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# The Future of Financial Planning

Expanding the Market for Holistic Advice  
with New Planning Technologies

Over the last 20 years, financial planning has changed shape—trading in manual calculations and paper trails for financial planning software and interactive digital tools. But the evolution does not end here. Disruption and change within the financial industry will continue at the same pace over the next few decades, and those changes won't be localized to the tech stack. Instead, they'll expand the boundaries of the financial professional's role, force them into new territories, and encourage deeper levels of connection.

Today, we define a financial plan as a communication that demonstrates a holistic understanding of a client's finances, desired objectives, and assumptions to convey an analysis of future outcomes on one or more financial topics and may include possible recommendations. As client preferences and expectations evolve, they will seek relationships with professionals who can help them connect achieving financial goals to achieving satisfaction in other aspects of their lives as well.

Planners will be expected to consider the big picture and embrace a relationship-first, holistic approach to planning. In this eBook, we dig into what this means for both financial professionals and their clients and attempt to provide a framework for the transformation ahead.



# What's the Future of Financial Planning?



## Yesterday

Financial professionals were solicited primarily by wealthy clients. Much of their day was spent manually crunching numbers and executing repetitive tasks.



## Today

The client experience has moved front and center in planning relationships as financial professionals seek novel ways of engaging new and existing clients. Fee compression and the waning profitability of investment management have challenged firms to rethink the role of the financial professional.



## Tomorrow

New methods of advice delivery will democratize planning. The financial plan will be the lens through which all wealth management activities are examined and executed. Financial professionals will embrace the benefits of new technology to facilitate scalable holistic planning.

A financial professional's responsibilities are no longer as clearly defined as they once were. As wealth begins to change hands generationally, there will be a new set of expectations—new gray areas to demystify and new client expectations to exceed.

The most notable shift to be aware of is the departure from the conventional financial service model and the journey to holistic planning. Financial professionals will need to dedicate more time to building meaningful, human connections with each of their clients to elevate the financial planning experience. With time being a limited resource, they will need to build partnerships and implement solutions that allow them to expand and scale their operations.

**When the financial planning workflow is made more efficient by intelligent planning technology, maintaining focus on the human element of their relationships with clients will allow financial professionals to take advice into entirely new territory and deliver more value to clients than ever before.**



As with every change, the shift from traditional planning to holistic planning will introduce a new set of challenges—and new costs. Technology, staffing, and service needs will all rise as firms work to deliver the personalized, exceptional experiences that clients will expect.

This year, 56 percent of investors reported they are open to paying for financial guidance—a 5 percent increase from the previous year according to a recent report from Cerulli Associates.<sup>1</sup> As the demand for advice increases, and a new generation becomes approachable, there's a new market for financial professionals to serve. But they will have to be adept at securing new business quickly, as satisfaction remains consistently high among those receiving advice, with as little as one percent of investors citing dissatisfaction with their financial professional.<sup>1</sup>

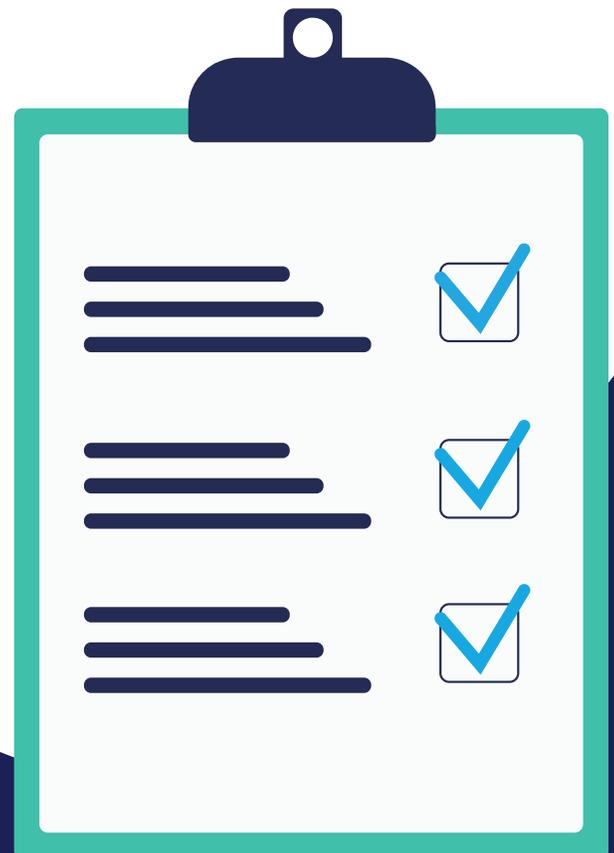
As firms move toward a fee-based, planning-oriented business model, differentiation becomes essential. Research suggests larger firms will have an advantage in this domain because they will have greater resources to allocate to digital marketing, while smaller firms may find more success in building niche offerings that enhance the value of advice.<sup>2</sup>

Regardless of the size of the firm, financial professionals need a new mindset. They should not be asking themselves how they can help clients build a formidable retirement cache; they should be asking, “How can I help clients view their life and financial goals in tandem to identify milestones and actions to create the quality of life they desire? What can I do to effectively delight them across their lifetime and how can I successfully scale this type of advice?”

