

Financial Planning Makes a Difference

Many of us have heard the phrase, "you can't get where you want to go without a plan". This is true of many things we do in life. It is especially true with regards to our financial life. This being the case, the unfortunate truth is that many advisors still choose not to make financial planning a part of their core offering.

One of the major reasons for this is a lack of belief in the impact a financial plan can have. The truth of the matter (see below) is that embracing financial planning as part of an overall client approach is good for your business and good for your clients.

The most recent empirical evidence to support these assertions comes from the 2002 release of the ScotiaMcLeod Client Survey.

The Share of Wallet Evidence

The client survey revealed the following:

- Our Share of Wallet currently stands at 62% (65% in 2000)
- Share of Wallet increases to 78% when a ScotiaMcLeod financial plan is produced
- Share of Wallet reduces to 44% when a plan is prepared by another professional

"Share of Wallet" (SOW) refers to how much of our client's money we currently manage. As an advisor you cannot ignore the fact that your SOW will increase to 78% when a financial plan is done for your clients. Just as importantly, SOW decreases substantially when a plan is done by someone else.

The "Don't Assume" Evidence

- Only 5% of those surveyed weren't interested in a financial plan
- 77% would like to deal with one advisor
- 24% of those without a plan are interested in having a plan prepared
- A further 25% would at least consider the idea
- 32% said they don't receive enough contact from their advisor



The message that we must take from these results is that our clients **WANT** us to talk to them about the benefits of preparing a financial plan. We can't assume that because a client doesn't raise the question (Do I need a financial plan?) that the questions shouldn't be asked.

Almost 50% of those surveyed who did not have a plan are either interested in having a plan or would consider the idea. When combined with the fact that the evidence shows that we're not contacting our clients enough, financial planning seems like the perfect solution. We can't afford to ignore our clients' requests for more contact.

What the Millionaire's Say

A separate survey (The Taddingstone Canadian Millionaire Survey) related specifically to clients who have at least \$1,000,000 in investable assets revealed that:

- 89% want some type of financial plan and
- 53% of those that had financial plans, had prepared them themselves
- 88% expect a retirement analysis to be part of the plan they receive.

These somewhat surprising results confirm that contrary to what many of us believe, financial planning can play an important role in the offering we bring to our wealthier clients.

We're Here to Help

Whether you want to get started with a financial planning offering or are well on your way but need some help, don't hesitate to call us (our numbers are on the left). We'll try to help in any way we can.

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