

# PROpulsion CPD

## The Foundations of Effective Advice Engagement - Part 2

FPA Research on Client Communication

asset  map



## Blind spot of the profession

- Reduces your income by 30%

and

- Negatively impacts how at least half of your best clients view your value

## Study by FPA and Kansas University in 2022 vs 2006

Do planners and their clients have the **same view** on the outcomes of client meetings:

- communication ability on topics
- communication ability on tasks
- communication skills

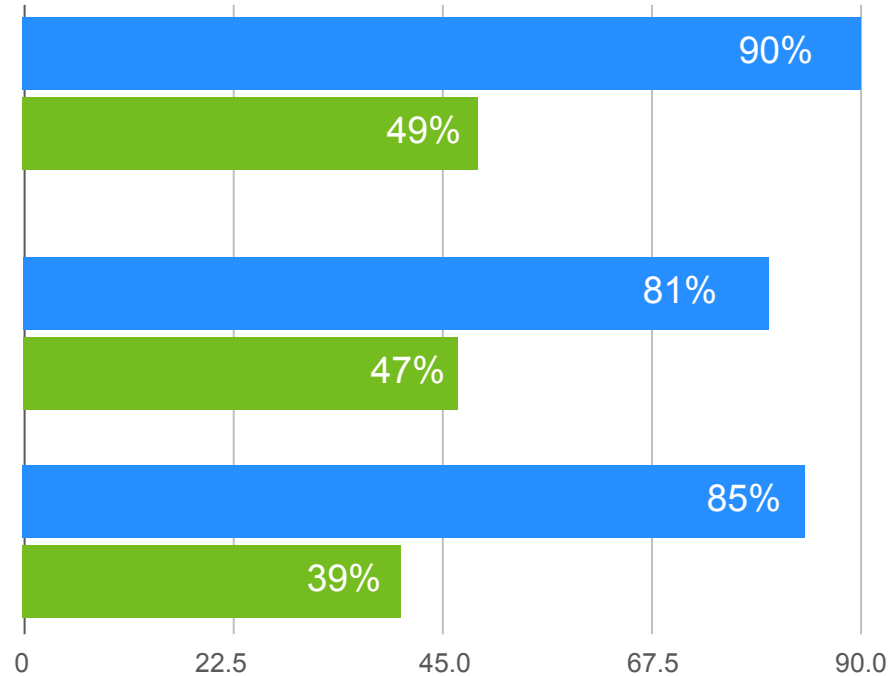
# FPA Study 2022

Percent who “somewhat agree” or “strongly agree”

Planner’s recommendations are based on client’s personal goals, needs and priorities

Planner communicates the importance of considering all aspects of life when creating a financial plan

Planner regularly contacts client to see what changes in life may affect the financial plan



# Symptoms



## Clients

- Are emotional, not rational / logical
- Value is relative
- Competition for attention span
- Clients don't take action

## Red flags

- “I trust my advisor, but I don't understand my plan”
- Clutter
- Complexity
- Jargon
- Missing information

Advice starts here.

## Comments after session 1

---

- “I could do better, but compliance is a big challenge”
- “I do care; why don’t my clients experience that?”
- “I maintain a ‘life file’; why don’t my clients feel organised?”

**So what is the cause?**

Advice starts here.