At the intersection of all of these forces is this takeaway: **Financial professionals will need to juggle more relationships than ever before, while simultaneously taking those relationships deeper and investing more time on business development.**

**To succeed in this new humanistic, planning-led ecosystem, financial professionals must adopt a three-pronged approach:**

1. Channel big data as a key differentiator
2. Build integrated digital experiences that empower financial professionals to do more
3. Explore new channels to increase client engagement



# Data Becomes the Competitive Edge: Intelligent Platforms Drive Relationships

By channeling the power of intelligent planning technology, especially that which is driven by big data and artificial intelligence (AI), financial professionals can focus less on execution and more on the relationship-building strategy that informs the execution.

Although efficiency and scalability are the most immediate benefits of technologies like AI and big data, our research suggests these technologies are most valuable when used to inform relationship building. Future planning technology represents an opportunity to close the gap between financial professionals and the clients they serve through more transparent communications and more robust recommendations.

## Harnessing the Power of Platform Intelligence

The term automation is often thrown around without a proper explanation of real-world application. In the financial ecosystem, automation often takes the form of a software platform.

When we say, “platform intelligence,” we’re referring to powerful software that transitions the burdens of tasks, processes, and applications from the advisor to the technology. This makes it possible for all advisors, regardless of tenure or specialization, to provide deeply thorough planning, at speed and scale.

**“Technology promotes scalability in very specific ways. Things like gathering and analyzing data, and even making recommendations, have the potential to be automated and scaled with the right technology. The human aspects of advice, such as relationship building and implementing and monitoring plans, can never be replaced by technology, only augmented by it. In many ways, the future scalability of your firm lies in your team’s ability to use the planning technology and data you have to forge deeper relationships faster. Successful firms of tomorrow will be nimble planners and excellent relationship builders, able to take advice into totally new territories more efficiently than ever.”**

**- Gregory Furer, CFP®, CRPC®, CEO, Beratung Advisors Investment services offered through Waddell & Reed, Inc., a separate entity.**



For the financial professional, this could be anything from a talking point for their next client call to a recommended planning technique. The platform can then apply the added context derived from the resulting client conversations to draw more nuanced conclusions, becoming more specific in its recommendations over time.

Creating a symbiosis between financial professional, platform, and client is not only important for efficiency, but also for educating and validating recommendations, as the rationale behind these recommendations will be readily accessible.

Having the logic of these recommendations on hand expedites the learning curve for young financial professionals and adds a layer of credibility for seasoned veterans who may still have doubts about the use of automation platforms.

There's also a compliance layer to understanding the "why" behind automated financial guidance. According to technology regulations, like those outlined in CFP Board's [\*Code of Ethics and Standards of Conduct\*](#), professionals are required to understand the assumptions their financial planning software makes. This will become paramount when that software can also proactively make recommendations. When a financial professional understands which variables were aggregated to produce a particular recommendation, they can more effectively communicate to the client why they recommend certain courses of action over others, rather than expecting the client to blindly trust their advice.

**Ultimately, intelligent planning platforms will enable financial professionals to do more planning, for more clients, and at a greater frequency, without increased headcount.** This will free them to focus on having more fluid, value-based conversations that will enhance relationship management and business development efforts.



## Empowering Financial Professionals and Clients Alike

Both clients and financial professionals stand to see better outcomes from future planning technologies. It may be easy to think that planning technology that breeds efficiency will directly lead to more plans being created, but the story runs deeper than that. Our research<sup>3</sup> clearly indicates that financial professionals are seeing the benefits of AI and big data shine in three core areas:



### Relationship Building

43 percent report automation has positively influenced their relationship building with clients.



### Onboarding Process

40 percent say it's improved the client onboarding process.



### Staying Connected

40 percent believe it's now easier to stay connected to clients.

