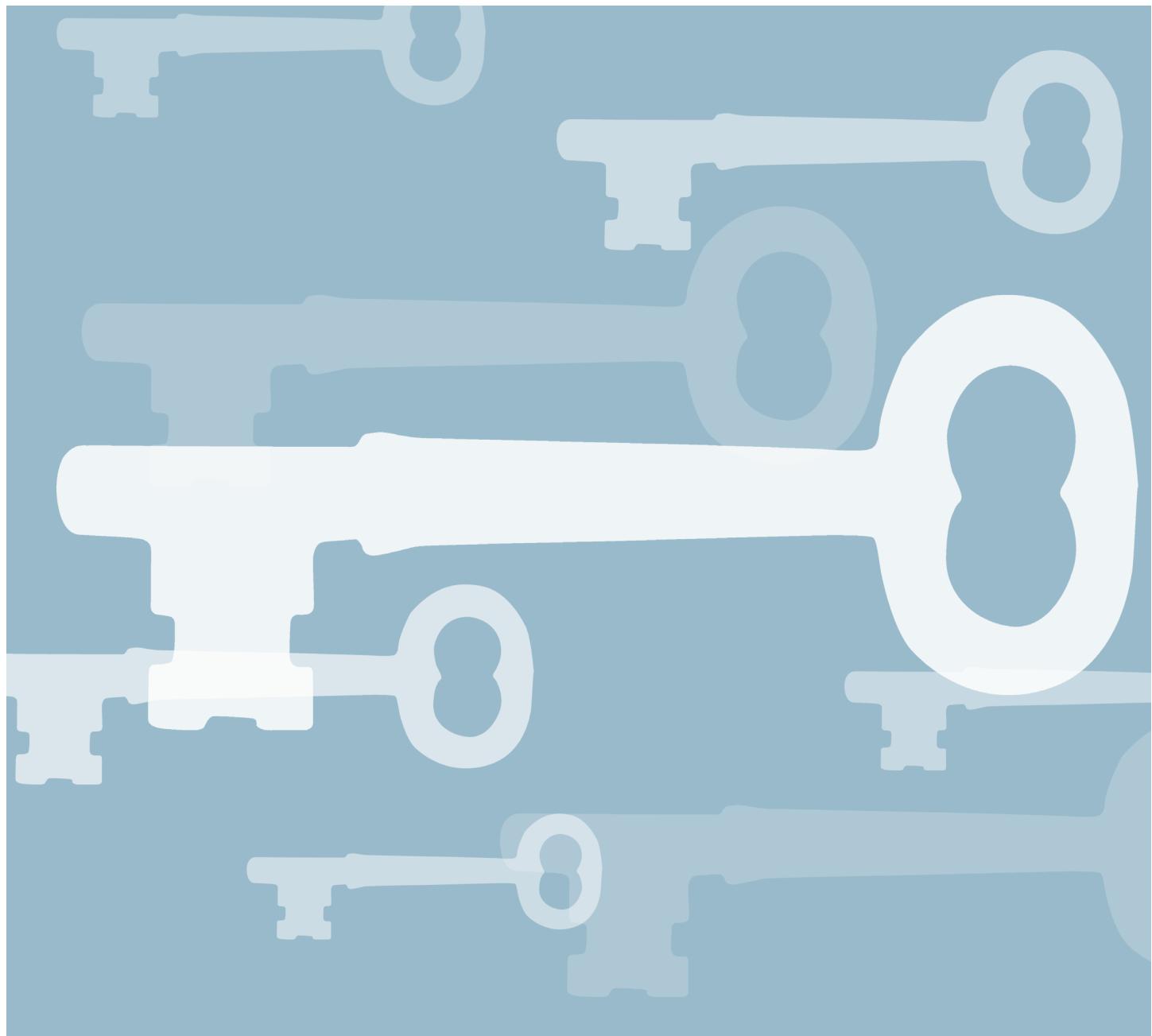


PRACTICE MANAGEMENT



# Purpose-Based Planning™ Evolution of the Client Engagement

A how-to guide for enhancing your practice through meaningful client engagements





# Evolve to a Deeper Engagement Model

In recent years, the definition of financial planning has become broader across the industry with the rise of the wealth management service model. In fact, you may already position yourself as the hub of a comprehensive financial planning experience and address many different components of your clients' total financial picture. However, in order to take financial planning capabilities to the next level, advisors can move the conversation from financial planning to financial life planning.

This approach is not just about advisors helping clients meet their long-term financial goals. Instead, it's about advisors seeking to align their clients' life goals with investment solutions that empower them to invest with purpose. These advisors make recommendations based on meaningful conversations with clients.

