

# PROpulsion CPD

## The Foundations of Effective Advice Engagement - Part 4

FPA Research on Client Communication

asset  map

# Recap

What is the single biggest challenge facing the profession, why is it getting worse, and what do we do about it?

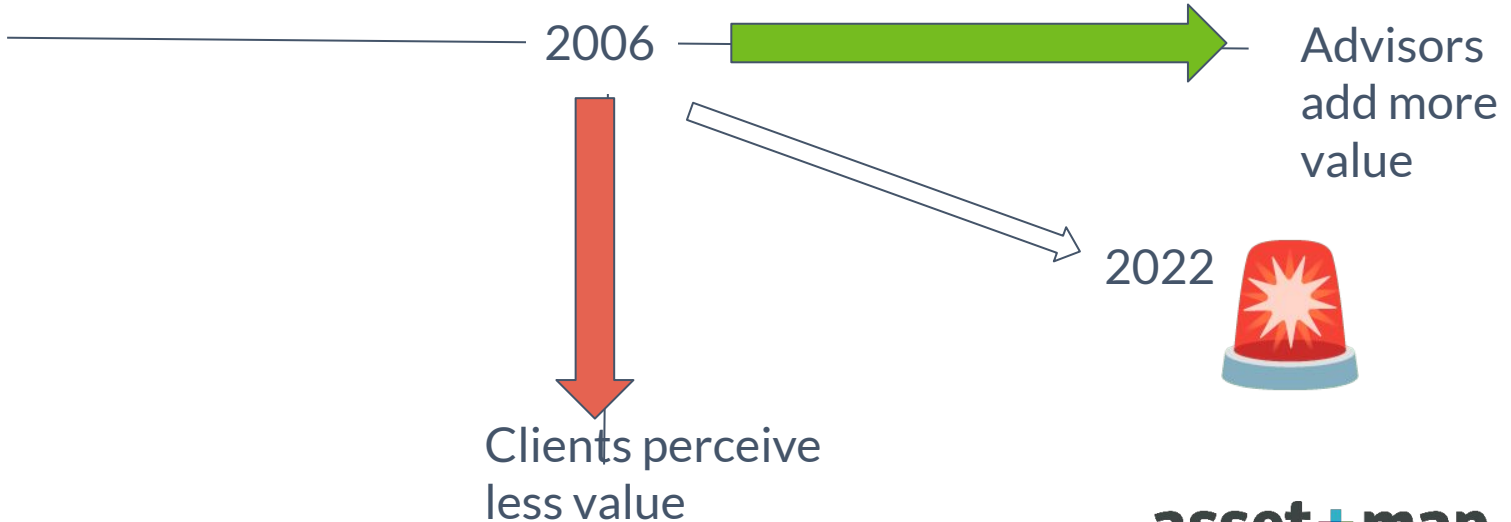
Advice starts here.