Historically, financial professionals have only prepared custom plans for a fraction of their book of business—as low as 10 to 20 percent according to our research. They simply do not have the bandwidth to deliver a personalized financial plan to all of their clients. Intelligent, automated planning technology makes room for the financial professional to spend more time on relationship building, more time talking to clients, and more time considering what may impact their plan. In other words, the technology makes financial professionals better and faster.

Optimizing the planning process in this way, offloading manual and repetitive tasks to technology, allows the financial professional to both create more holistic plans and broaden their market reach. Spending more time on plans while reaching a broader set of clients may prove elusive to financial professionals in today's market, but smarter technology will pave the way for this reality. This is especially true when it comes to bringing up the next generation of financial professionals.

The marriage of technology and white-glove service will benefit young financial professionals with limited planning experience as they get up to speed on best practices. Planning technology driven by AI and big data will guide them through client conversations, help them uncover the right information, and encourage them to ask the right questions—even provide recommendations around how they can refine their planning techniques and build their book of business.

Overall, the difficult, time-intensive parts of planning, like the onboarding process, will be streamlined, elevating the client's overall experience with financial advice. **And most importantly, those who in the past would have never been able to be served by financial professionals will have a clear path to receiving the advice they need to meet their personal and financial goals.**

# Integrated Technology Experiences Help Financial Professionals to Do More

Financial planning in one platform, portfolio management in another, and market research in a third: this disjointed experience is an everyday occurrence for many financial professionals, but there is a light at the end of the tunnel—the beacon being an integrated wealth management workflow executed in a single experience.

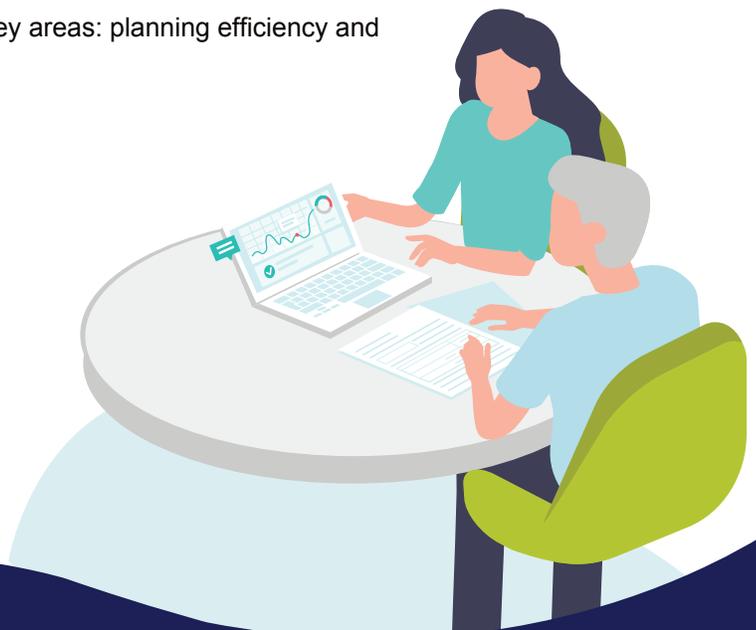
“An embedded technology experience, where technology solutions reside within a single platform, could have a profound impact on advice—not just for advisor efficiency, but also for client behavior. Fidelity’s research found that firms that are most advanced in their planning capabilities and production tend to have a strong integration between their planning software and other technologies. We also found that client follow-through on recommendations is the most common indicator of a plan’s success. A consolidated planning experience can allow financial professionals to more easily and efficiently expand into new areas of advice, helping them manage a higher volume of deeper relationships with a holistic focus—a challenge that all planners may increasingly need a solution for.”

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- Melissa Henderson, Director of Thought Leadership, Fidelity Investments

Moving in the direction of embedded technology experiences, the **paradigm for how and when to engage clients is shifting**. The shift challenges financial professionals to trade in transactions for transformative relationships and inefficiencies for integration.

Rules around client engagement are evolving in these key areas: planning efficiency and execution, and marketing and client acquisition.



## Planning Efficiency and Execution

According to an article from *RIA Intel*, an enormous wave of financial professionals is slated to retire in 2021, and there are not enough young professionals entering the job market to backfill these positions. Over the next three years, the financial professional headcount is projected to decline by 0.4 percent, 0.9 percent, and then 1.4 percent. And within ten years, over one-third of current financial professionals will enter retirement.<sup>4</sup>

As if the declining headcount isn't alarming enough, the demand for advice is on the rise. Financial professionals will need to step up to manage more relationships, spend more time on business development, and take on an expanded set of services—without adding hours in the day.