## Today's focus



### **Getting to the essence of the challenge**

Defining Advice Engagement

Principles to move forward

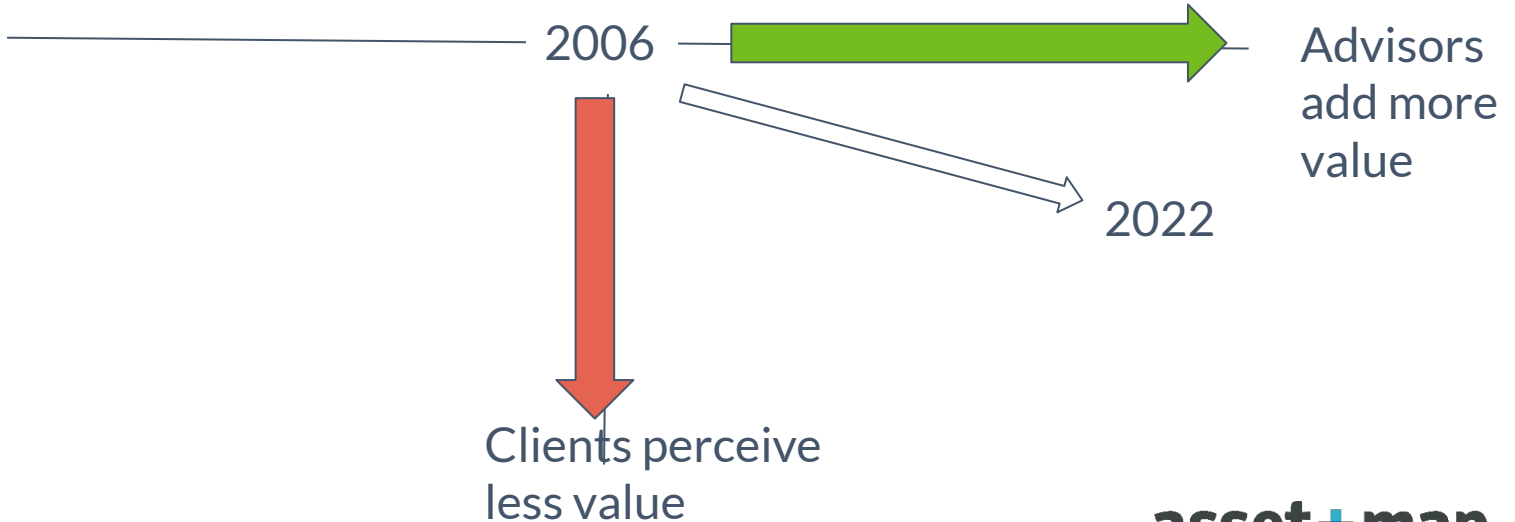
Advice starts here.

## 2006 vs 2022



Clients perceive  
more value

Advisors  
add less  
value





# The Profession is adding materially more value

## Professionalised

- FAIS and CoFI
  - Conflict of Interest
  - Standards
  - CPD
- Ombud offices
- FPI and FIA
  - FPotY
- Teams and roles
- Switch to fees

## Enhanced our practices

- More holistic planning
- Cash flow modelling
- Investment strategies
- Coaching approach
- Practice management discipline
- Institutionalise practice
- MIS

## Access to global best practice

- Providers and systems
- Research
  - Longevity, Gamma, etc
- Sharing of information
  - Networks, podcasts

## But, clients perceive less value added

---

### Environment is changing

- CX progress in other industries
- Social media explosion
- Financial wellbeing is achievable
- Higher expectations

### State of Financial Planning

- Complex
- Detailed
- Overwhelming for clients
- High cost to deliver (advice gap)
- More upfront service and then 'maintenance mode' / reactive

Advice starts here.

Looking ahead...



Clients perceive more value

202\_?



Translating your value

Advisors add less value

2006

Advisors add more value

2022

It's about bringing clients along

Clients perceive less value

Advice starts here.

## Today's focus



Getting to the essence of the challenge

### **Defining Advice Engagement**

Principles to move forward

# Advice Engagement: “Participation over Presentation”



The collaborative process of advisors and clients planning together, enabling clients to make informed decisions to improve their financial situation, illuminating the value of your advice.

## Why is Advice Engagement so Important?



Directly builds **Client Trust and Commitment**

Directly **impacts your bottom line**

- Client retention, satisfaction, cooperation and openness
- Ambassadors and Referrals

Advice starts here.

## Today's focus



Getting to the essence of the challenge

Defining Advice Engagement

**Principles to move forward**

## Principles of Advice Engagement

- **Engages a client**
  - “Leaning into the conversation”
- **Brings them into the conversation**
  - Experience empathy
- **Empowers clients**
  - Through education and literacy
- **Across a broad range of conversations**
  - Meet them where they’re at
- **Deepens conversation over time**
  - Shining
- **Highly personalised**
  - Speaks to their values

**ALL OF THESE, IN EVERY CONVERSATION**

**WHAT IS HOLDING US BACK?**

**Need a scalable and repeatable process to deliver this consistently**



Visualize the Possibilities

**Call to action**



It is possible...

Because we don't have to reinvent the wheel, but...

**“Reimagine how you deliver financial planning”**