## 2006 vs 2022



Clients perceive more value

Advisors add less value



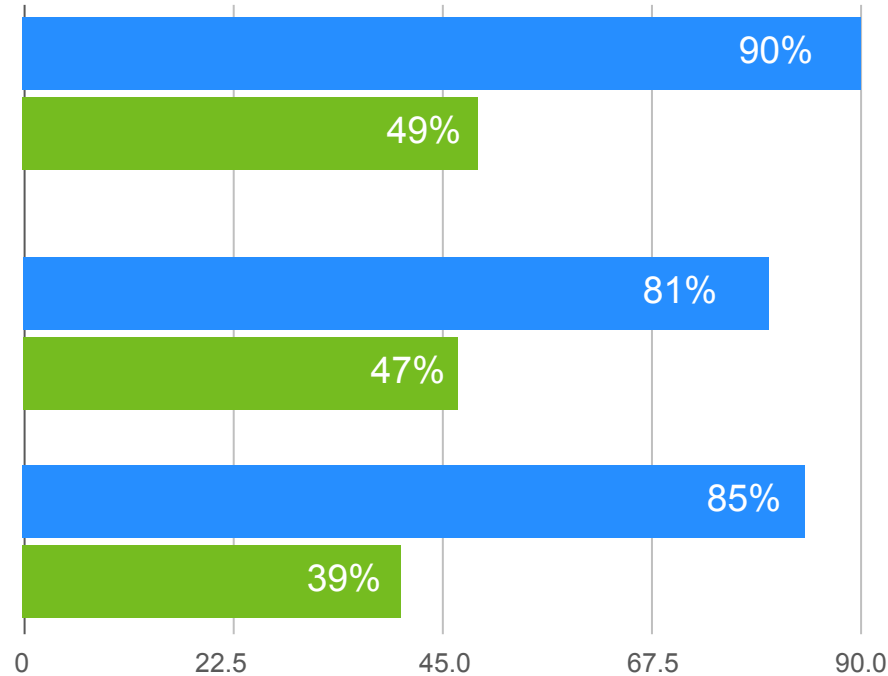
# FPA Study 2022

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

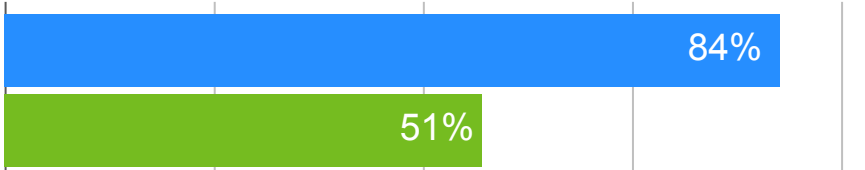
Planner regularly contacts client to see what changes in life may affect the financial plan



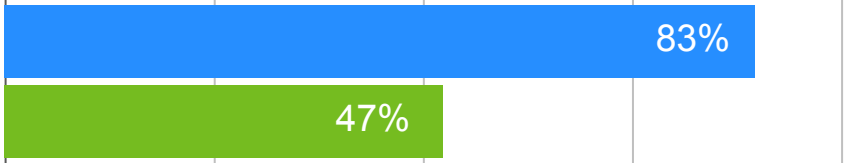
# FPA Study 2022

Percent who “somewhat agree” to “strongly agree”

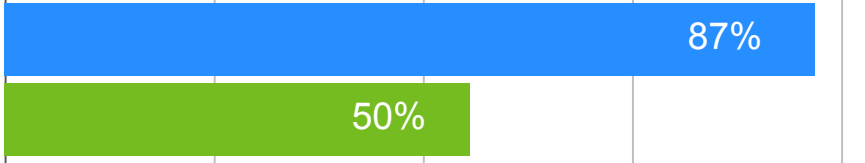
Planner communicates recommendations in terms client can understand



Planner gives client as much education as desired



Planner open to discussing what client values most in life



# FPA Study 2022

Percent who “somewhat agree” to “strongly agree”

Planner helps client identify meaningful personal and financial goals

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87%

49%

Planner works hard to ask questions that encourages client to be open

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87%

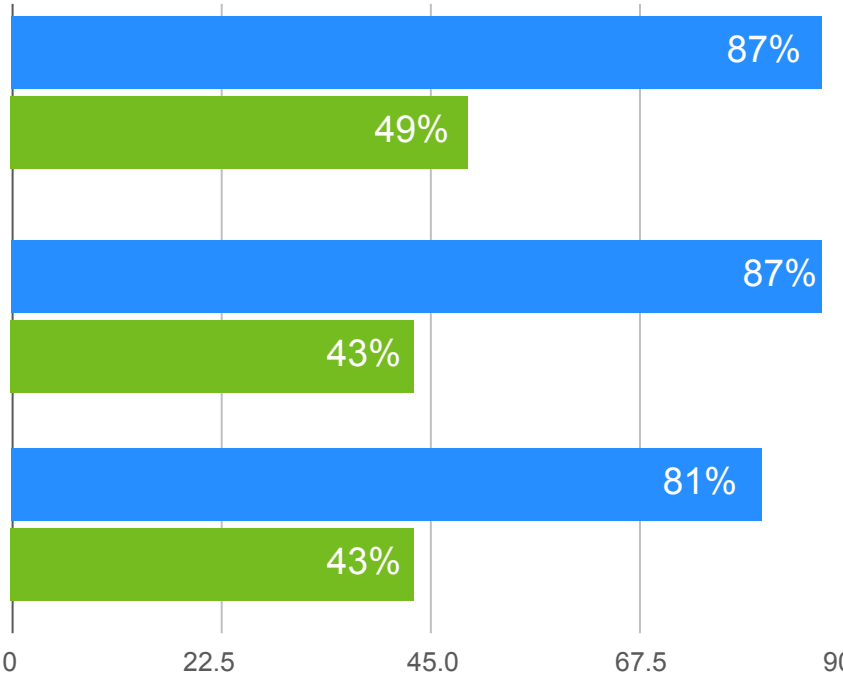
43%

Planner restates or paraphrases factual content of client conversations

81%

43%

0 22.5 45.0 67.5 90.0



# TL;DR

XLS




Scotia Wealth Management  
ScotiaMcLeod, a division of Scotia Capital Inc.