## BENEFIT FROM ENHANCED CLIENT ENGAGEMENT

Research shows engaged clients are consistently more satisfied with advisors connecting in a more meaningful way to better understand their values, needs and priorities. They are far more likely to sustain a long-term commitment to their advisors, as well as increase their assets with them, if they sense a strong connection and personal touch. Taking the time to listen and find out what your clients really want in life, and then helping them to establish purposeful goals, will build stronger relationships and reap greater rewards. In fact, 68% of engaged clients say their advisor understands their personal goals and dreams, compared to only 52% of content clients.\*

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\*According to the 2014 Rules of Engagement study on financial advisors' needs and expectations, conducted by Advisor Impact and sponsored by AssetMark, Inc.

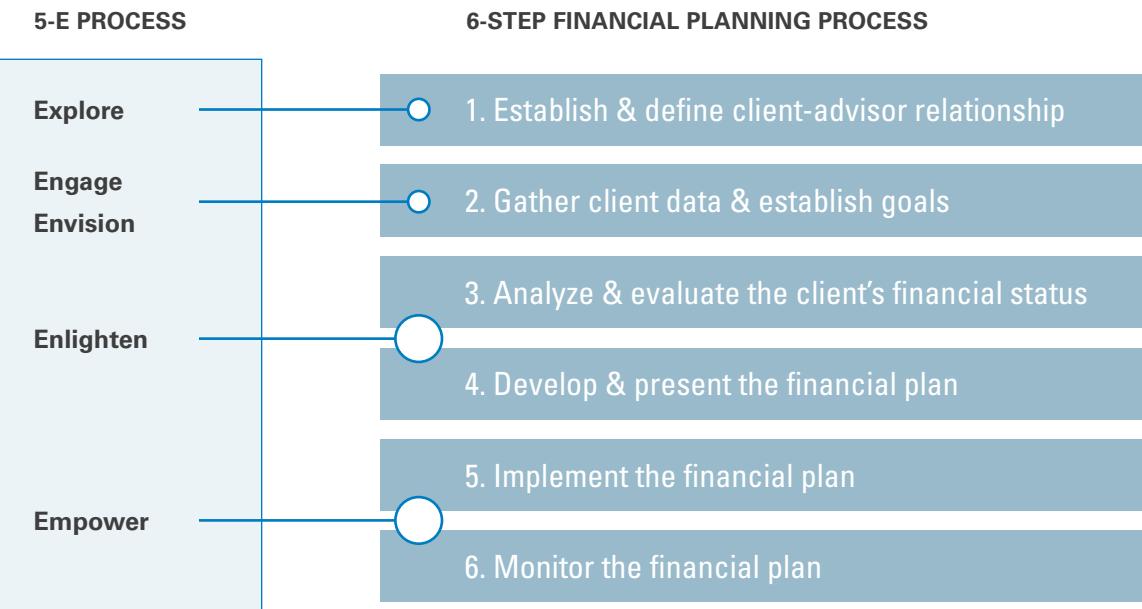
# Explore, Engage, Enlighten, Envision and Empower

## ENGAGE CLIENTS IN THE PURPOSE-BASED PLANNING PROCESS

Shifting the advisor-client dialogue from asset management alone, to financial life management, is an important objective of the financial life planning process. Clients will feel more motivated to make improvements in their financial lives when they view their financial resources as a means to express what is most important to them.

In 2014, AssetMark partnered with Money Quotient®, a non-profit organization focused on financial life planning education and research, to offer the **AssetMark Purpose-Based Planning™** program. This is a comprehensive approach to developing successful client relationships, powered by Money Quotient's 5-E Financial Life Planning Process. This approach provides a specific methodology for gathering valuable qualitative data and conducting meaningful client conversations. In addition, it's designed to enhance and facilitate the well-established 6-Step Financial Planning Process.

## ENHANCE YOUR FINANCIAL PLANNING PROCESS



## **EXPLORE – GATHER DATA TO ASSESS THE SCOPE**

At the initial data gathering stage for all clients, your main objective is to gather enough qualitative and quantitative information to:

- 1.** Understand the client's or prospect's main issues and concerns
- 2.** Estimate the scope of the engagement
- 3.** Verify that the relationship will be a good fit for both parties

## **ENGAGE – MOVE FORWARD WITH A WORKING RELATIONSHIP**

The main objective here is for you to confirm the client's true values and priorities. It involves further qualitative and quantitative information gathering that fully engages the client's personal history. You should seek to understand where the client is now in several areas of life and the related drivers that motivate their behavior. This insight will help you understand the client's unique perspective on many issues and how best to communicate. For the client, this discovery process increases self-awareness, develops a sense of connection to you and builds enthusiasm for the financial planning process.

## **ENVISION – CREATE A VISION AND PLAN**

The objective of this stage is to assist the client in creating a vision for the future that is compelling, fulfilling and inspiring. This is the time to mutually define personal and financial goals. For you, the visualization and goal-setting process will establish clear guidelines for creating a financial plan aligned with the client's values and priorities.

