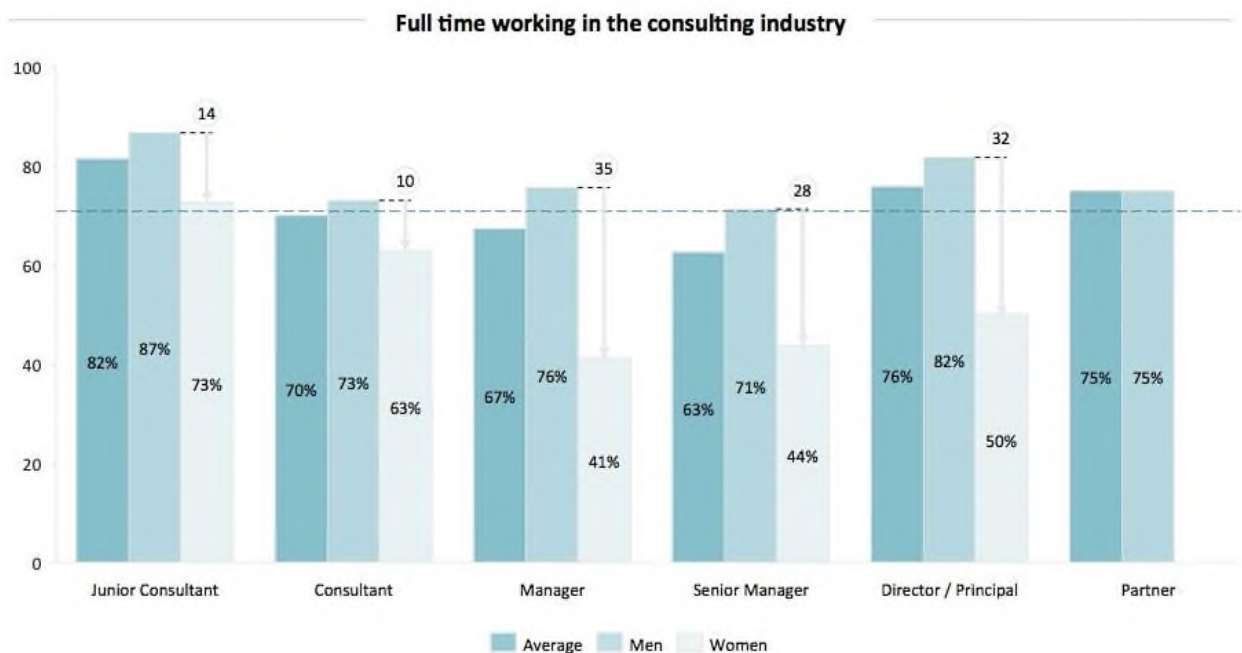


Fig 3.6 Research on full time working in the consulting industry

*Source: Designed by the author based on company data

Furthermore to all of the steps implemented, consulting companies are attempting to bring up the issue for debate, such as through coaching discussions. In addition, groups of consultants in similar situations can be brought together to discuss experiences and best practices for striking a work-life balance.

3.3 Forecast analysis of the effectiveness of the proposed improvements of "Deutsche Vermögensberatung" while implementing proposed measures.

Whether in the disciplines of technological advancement, technology, psychology, or the federal government's current gender equality report, several studies demonstrate how important female role models are for women, particularly in male-dominated professional sectors and industries. Deutsche Vermögensberatung is particularly devoted to this, as seen by initiatives like the "Women for the Future" convention. It is important to us to make the successful women in our ranks visible," says Robert Peil, member of the board at DVAG. "Especially for young financial advisors or career starters, it is incredibly motivating not only to hear that we value equal opportunities in the company, but also to see the results live on a stage." Honesty and openness are critical in the family company. Everyone has equal possibilities for promotion, training, and earning potential. This strikes the correct point in the employment market: Despite the fact that the financial business is mostly male, one-third of Deutsche Vermögensberatung's full-time financial trainers are women, more than in any other financial sales department.

From the other prospective, top graduate students seek an interesting job with promising career possibilities, but they also want to spend time with themselves and their families. This applies now to both men and women. After all, work-life balance has become an increasingly important consideration for people as well as companies.