Regular Account  
#86000000

## Your Account Performance (CAD)

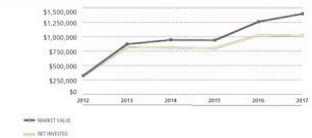
AS AT DEC 31, 2017

### Market Value Changes in Your Account

	SINCE JAN 1, 2017 (R)	SINCE JAN 1, 2013 (R)
Opening Market Value	1,261,495.72	327,779.59
Deposits	0.00	1,420,841.15
Withdrawals	(5,252.27)	(728,235.19)
+ Net Invested	(5,252.27)	692,605.95
+ Change in Value of Investments	139,363.98	375,221.89
<b>= Market Value on Dec 31, 2017</b>	<b>1,395,607.43</b>	<b>1,395,607.43</b>

The Market Value of your account indicates how your investments have performed, and takes into account the impact of deposits less withdrawals.

### Annual Changes in Your Account



Your account has changed by \$375,221.89 since Jan 1, 2013.

### Your Personal Rates of Return

Over the past 1 year	11.09 % per year
Over the past 3 years	7.09 % per year
Over the past 5 years	8.03 % per year
Since Jan 1, 2013	8.07 % per year

Personal rates of return reflect the realized and unrealized gains and losses in your account, as well as income earned on your investments while taking into account the timing of deposits and withdrawals, and are calculated after fees are deducted.

All dollar amounts are shown in Canadian \$ dollars, using the applicable daily exchange rates. The CAD/USD exchange rate on Dec. 29, 2017 was 1.3264.

FOR INFORMATION PURPOSES ONLY

## Your Investment Report

### Individuals related to your account

Type	Name
Beneficiary	

### Your contributions

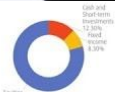
For 2017  
Contributions in the first 60 days  
Contributions for the remainder of the year

### Summary of your investments in Canada

#### Your Investor Profile

Investment Objective	Growth		
Time Horizon	10 yrs and more		
<b>Investment Category</b>	<b>Amount</b>	<b>Target %</b>	<b>Holding %</b>
Cash and Short-term Investments	125,512.48	0.00-40.00	12.30
Fixed Income	84,353.95	0.00-50.00	8.30
Equities	804,278.26	50.00-100.00	79.40
<b>Total</b>	<b>1,014,144.69</b>		<b>100.00</b>

The investments in your account have been chosen based on the investment objectives you selected on the Client Account Agreement. As your life circumstances change, it is important to talk to your Investment Advisor about updating these objectives as may be applicable.



### Your Canadian Dollar Investments

All amounts are reported in Canadian Dollars.

### Income you received

Type of Income	Current Month	Year To Date
Dividends	1,776.43	5,876.53
<b>Total</b>	<b>1,776.43</b>	<b>5,876.53</b>

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### DISC CAR

As a team - 4 groups

Goal... Create your own analogy to describe the four primary DISC styles using the parts of a vehicle and how they work in harmony for the vehicle to work well.

Discuss and prepare your presentation on the flipchart provided

10 minutes!

Vote on best analogy

Nominate a Spokesperson to present back to the group

Reflect... What was the key factor for you in this exercise?

4-Disc styles

- Dominant
- Influencer
- Steadiness
- Compliant

## This is NOT Advice Engagement



Client experience (parking, coffee, culture, service, etc)

Relationship building (golf days, weddings and funerals)

Doing financial planning (doing  $\neq$  delivering)