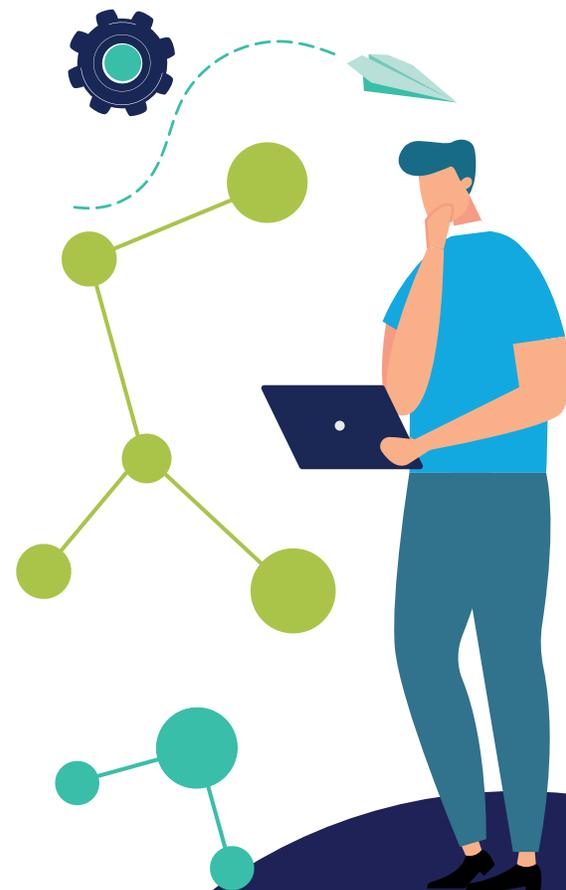
For financial professionals, this means being efficient in the way plans are created and prospects are engaged should be top of mind moving forward. What programs or intelligent platforms can firms put in place to help their teams accomplish more in fewer hours with fewer resources while still maintaining the same level of service?

An integrated planning experience that allows financial professionals to reorient the entire wealth management workflow around the client is at the heart of future efficiencies. A streamlined process for all aspects of managing wealth, alongside a consolidated platform experience, will help planners serve more people. It will simultaneously help financial professionals take these relationships deeper to a broader audience.

A single view into everything positions the financial professional to provide more comprehensive advice. A financial professional's ability to "climb the value stack" comes from greater insight into a client's personal and financial situation. The ways in which advice impacts other areas of the client's life start to become clearer when the entire picture is consolidated into a single view. This is how financial professionals can begin to branch into areas adjacent to traditional financial advice for holistic planning relationships.

Integrated planning experiences will help take relationships deeper, but they will also open up advice to more people. Earlier we mentioned that only about 20 percent of clients receive advice—but this will soon change. The efficiency gains from integrated technology, on top of the data-driven automation, discussed earlier, will allow financial professionals to start to address that other 80 percent that couldn't historically be served with advice because of the time investment involved.

Integrated wealth management technologies will help planners monitor plan implementation. The heightened visibility into whether or not a client is implementing recommendations will create accountability for parties. It also creates a clear channel for financial professionals to engage with the underlying behavior that drives a client's financial decisions. **In this way, they can increase the chances of a financial plan succeeding by helping the client enact lasting change that moves them closer to their ultimate goals.**



## Marketing and Client Acquisition

Modern marketing is much more than sending a few branded emails; it's a carefully curated effort to bridge the gap between financial professional and client through targeted and consistent outreach.

**“In the future, all wealth management activities will come together in an embedded, intelligent, and intuitive experience. Marketing technology is no exception. When you consider the way financial professionals present the value of planning, educate clients on financial topics, conduct client outreach, and work to convey the value of their advice, you can see that marketing and planning are already highly intertwined. Client success and business growth depend on both processes. Marketing and planning technologies will align in a single, continuous process that allows financial professionals to improve the client’s entire lifecycle journey at every step of the way. Financial professionals will be better positioned to grow their business organically, improving outcomes for their clients and delivering more plans for more people.”**

**- Ed O'Brien, CEO, eMoney Advisor**

Clients want more than a monthly newsletter—they want an experience, even before they commit. In the future of financial planning, the marketing to planning journey will become one continuous experience. Planning information, accessed through a turnkey solution, will fuel marketing efforts and vice versa. Financial professionals will leverage their planning platform to quickly pinpoint and engage prospects with backgrounds similar to their current clients.

**If they can leverage their technology stack to engage clients earlier in the financial lifecycle, they can inevitably deliver a more valuable service—more years together means more life events that have yet to take place.**

Younger clients represent a new market for advice and an immense opportunity to build deeper relationships centered around holistic advice and built on trust.