Top graduates take on responsibilities early on, work on a wide range of customer projects, and gain knowledge across several industries. However, an outstanding income and solid advancement possibilities are linked to a high degree of dedication and readiness to travel. All of this makes the consulting industry particularly appealing to graduates. This year, DVAG hired up to 60 experienced consultants in Germany and Switzerland, in addition to about 140 university graduates. And the time they spend at the business is considerably longer than normal: a consultant spends an average of five years of his or her professional life working in a company, which is significantly longer than any of our competitors.

The competition for the best talent is rising, and young candidates' expectations are shifting. Graduates now have a 360-degree view of their future, rather than planning their careers and personal lives separately. A recent Bain research of 1,500 MBA students and graduates from the United States finds that work-life balance is equally important for both sexes. Young men nowadays desire to play a vital part in family life and accomplish their responsibility as fathers. 44 percent of men and 52 percent of women intend to take vacations from their professional careers. And this is no longer limited to raising a family, but increasingly includes having more time for personal interests or social contacts. On the opposite hand, 40 percent of female and 42 percent of male undergraduates believe that the challenges involved with the constant attempt to strike a balance between work and these other desires are the most significant impediment to reaching their professional goals.

At first glance, such expectations may appear incompatible with the requirements of international management consulting. Certainly, eight-hour days are unusual in such a hard work atmosphere. Stressful working days will occur, but this is true for any challenging employment in the worldwide arena, not only consulting. Nonetheless, company has taken up the challenge and is providing its consultants greater flexible working-time models, demonstrating that the aim of top management is not always attained solely through extended working hours. Staffing client projects is a question of smart planning, and anybody who wants to travel less because of family obligations may work from home. Other options include part-time models that are not tied to a single project but instead focus on internal duties. [13]

From day one, we give our new employees the freedom to set their own working hours, so they are not just a number on a 'factory floor'. Company objective is to cultivate significant leadership personality qualities in individuals who are not only great achievers in their professional capacity, but also demonstrably successful in other aspects of their lives. That is why, from the start, we encourage our new employees to shape their professional careers around their unique life models, which implies being able to balance a job with a good personal life.

So, the proposed improvements include:

- Personal and professional development by taking breaks
- Combining academic knowledge to community projects.
- Create their own models to follow.
- Commitment pays rewards

Each organization must be adaptable in order to provide its employees with a pleasant work-life balance. Personnel strategy must be examined and created, while specific solutions frequently need further organizational effort and in-depth consultation. Companies in the future will have no choice but to address this issue. They will need to devote energy, time, and money in establishing the correct strategies, as well as regard work-life balance as an investment in their most valuable asset: their workers. Ultimately, this benefits everyone. Bain's dedication to its consultants, both men and women, is paying off. Because ultimately, our clients benefit from our pleased and driven workforce.

Furthermore, In the future, successful governance of companies will be far more dependent on cultural, legal, and capital market-driven attitudes than it is now, and just complying with regulatory obligations will not enough. In the years to come, just following regulatory standards will not enough, businesses will demand strong compliance management. This transformation is being driven mostly by the company's stockholders and consumers. Society is quickly evolving, and sustainability has become more and more a top priority. This means that sustainability is becoming increasingly relevant in managerial decision-making. [1,8,6]

Using cutting-edge technology to efficiently and effectively gather and analyses vast amounts of internal and external data in order to detect relevant requirements as well as possible hazards and infractions (for example, rivals failing to comply).

Applying new technologies and ways to handle policies and legal requirements. Cutting-edge technology such as data management, data analytics, and artificial intelligence (AI) may assist DVAG in developing and communicating corporate rules, as well as encouraging your personnel to conform to them.

CONCLUSION

The bachelor's work aims to study theoretical aspect of Financial Insurance Consultancy its entity and theory, to guide the study of the theory on the basis of "Deutsche Vermögensberatung" and finding the opportunities for improvements of the company in terms of economic growth.

At the beginning of the work, specific tasks were identified. First Investigate the entity of financial insurance consultancy, research system of financial insurance consultancy and how it effect economy globally, analyze the movement and structure of the current regulations of financial insurance, then determine the organizational structure and performance of financial and economic activity of "Deutsche Vermögensberatung." Research activity of "Deutsche Vermögensberatung" through economic view. Another task was to set the compliance of the enterprise activities with financial insurance consultancy trends economic industry in Germany and worldwide. Moving on while analyzing several recommendations for improvements of the enterprise activity and finally predict the performance and efficiency of "Deutsche Vermögensberatung" as a result of realization of suggested measures.

