

Clients don't want an adviser - they want a planner

Tony Vidler | Strictly Business | 25 July 2014

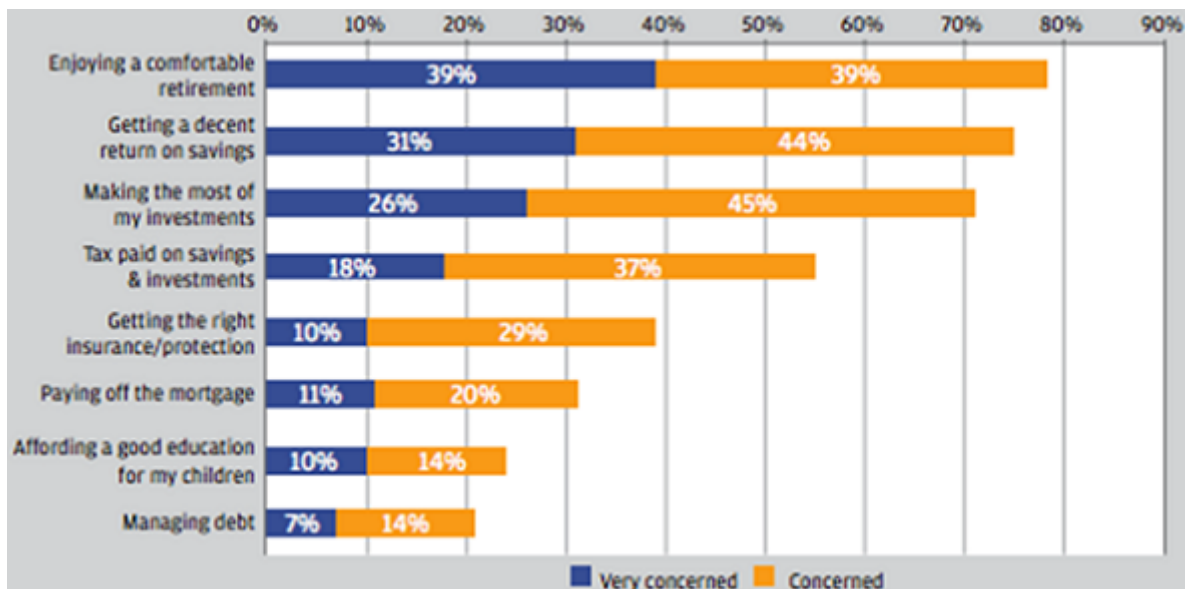
Many financial advisers will probably already be squirming with the title of this article, if not squealing in outrage. Yet, the message is clear – the optimal career path for the majority of professional financial advisers is to become a financial planner.

Why? It's simple. It's because that is what most prospective customers want.

I'm sure there will be many advisers who choose not to go down the financial planning path and will remain specialists in their chosen fields, such as lending, or risk management, or portfolio construction, and they can do so successfully. If they have a commercial model that supports their desire for specialisation and have the skills and expertise to specialise in a narrow area then there is an excellent career ahead.

But here's the thing – the majority of consumers have concerns around the financial planning process itself, not the execution of the plan.

Figure 1: 'Concerned' or 'Very Concerned' about financial planning issues



Source: JP Morgan "Winning Propositions: The Consumer Market post-RDR"

Some common themes emerge from research such as the above:

- Consumers care about their financial future;

- Consumers value advice that helps create certainty; and,
- Consumers care more about being sure they are on track for their life than they do about the specific short-term issues.

Of those surveyed, 78% care about being comfortable in the future, and 21% care about today's debt. These two statistics quoted alone tell us where the future is for advisers, because they tell us what consumers care about most.

And, interestingly, the research uncovered very little resistance to paying fees, or any other cost issues. This suggests strongly that people are generally happy to pay for advice if they are getting the type of advice they want/need. I suggest that they are not happy to pay for advice which is a display of the adviser's technical brilliance, but which doesn't provide the certainty and reassurance they're seeking.

So – consumers want financial advisers who are able to create plans and then help manage change. That requires a comprehensive knowledge base and strong technical expertise on the part of the planner, obviously. More importantly, though, it highlights the need for ongoing development of facilitation and client coaching skills, as they are critical in successfully identifying client requirements, then engaging in meaningful and relevant financial planning and, finally, helping clients to implement plans successfully.

Consumers want advisers who can help them plan ahead, and create some certainty. Financial planning is the future for most financial advisers.

[Read the full JP Morgan report](#)



Tony Vidler is an AFA and principal of [Strictly Business](#) which provides advice to the financial advice industry to help financial advisers become better practitioners and build more profitable businesses. Tony was the financial alert Person of the Year 2011.
