

A Practical Approach to Client Meetings

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Advanced
Personal Financial
Planning



ENGAGE 2018

In cooperation with:



Agenda

- **How to approach each area of planning**
- **Tips to create a systematized planning process by topic**
- **A planning methodology that works and that clients appreciate!**
- **How to become indispensable to your clients**

Philosophy

Standardize and systematize all of your client services.

- **A few of the benefits:**
- **A glide path for the delivery of services and**
- **The ability to provide a superior client experience**
- **Compliance steps can be automatically built in**
- **A team can work smoothly & efficiently together**

A Planning Methodology that Works

- **Segmented, Yet Integrated Planning**
 - Both you AND your client succeed
 - Easy to deliver
 - Helps you build a deep relationship with your client
 - Will set you apart

Planning Areas for Discussion Today

Data gathering

Investing

Retirement

Insurance

Estate Planning

Social Security

Medicare

Wrapping Up the Plan

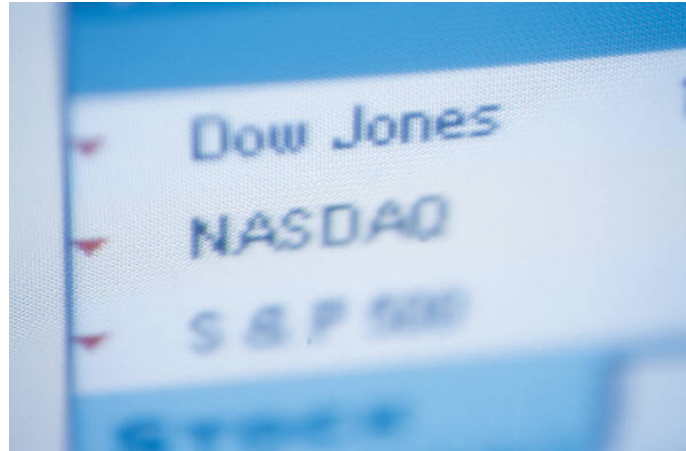
Data Gathering



Data Gathering

- **Finish engagement paperwork and collect fee first**
- **Create a checklist of documents needed with boxes client can check off (“included, working on, n/a”)**
- **Set document due date and first planning meeting**
- **Scan (or copy) any documents client brought to the prospective client meeting (if appropriate)**
- **Create a scanning procedure, standardized document-naming process and electronic storage place for all requested documents**

Investment Planning



Investment Planning

- **Conduct a high level portfolio review**
- **If you will manage the assets, begin the account transfer process**
- **Determine client's risk profile**
- **Conduct a more detailed portfolio review (or outsource the review)**

Investing Planning continued...

- **Provide investment education to the client**
- **Create an Investment Policy Statement (IPS)**
- **Provide investment recommendations**
 - In-house management
 - Outsource
- **Conduct due diligence on financial advisors, investment strategists, TAMPs (third party asset managers)**

Investing Planning continued...

- **Finalize portfolio construction**
- **Complete account transfers (if applicable)**
- **Set up a portfolio monitoring procedure**
- **Discuss investment performance quarterly with financial advisor/investment strategist**
- **Discuss investment performance of accounts with client once per year**

Investing Planning continued...

- **Provide client investment education (at least at a high level)**
 - **Economic cycles**
 - **Market emotions**
 - **Market cycles (Secular & Cyclical Bull & Bear)**
 - **Effect of Market Movement vs Modern Portfolio Theory on portfolio returns**
 - **Importance of Diversification**

Retirement Planning



Retirement Planning

- **Discuss assumptions with client**
(rates of return, inflation rate, income desired, life expectancy, pensions, inheritances, expenses, etc.)
- **Decide whether you will run a goals- or cash flow-based retirement analysis**
- **Discuss options if the plan “fails”** (work longer, live on less income, work part-time, etc.)
- **Run a scenario with a 25% (or more) portfolio decline early in retirement**

Retirement Planning continued

- **Monte Carlo Analysis**
- **Advisors can put too much emphasis on this analysis**
- **Explain to your client that this is only a tool and not a directive as to whether or not their plan will actually succeed or fail; It is merely one indicator**
- **Investigate the assumptions used in the Monte Carlo calculator you are using**

Retirement Planning continued...

- **Determine the most efficient way to take distributions**
- **Determine how and from where taxes will be paid**
- **Set up a monitoring system for systematic withdrawals from an account** (monitor holdings that are being tapped and cash level in account)
- **Monitor spending pattern with aggregated account software**

Retirement Planning continued...

- **Re-run retirement plan annually**
- **Take rising health care, travel & leisure costs and human capital into account**
- **Pre-determine with the client what actions will be taken if client doesn't follow their plan**
- **Discuss with your client the two serious Baby Boomer mistakes. They have:**
 - **Over-consumed**
 - **Under-saved**

Insurance Planning



Contingency (Insurance) Planning

- **Make sure you have the actual policies for the following lines of insurance:**
 - Auto
 - Homeowners
 - Umbrella
 - Individual Life
 - Individual Disability
 - Group – Health, Life, Disability, AD&D, Long Term Care, etc.
 - Specialty (ransom, forest fire, body parts, etc.)

Contingency (Insurance) Planning

- **Conduct an insurance analysis (or outsource)**
- **Analyze deductibles, items covered, exclusions, policy limits, legal language**
- **Provide recommendations after client discussion on:**
 - Coverage amounts
 - Features
 - Change in deductibles, limits, etc.