# Engaging Clients in New Ways Leads to Financial Planning Success and Improved Wellness

There is a wave of new investors seeking advice—advice that’s more comprehensive, accessible, and holistic.<sup>1</sup> We know the market for advice is growing in parallel with the technologies available to financial planners. And we’re confident that financial professionals will not only leverage the efficiency gains that result from an integrated technology experience to serve more clients—going broader—but also to form more meaningful relationships with their book of business—going deeper.

But how does improved wellness play into the future of financial planning?

Those intelligent and automated planning platforms we discussed earlier open the door for financial professionals to adopt more advanced forms of planning and novel ways of including clients in the process, with a heightened focus on well-being. Some of these new ways include:



**Life-stage financial planning:** What milestones does the client need to hit at each stage of life?



**Values-based planning:** How is the client’s value system woven into the fabric of their financial plan?



**Total well-being:** In what ways does the client’s portfolio foster long-term health and well-being?

A combination of these three methods of planning gives rise to a holistic, human-centric plan that continuously considers how finances are interconnected with other aspects of a client’s physical, mental, spiritual, and relational health. By using finances as a means to improving overall well-being, financial professionals can deliver far more value than ever before.

**“Finances are an essential aspect of an individual’s life—they are part of an inseparable matrix of physical, mental, spiritual, and relational health, all of which contributes to overall well-being. The financial planning industry is coming to terms with its responsibility to improve financial wellness, and in turn overall well-being, for clients and for the enormous potential market that has yet to be profitably served with sound financial advice. New technology opens up new channels of engagement, democratizing financial advice. Self-led, gamified, education-focused financial wellness apps allow low-touch service models that make advice accessible to all. When financial professionals can engage people of all ages, incomes, and backgrounds, they’re able to help entirely new types of clients while working to improve financial wellness and overall well-being.”**

**- Mac Gardner, CFP®, Founder & Chief Education Officer, FinLit Tech**

## Broadening the Market for Advice (and Wellness)

Planners have long sought ways to profitably address the 80 percent they couldn't serve in the past, especially the younger generations without significant net worth who are facing the most difficult financial decisions in their lives—buying a home, starting a family, paying off debt, etc.

As we mentioned earlier, intelligent and integrated technologies will help bring planning to more people, but new types of wellness technology will continue this expansion even further. **Using a hybrid approach that combines highly skilled professionals and new financial wellness applications, firms can make financial planning mobile, educational, self-paced, and most important, accessible to a wider market.**

These intelligent planning applications encourage positive behavioral change in regards to finances through ongoing education that teaches users the impacts of their financial decisions. New mobile formats open the door for planning technology to adopt user experience and engagement tactics that have proved incredibly successful in other mobile apps from other industries. The deployment of gamification is particularly powerful, where users are rewarded for lifestyle improvements. Gamified financial advice further incentivizes behavioral change in a highly engaging way that keeps people coming back.

These technologies give financial professionals a long-desired way to connect with younger generations and those without considerable means in a hybrid way—they can be there for support when important questions arise but otherwise allow the user to self-educate at a pace that works for them.

New technology that focuses on user engagement and overall wellness truly expands the horizons of the financial planning profession. It will offer planners entirely new ways to connect with new audiences and nurture relationships around a client's overall well-being, all with a minimal investment of resources.



# The Future of Financial Planning Is Now

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As the financial ecosystem becomes increasingly disrupted by technologies that democratize advice, financial professionals will need to expand the boundaries of their role and take on a more holistic approach. While a large number of financial professionals plan to retire from the workforce in the coming years, an even larger number of new clients will enter the market in search of highly personalized financial advice, delivered by a trusted financial professional that knows them beyond their net worth.

This emerging pool of clients will demand a humanistic, integrated experience powered by AI and big data, which requires planning that examines who they are as people, considers their complex emotions, and aligns with the life events they foresee in their future.

Although planning execution is optimized by intelligent financial planning software, the opportunity to do so stems from the ever-deepening relationship between the financial professional and the client. Financial professionals can begin preparing for the future of financial planning by considering how their service offerings today compare to the trends we have described in this eBook. Together these trends give way to a future that's frictionless, automated, and most importantly, human—a future that's already begun to take root in the real world today.

## SOURCES

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4. *Financial Advisor*, "37% Of Financial Advisors Expected To Retire Over Next Decade."

To learn how eMoney is preparing for the future of financial advice, watch our webinar ["The Future eMoney Experience."](#)