Reporting to clients / online portal

**We are not going to close the gap by getting the client to sign a disclaimer**



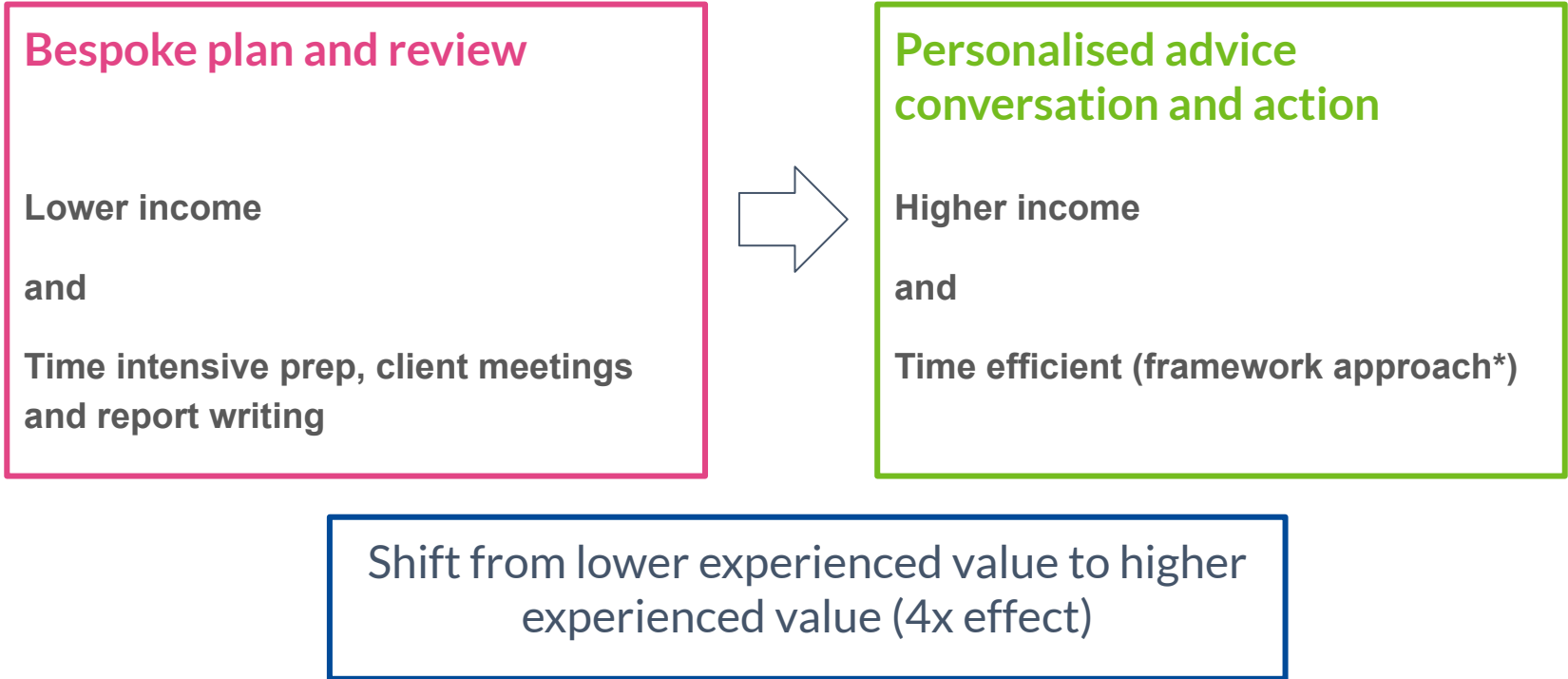
# Advice Engagement: “Participation over Presentation”



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.

Advice starts here.

## Significant scaling is possible on the advice side



Advice starts here.

## Shift from low to high experienced value

### From

- Reporting back on products

- Presenting planning

- Delivering detail

- “Once and done” (destination)

- Mixing advice and administration

= Reactive review

### To

- Understanding the client and their context

- Planning with the client

- “Two questions” at a glance

- “Progression” (journey)

- Separate advice and administration

= Pro-active and outcomes  
based


## Principles of Advice Engagement

- **Engages a client**
  - “Leaning into the conversation”
- **Brings them into the conversation**
  - Experience empathy
- **Focusses and Empowers the client**
  - Through education and literacy to take a step forward in every engagement
- **Across a broad range of conversations**
  - Meet them where they’re at
- **Deepens conversation over time**
  - Shining / go beneath the surface
- **Highly personalised**
  - Speaks to their values and context

**ALL OF THESE, IN  
EVERY CLIENT  
CONVERSATION**

Advice starts here.

# Today's focus



## Practical example

Visualize the Possibilities

**Call to action**



**“Reimagine financial planning”**