Contingency (Insurance) Planning

- **Provide client education on the purpose and features of each line of insurance**
- **Help client shop around**
- **Ensure that policies are not leaving any coverage gaps (especially liability)**
- **Form professional alliances with individuals that are experts in the various lines of insurance**

Contingency (Insurance) Planning

- **Make sure client follows through with all policy changes or new coverage purchases**
- **Keep a copy of all current insurance policies**
- **Periodically review all policies in case updates become necessary**
- **Keep tabs on insurance company ratings and presence in the business**

Estate Planning



Estate Planning

- **Form a professional alliance with an estate planning attorney**
- **If client already has a written estate plan, arrange to have the estate planning attorney to perform a review. Analyze:**
 - **Will / Trust**
 - **Power of Attorneys**
 - **Health Care Directives**
 - **Type of Trust (if applicable) (Revocable, Irrevocable, Dynasty?)**
 - **Estate Plan for Digital Assets**

Estate Planning continued

- **Check to see:**
 - **How real property and checking/savings accounts are titled?**
 - **How are investment accounts held?**
 - **Who are named beneficiaries on retirement accounts?**
 - **How is Safety Deposit Box titled?**
 - **Are there blended family issues?**
 - **Special Needs or potential spendthrift beneficiaries?**
 - **Dynasty Trust considerations? Corps or LLCs? Charitable Trusts?**

Estate Planning continued

- **Collaborate with the estate planning attorney to perform any necessary tax analysis**
- **Provide client education on estate planning and the benefits of having a plan**
(beneficiary designations, wills, revocable vs. irrevocable trusts, probate, etc.)
- **Present the estate planning attorney's estate plan analysis and recommendations**
- **Ensure client follows through with necessary changes or additions to their plan**

Social Security & Medicare Planning



Social Security & Medicare Planning

- Most advisors don't go into any depth in these areas of planning
- Clients can greatly benefit from advice in these areas
- Client education is important because most people don't know about the planning opportunities in each of these planning areas

Social Security

- **Timing of distributions can make tens of thousands of dollars difference to the level of benefits your clients receive**
- **Age of spouses, level of income, how long spouse will work, available pensions will all effect planning outcome**
- **Hot topic right now. You can use it to attract new clients, especially with new changes the Fed announced recently.**

Medicare

- **Your clients need to know the ins and outs of this system so they can choose the combination of benefits that best meets their needs (assistance with annual open enrollment is a value-added benefit)**
- **Again, client education is important here**
- **Frequency of benefit usage, amount of travel, medications, service delivery model need to be taken into consideration**

Initial Plan Completion



Pulling It All Together

- **Once all the action items have been assigned and completed, you will consolidate the plan and summarize what has been accomplished**
- **Present a full written financial plan in a nice binder at this point**
- **Celebrate your clients' successes**

Pulling It All Together continued...

- **Restate clients goals and objectives**
- **Demonstrate the progress that has been made up to this point**
- **Provide a copy of the work that has been prepared for each planning area**
- **Write a personal statement about your client and your experience working with them**

Pulling It All Together continued...

- **Have the client communicate about the planning experience**
- **Now that the foundational plan has been put in place, explain that this is not the end, but the beginning**
- **Have the client identify a planning area they want to work on this coming year**
- **You also choose an area or two to work on**

Pulling It All Together continued...

- **Provide the client with a gift to serve as a memorial to all the good planning work the client has completed**
- **Provide your client with three certificates for a friend or family member to receive a complimentary review**
- **Set the next appointment**

Become Indispensable to Your Clients

- **Oversee all areas of your clients' finances**
 - **Become a fiduciary for your client to look out for their best interests**
 - **Become that objective professional that your clients know they can trust and get the truth from**
 - **Become known in your community by other professionals as the one to go to for objective planning**
 - **Consider adopting a niche**
 - **Celebrate successes with your client so your impact stays top of mind**



Become A Member!

- **Complete Workflow System (customizable templates) with the supporting scripts, checklists, visual aids and more**
- **Modular video training on how to prepare for, deliver and follow up from each client meeting**
- **Resource Center with lots of practice management ideas**
- **New ideas from Deborah Fox each month via a live session**

We'll provide you with tools, templates and training to build a successful PFP practice, work more efficiently, increase your revenues, and deliver a higher level of client services.



Deborah Fox

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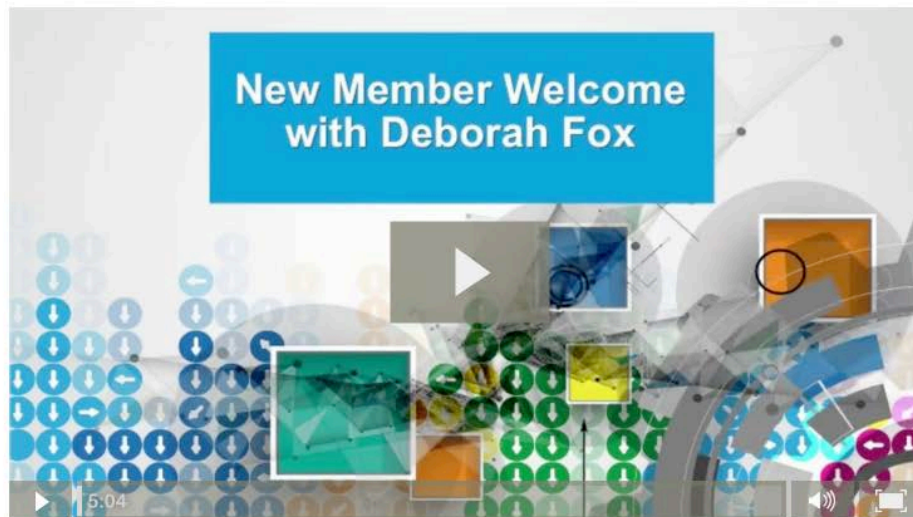
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DASHBOARD

Welcome to Fox Financial Planning Network

Resource Center Introduction. We recommend that you view in full screen mode by clicking the expand button in the player.



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