



# Personalizing the 7-step Financial Planning Process

Real-world Tactics for Better Client Relationships

The financial planning industry is getting increasingly personal. Our research<sup>1</sup> explored where advisors and clients stand on personalized financial advice and found there's a disconnect between advisors' perception and the reality of actual client expectations. More than 93 percent of clients are seeking peace of mind, the guidance and expertise to make meaningful changes to their financial lives, and, most notably, personalized advice. Yet, when we asked about their satisfaction levels in these areas, **it's clear there's a misalignment between what they want and what they feel they are getting from their advisors.**

### Benefits of Financial Guidance vs. Satisfaction

	Very / somewhat important	Exceeds / meets expectations
Providing personalized / valuable financial advice	94%	79%
Helping me feel more at ease / have peace of mind about financial situation	93%	78%
Enabling me to act on recommendations to make meaningful changes / improve overall finances	93%	79%
Helping me feel in control of my finances / confident in decisions I make	93%	82%

Source: eMoney 88 Million Consumer Research Study, April 2022, n=1,616.

Advisors want to provide personalization, but **their offerings don't match clients' priorities.** When we asked advisors what items are the most likely to influence the future of the industry in the next five years, the top responses were specific to clients' needs, wants, and preferences:



Source: Evolution of Advice, eMoney, July 2022.

The client-identified preference for holistic, personalized financial plans that grow with them throughout their lives is one of the top opportunities for financial advisors today.

Advisors who already follow the practice standards set in the CFP Board's seven-step financial planning process may be providing clients with transparent, holistic views of their finances. But **advisors who learn how to personalize every step of that process**—by giving advice beyond investments, providing financial education, and properly balancing their tech stack and human elements—will be able to **deepen relationships, optimize outcomes, drive growth, and truly deliver for their clients.**

# Step 1: Understanding the Client's Personal and Financial Circumstances

The first step in the financial planning process is to **have a broad discussion about a client's personal and financial circumstances.**

Advisors acknowledge the need to personalize the financial planning experience from the start, with **initial client interactions being the most crucial step to personalize.**

## Most important steps to personalize



Source: *Evolution of Advice*, eMoney, July 2022.

To deliver truly impactful financial advice, **advisors must understand a client's broader life circumstances.** This sometimes involves uncovering deeply personal information about a client's life, including their health and life expectancy, life goals and risk tolerance, earnings potential, assets, and liabilities, or any other bit of information that may impact a financial plan.

However, when we asked advisors about their comfort level in discussing personal topics, we saw a steep decline when we moved away from more traditional planning topics toward more difficult conversations around serious illnesses, divorce planning, and premarital planning.

While there may be hesitancy or reluctance to address these difficult topics, sharing your expertise in these areas can help strengthen your client relationships. To do this you must first build rapport. **Creating a trusting environment and honing your financial counseling skills can help.**

## TACTIC: Build a trusting environment using emotional intelligence.

Trust isn't a given, it's earned. To encourage clients to open up and trust you with something as personal as their finances, you need to create a safe, open environment for sharing.

Emotional intelligence—a part of the interpersonal cluster of the CFP Board's Financial Planning Competency Framework—enables advisors to establish trust with clients by demonstrating empathy, sensitivity, and commitment to their well-being. It's an invaluable skill that only helps build and strengthen those relationships.



**ADDITIONAL READING:** [The Value of Emotional Intelligence in Financial Planning Relationships](#)

## TACTIC: Hone your financial counseling skills.

In 2022, Financial Psychology was added as a topic on the CFP® exam, marking a set change in the direction of the industry. From this point forward, all CFP® practitioners will need a level of competency and understanding in areas like behavioral finance, sources of money conflict, and principles of counseling.

Having a basic understanding of the psychology of financial planning can help you build open, trusting, and transparent relationships that have a greater impact. Borrowing simple financial counseling techniques can enable you to empathize with your client's lived experiences, communicate more effectively, and create plans that truly meet their needs.



**ADDITIONAL READING:** [3 Financial Counseling Skills for Financial Planners](#)



## Step 2: Identifying and Selecting Goals

In the second step, you will build on the foundation you've created, **dig deeper into a client's goals, and learn about what they truly hope to achieve.**

Identifying and prioritizing your client's goals is a significant step in creating a personalized financial plan. However, to create a successful plan that aligns with the client's real aspirations, it's crucial to go beyond the numbers to understand the feelings and motivations behind their financial behavior.

### **TACTIC: Ensure alignment of values and goals.**

Keep personalization a top priority in your planning process by asking questions that probe deeper into a client's values when developing their plan. Ask about their lifestyle, retirement plan, family and legacy, risk tolerance, etc. so you can uncover attitudes toward money that may impact future behaviors. Addressing these values and considering how they impact a client's goals will help you build a vision that ensures long-term success.