Thus, while analyzing the results of the tasks assigned, we might state the following.

During the past several year, it indicates how adaptive company was, especially in circumstances of difficulty. Workers shown a remarkable level of dedication, particularly financial advisers, who gave and continue to give their customers with better help than ever before in areas such as financial security, career development, and financial strategy. The way the company has tackled the major issues of the previous few years sets it apart from many other firms in our sector and serves as the basis for our company's outstanding success in 2022. Following an amazing year in 2021, it broke the EUR 2 billion sales threshold for the second time in our company's history in 2022.

In particular, the company model demonstrated its inherent strength and sustainability prospects. No other business has been as successful in customizing the financial consulting approach and matching it to the demands of consumers. This proximity to clients is becoming increasingly vital as financial issues get more complex.

As an owned by families firm, they are uniquely positioned to solve challenges such as digitization, inclusion, equity, diversity, and long-term sustainability, all of which are currently impacting people's lives.

Furthermore, financial and insurance advisers are well-known for their competence in financial management and investment advice, they also play an important role in giving emotional assistance to their customers as well as life and health insurance may play a variety of functions in your wealth strategy, including as insuring your assets and protecting your loved ones in the case of your mortality or an unexpected sickness.

Insurance, as a component of the financial system, conducts six main processes: Resource pooling, capital transformation, efficient pricing, risk hedging, trade facilitation, commerce. So, functioning as an agent to deal with asymmetrical data difficulties in order to promote prosperity in the economy. All six insurance functions can be classified as intermediation, risk transfer, or protection. Because of the stability and compensation qualities of insurance contracts, insurance has a prominent position among other financial institutions. From the other side, industry of insurance not only aids in the growth of the financial industry (competitive pricing and effective deployment of resources), but it also indirectly fosters economic growth. [15]

Moreover, in the future, good corporate governance will be significantly more dependent on cultural, legal, and capital market-driven attitudes than it is now, and just complying with statutory responsibilities will not enough. In the future, just adhering to regulatory norms will be insufficient; organizations will require powerful compliance management. This shift is mostly driven by the company's investors and customers. Society is rapidly changing, and sustainability is increasingly important. This implies that sustainability is becoming more significant in management decision-making.

Using cutting-edge technology to efficiently and effectively collect and analyse massive volumes of internal and external data in order to identify applicable requirements as well as potential threats and violations (for example, competitors failing to comply). Implementing innovative technology and methods to address policy and legal obligations.

Cutting-edge technologies, such as data management, data analytics, and artificial

intelligence (AI), may help DVAG define and communicate business policies while also motivating employees to follow them.

We can look ahead to the future with confidence, knowing that our business strategy is future-ready. These years will definitely bring new challenges in the form of legislative changes, shifting markets, and specialized sector advancements, some of which are hard to forecast at this point. The team has the experience, training capability, and flexibility to weather the storm.

Future financial functions may need a reevaluation of present team positions. Managing people's performance and interactions including technology such as automation and artificial intelligence will also be important.

I feel that a fundamental restructuring of the financial structure is necessary to facilitate strong cooperation among teams. It prioritize capability generation throughout the company. Collaboration teams will be necessary as financial businesses become more adaptable, encouraging resources to flow between teams to create better value.

Today's insurers and forward-thinking businesses are reshaping the financial industry to reflect the new realities. Businesses must act quickly to be relevant, competitive, and profitable in a rapidly changing world. The future will be driven by knowledge and technology. This path will help financial operations stay relevant and responsive to front-office needs. Economics may become a valuable business partner, driving profitable growth for your a company. As technology evolves, teams should be reconfigured to suit changing needs and difficulties. Core skills such as finance and analytics will remain. Future financial professionals will need a strong business knowledge, commercial knowledgeable, and communication skills to drive change.

However, in my opinion, the most important factor for success is professional community's excellent team spirit and mutual trust. I am certain that company's position of strength will allow us to secure our position as Germany's leading independent financial advisory firm in 2024. After all, it's difficult to imagine the idea of high-quality, proficient financial advice today without considering Deutsche Vermögensberatung.

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