## **ENLIGHTEN – EXPLAIN HOW THE FINANCIAL SOLUTIONS SUPPORT THE VISION**

In this stage, you will verify what the client has communicated and demonstrate a commitment to placing the client's interests first. When presenting the financial plan, you can explain how the financial solutions proposed support the life vision and goals the client has created.

## **EMPOWER – MOTIVATE CLIENTS TO IMPLEMENT YOUR RECOMMENDATIONS**

Armed with new insight and knowledge, the client is empowered to take action. Because of the direct link between the financial plan delivered and the client's unique perspective on quality of life, the client will be more motivated to implement your recommendations. You will continue to act as a guide in this stage, monitoring progress and helping to maintain focus on the client's personal and financial goals. Since unanticipated events occur and priorities shift over time, it is important for the client and the advisor to regularly review the financial life plan.

**“Planning with a client is a very dynamic process; today’s client situation could be very different three years from now.”** ▲

**Todd Woodard**  
Mosaic Wealth Management

# Prepare Yourself for a More Personalized Interaction

Financial life planning can be a highly rewarding process, enhancing the personal and financial fulfillment for you and your clients. While the **AssetMark Purpose-Based Planning™** program provides effective client tools and training, the transition to implementing a client service model will require a shift in how you approach financial life planning with clients.

Here are tips to keep in mind when assessing life goals with clients and determining how to link them to the investment strategies and solutions you recommend.

## ASK AND LISTEN

Ask clients about their life goals: what do they envision their money doing for them and their families, now and into the future? Ask them to describe their visions in detail. What do they really value being able to do? This exercise can make it easier for you to understand your clients' expectations by prioritizing their personal goals.

## LISTEN AND LET CLIENTS TALK

Current and prospective clients will likely not expect such personal questions from their advisor, as they may not have had such experiences in the past. Lay the questions out simply, but then invite them to talk and listen intently to their answers. Do not suggest solutions right away. Simply gather the information to understand each client's unique set of needs, concerns, hopes and expectations.

## DISCUSS THE BAD AS WELL AS THE GOOD

Some clients may struggle with debt, chronic illness or unexpected family challenges. Asking them to discuss these issues, based on what they find meaningful, may allow you to better understand the potential impact on long-term goals and adjust accordingly.

## KEEP IT SIMPLE

While you are a professional who discusses and analyzes financial matters every day, you need to remember that your clients may have little to no experience with financial planning. Be sure to have a well laid-out, but digestible, set of tools, templates and plans they will easily understand. Outline each potential plan's strategy and performance goals and how both can fulfill the purpose the client has imagined. Communicating all of this in a manner that relates the solutions back to the life goals your clients described will make them feel more engaged and help them more fully understand the value you bring to the process.

## ENCOURAGE ONGOING DIALOGUE

Encourage clients to share their thoughts and ask questions. Leave the door open for further inquiries to help clarify any misunderstandings.

**"You get to know your client with authenticity to have a true differentiator in your business." ▾**

**Joseph DiSalvo**  
Quest Capital Management





# Align Purpose-Based Process with Integrated Technology Solutions

## IMPLEMENT A COMPREHENSIVE, INTERACTIVE EXPERIENCE

Once you have adopted a formal process with clients, you'll need to supplement your dialogue with visual tools and simple worksheets to set goals that will resonate beyond your one-on-one engagements. Adding technology-driven tools will further tie clients' life goals to their investments throughout the planning cycle.

We've found that many advisors complement their planning discussions with a way to visualize plan implications. AssetMark's integrated financial planning solution, powered by Finance Logix, can help you show clients how their investments (with real-time adjustments) can directly affect their goals.

Adding technology-driven tools will further tie clients' life goals to their investments throughout the planning cycle. ▲

## ▲ HERE ARE A FEW INTERACTIVE TECHNOLOGY SOLUTIONS TO CONSIDER IMPLEMENTING:

- Real-time client portals, enabling clients to monitor their accounts and financial status
- Dashboards that track progress towards goals and find investment opportunities in line with personal values
- Educational applications that show clients how small financial changes can make a big difference to their overall financial well-being
- Interactive sliders that allow for real-time plan adjustments and forecasting
- Secure-access document vaults that store client documents in a single location for easier interaction



# Enrich Your Practice with Purpose-Based Planning

At AssetMark, we've found that many advisors are interested in implementing a purpose-based planning component to their practice since this framework can help better set expectations with clients, while greatly improving long-term relationships. If you're looking to truly differentiate your practice's offering, while bringing a meaningful financial life planning experience to your clients, purpose-based planning may be right for your business.

Learn more about how AssetMark can bring Purpose-Based Planning to your practice. Contact us at 800-664-5345. ▾

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