**ADDITIONAL READING: [44 Questions to Ask Clients to Understand Their Values](#)**

Keep in mind that many people bring fears, insecurities, or vulnerabilities to the planning relationship that they may not feel comfortable disclosing or discussing. But uncovering those feelings is vital to identifying and selecting personal goals and creating a realistic, successful financial plan.

### **TACTIC: Initiate difficult conversations.**

Uncovering your client's values and feelings around their finances is the best way to understand their goals. Help your clients feel more comfortable talking about money so you can understand the barriers—psychological or competency—they might be facing, address their challenges, and initiate difficult conversations.



**ADDITIONAL READING: [4 Ways to Make Clients More Comfortable Talking About Money](#)**

## Step 3: Analyzing the Client's Current Course of Action and Potential Alternative Course(s) of Action

By step three, you should have a deeper understanding of your client's personal and financial circumstances and together you've selected financial goals that match their values. **Now it's time to weigh this information against their current situation and determine the client's progress in achieving their goals.**

In step three, you're taking your client's goals and translating them into something more realistic and actionable. This process is another opportunity to demonstrate that you understand their current situation as well as their long-term vision.

Your expertise as a financial advisor is key in this step—you must also evaluate the advantages and disadvantages of a client's current course of action and look into any alternative courses of action that will maximize the client's chances of achieving their most important personal and financial goals.

While it's impossible to plan for every scenario, you should work toward planning for different courses of action that will accommodate the most likely changes in a client's life. To do this, continue the open dialogue you've established with the client to make sure their values are aligned with their goals.



## TACTIC: Collaborate with your client to plan for every scenario.

Once you understand your client's values and set their financial goals, it's time to test their financial plan to see how it holds up for every scenario, like life events or changes. As a financial advisor, it's your responsibility to make sure your client understands the consequences of their decisions and collaborate with them to change course or reprioritize their goals for the best outcomes.

When doing this, work alongside the client and loop them into the planning process. This will serve to educate the client, help them make better decisions, and allow you to build a plan that considers the right combination of lifestyle changes while remaining achievable.



**ADDITIONAL READING: [Digging Deep for Financial Plans That Align with the Goals of Your Clients](#)**

If you use a technique like motivational interviewing—one of the tactics of financial counseling—when working with your clients to establish their goals, you'll have an understanding of the motivations behind their financial behaviors. This knowledge will help you encourage them to act on the financial course of action you set forth in this step.

## TACTIC: Employ motivational interviewing.

Motivational interviewing includes guiding clients in conversation and creating an open dialogue to help you dig deeper into what's driving their spending habits and behaviors. Helping clients understand the reasons behind their own financial behaviors will help them come to their own conclusions and solutions, empowering them to make changes and act on these solutions. As a financial professional, you can guide your clients to realign their ways of thinking and collaborate and negotiate on new, more realistic financial goals.



**ADDITIONAL READING: [Moving Clients to Action with Motivational Interviewing](#)**

## Step 4: Developing the Financial Planning Recommendation(s)

After analyzing potential courses of action, **it's time to select a recommendation(s) that will best serve your client in achieving their most important goals.**

Financial planning recommendations should scale to your client's needs and address their deepest concerns. Maintaining multiple plans and alternative scenarios, having a large library of planning techniques and options, and having the ability to show them the trade-offs and benefits of each scenario is the key value that a planner brings.

Having planning technology with these capabilities increases efficiency, but it also allows clients to understand your recommendations in an easy-to-follow, engaging, and interactive way, which can make the planning process more consumable.

### **TACTIC: Activate the planning experience with a client portal.**

Before you delve too deeply into the planning relationship, set your client up with technology that gives them the ability to monitor their finances, communicate new life changes, and stay engaged with your planning.

An interactive client portal offers clients a real-time, comprehensive, personal financial picture and can serve as a bridge in the advisor-client relationship. The features and capabilities of different client portals vary, and many can be customizable. But these features will help create a more collaborative and communicative working relationship.



**ADDITIONAL READING: [The Value of a Robust Client Portal in Financial Planning Relationships](#)**

Your recommendations may also require clients to re-prioritize or sacrifice certain aspects of their current lifestyle. Before finalizing a financial plan, make sure you consider your client's ability to achieve the goals set for them.



## TACTIC: Use financial psychology techniques to improve client outcomes.

The best recommendations are the ones you know your client will be excited about and act on. Turn again to financial psychology, or the skills of financial counseling, to help clients articulate their own goals and prepare for change while gaining their buy-in to improve their outcomes.

Your job as a financial professional is to work with clients to help them achieve their goals. Keeping the practice of financial psychology in mind will enable you to maintain an open, trusting relationship with your clients and that propels them forward.



