



# Plan to prosper

## The Institute of Financial Planning offers fast-track solutions for advisers wishing to become planners

**FINANCIAL PLANNING IS** the ability to apply the six-stage process and turn the dreams and aspirations of clients into reality, even if it means managing those dreams and expectations downwards. Financial planning becomes the value proposition that so many advisers struggle to articulate with clients and can and should be delivered in a profitable way to a range of potential clients.

As businesses build or alter their proposition, many talk about offering a service-driven, fee-based advice proposition. Many then understand this to be comprehensive financial planning unless they have somehow missed the point which unfortunately, many still do. The challenge is then to engage the team and to build, deliver and articulate the proposition. To provide a genuine financial planning service, firms will need to ask the following:

- Are the creation of strategies involved?
- Are all relevant aspects of the client's financial situation considered?
- Is the objective to meet specific life goals?

If the answer to the above is yes and the six-stage process is being followed, then it is more than likely that great value is being provided to the clients. If so, it should follow that income levels are also on the increase.

One of the big cultural changes that advisers must buy into is that by extending their service and taking on more people, the result is going to be an increase in productivity and profitability. A number of good financial planning businesses have recently demonstrated that building up the number of Certified Financial Planners (CFP) professionals in their business has

led to an increase in productivity of 25%-30%. Many leading firms in the UK are now appreciating the benefit of this development of individuals within their teams and the programme will shortly be rolled out to a number of other interested parties. Opposite are some of the comments that have been received in relation to the outcomes from having put good advisers through the CFP programme.

Many of those who are reaching the level of CFP professional are only starting to explore financial planning techniques. The skills and development around life planning are quite compelling. They also provide a huge value-added to the client proposition.

Being able to judge and work with genuine client needs and fears is a tremendous skill which leads to a meaningful plan and a tremendously strong relationship built on trust, empathy and the delivery of something relevant and unique to the client. Many good IFA firms are still not looking objectively at a client's complete situation. The opportunities are boundless.

A comprehensive planner is currently a mile away from what is generally regarded as a good RI with AFPC. Financial Plans should all give consideration to the following:

- Various cash flow statements;
- Net worth statement;
- Tax calculation;
- Income and Expenditure statement;
- Various assumptions;
- Goals/Objectives; and
- Recommendations;

The first in the list is probably the most important because this enables the planner



## ADVISERS' COMMENTS...

### **BARRY HORNER CFP, MANAGING DIRECTOR, PARADIGM NORTON**

"All our team are either working towards or have achieved CFP status as we see this mark as the only internationally recognised professional financial planning qualification. We offer a three-year articulated training contract to our financial planners, which culminates in them taking the CFP accreditation in year three. We have eight CFP professionals at the present time and have four working towards the qualification. The CFP mark is a measure of competence and is used internally to assess our planners' progress within the practice. We have certainly won work on the back of being one of the most highly qualified financial planning firms in the UK and new clients are comforted by the fact that we display our certificates and they know so many of us are CFP professionals"

### **PETER SPRUNG CFP, CHIEF EXECUTIVE, PARK ROW**

"Park Row now supports all its advisers within the Corporate & Private Clients division to be members of the IFP and work towards the CFP Licence. It is preferable that they have achieved this level within three years of them joining the company. The CFP Licence builds on the technical knowledge that the adviser has built up in that it is testing practical application and the ability to provide a comprehensive financial planning service where appropriate. This has meant that advisers have raised their game and are now regularly dealing with solicitors and accountants. In the last 12 months, we have seen productivity increase by 25% due to this focused approach to adviser development and our ability to structure our approach to clients. Park Row is now corporate members of STEP and authorised to give CPD by the Law Society. There is also a deal with Ashridge College to deliver pre-retirement seminars to managers and executives of FTSE 250 companies. This is a direct result of our overall attitude to adviser education and the CFP Licence in particular which puts our advisers in the top 1% in the UK"

### **ANN BRISTOW, FINANCIAL PLANNING DIRECTOR, GRANT THORNTON**

"As a fee-based adviser and with the advent of depolarisation last June, we recognised the quality of our training will be increasingly crucial to ensuring we add value to our clients. With the CFP qualification defining the industry standard, we are encouraging all our advisers to attain this level. Coupled with the investment in a new IT platform, our focus on technical training means that clients will have improved access to technical expertise across a diverse range of disciplines, including financial planning, tax and business advisory services. The CFP qualification provides our advisers with a sound foundation to review a client's financial affairs with an impartial and holistic approach. The broader benefits of improved training and internal investment in our people are coming through in feedback from clients and profitability of the firm's financial planning practice"

### **IAN SHIPWAY CFP, INVESTMENT DIRECTOR, THINC DESTINI**

"Looking around the world it is clear there are two successful financial services business models. One is based upon the efficient distribution of product and the other based upon the supply of professional financial planning services. In the UK the market has been distorted by the regulatory imposition of the polarisation regime and this having been dismantled, financial services businesses are reviewing their operations and gravitating towards one of these two models – a new form of polarisation that Thinc Destini was created to benefit from. Within the professional services side of the business we encourage our practitioners to study for the CFP accreditation in order to provide them with a sound technical and practical foundation. We do not think it will be long before astute clients are demanding evidence of professional competence before engaging an adviser. As the world's leading accreditation and having been developed over a number of years by the world's foremost practitioners, the CFP licence demonstrates the competence to practise financial planning at the highest standard. Those advisers who have qualified as CFP professionals have experienced a significant improvement in the quality of their business and the confidence to develop further."

to move from guessing at outcomes to be able to predict and measure outcomes which has to be one of the most valuable aspects for a client of a financial planner.

This is not the work of a normal adviser and it takes a deal of training and focus to

start applying technology and other tools to become a true Financial Planner. The CFP fast track and other focused courses and events within the Institute of Financial Planning should now be on the radar for all good advisers.