**ADDITIONAL READING:** [Borrowing Techniques from Financial Therapy to Improve Client Outcomes](#)



## Step 5: Presenting the Financial Planning Recommendation(s)

Presenting your recommendations helps **shape the perception of your financial plan, as well as your trustworthiness as an advisor.**

Presenting your client's financial plan to them is the first opportunity to show that you've listened to their individual needs, concerns, and goals, and have incorporated them into a personalized plan that holistically addresses every aspect of their life. The plan presentation is also key to building on the trust you've established with your client and solidifying the relationship.

To present a financial plan as impactfully as possible—and ensure the client feels it's personal to them—they must feel included and engaged. And, to get client buy-in, you also need to convey your advice in a way that's easy to understand, personalized, and actionable.

This is where the right technology can add extra value by allowing for the creation of personalized views and reports that focus on what's vital to your client.

### **TACTIC: Put the client at the center of the presentation.**

The first step to an engaging plan presentation is making your client feel heard. Remind them of their initial goals and reasons for seeking out financial advice and reinforce the trust you've built by showing them you truly understand their situation. Answer any questions the client has as they come up and use motivational language when speaking about their goals.



**ADDITIONAL READING: [How to Present a Financial Plan: 4 Tips for Greater Engagement](#)**

**TACTIC: Make your advice easy to understand and actionable.**

Offer your clients different ways to digest your recommendations and visualize the plan to help them understand what success looks like. This is especially helpful when trying to reframe a client's understanding of what is realistic for them. Use technology, like a digital planning tool, to illustrate the client's journey from their current situation to their desired destination and emphasize a few key action items that they can take away from the conversation.



**ADDITIONAL READING: [Making Your Advice Easy to Understand and Actionable](#)**



## Step 6: Implementing the Financial Planning Recommendation(s)

Once you've agreed on a path forward, **implementation will depend on the nature of your recommendations.** This could involve guidance in the form of referrals to other professionals (e.g., legal, tax, or insurance) or action (e.g., configuring direct transfers or investment management).

Step six usually requires putting together a concrete strategy and timeline, creating a communication plan with your client, and bringing in necessary third parties, such as tax planners, to implement various aspects of the plan.

However, what makes a plan most successful is your client's ability to carry out your financial advice and follow through on their action items. Reinforce your personal, human approach to planning by creating an engaging client experience and motivating them to act on your financial recommendations.

### TACTIC: Motivate clients to act.

You've done everything you need to do to put a financial plan in place for your client. Now, how do you motivate them to get started and act on your financial recommendations? They might need a "nudge"—or a small intervention—to act in their own best interest. Financial advisors can return to [motivational interviewing](#) to see what the barrier may be. They can also leverage the trust they've built with a client and serve as their accountability partner. This is especially helpful for younger clients who may look to their financial advisor to coach them through other aspects of their lives.



**ADDITIONAL READING:** [Nudging Financial Planning Clients in the Right Direction](#)

## Step 7: Monitoring Progress & Updating

Comprehensive financial planning is a **long-term engagement that takes significant time** from the initial interaction to the end results.

The final step of the financial planning process is ongoing, spanning the length of the engagement with the client, and is the final opportunity for personalization.

Each client will experience changes and challenges unique to them, so it's crucial to monitor more than just their financial progress throughout your planning relationship. **Engaging with intent** is key, and providing regular human touches is essential to maintaining and strengthening your client relationship. You can do this through your client portal or in your digital client communications.

### TACTIC: Make the most of your client portal.

You may not be able to connect regularly with clients one-on-one outside your **client review meetings**. As the market of people seeking financial advice trends younger, clients are becoming more comfortable communicating digitally. Making the most of your interactive client portal can enhance planning engagement and collaboration and encourage them to share important events in their lives that may impact their financial journey. This also allows you to keep tabs on your client's evolving individual needs, foster collaboration, and keep their financial plans up to date.



**[Read an example of how one advisor does this.](#)**

### TACTIC: Personalize your client communications using technology.

For the modern consumer, curated content and personalization via technology are expected. Personalizing your communications is a great opportunity to stay in touch with your clients as well as invest in their education by providing curated resources based on their particular needs or life stage. It could be as simple as sharing an article about selecting benefits if you know their employer will soon have open enrollment. By offering relevant touchpoints and opportunities for client education, you can keep them engaged.



**[ADDITIONAL READING: Personalizing Client Communications Can Build Deeper Planning Relationships](#)**

# Conclusion

---

There is no doubt that personalization positively impacts the efficacy of your planning relationships. When advisors adhere to the CFP Board's seven-step process, they create real success for their clients and their business. Taking the process to the next level by personalizing these steps allows financial professionals to deliver true value to clients by deepening relationships and creating tailored financial plans that scale with client needs and grow with their ever-evolving lives.

By improving financial planning outcomes and satisfaction, you can drive growth and retention and become an indispensable part of your clients' financial lives.

**To learn how eMoney can help you deliver the personalized experience your clients expect, visit us at [emoneyadvisor.com](https://emoneyadvisor.com).**



## SOURCE

1. eMoney 88 Million Consumer Research Study, April 2022, n=1,616