



INDUSTRY ANALYSIS

The State of Client Understanding

ISSUES IN UNDERSTANDING CLIENT GOALS

IDENTIFYING CLIENT GOALS



While goals-based planning helps put clients at the center of the process...



...the task of defining clear, compelling goals with clients remains a challenge for many advisors

 Doesn't Know Goals



 Uncertain Goals



 Questionable Goals



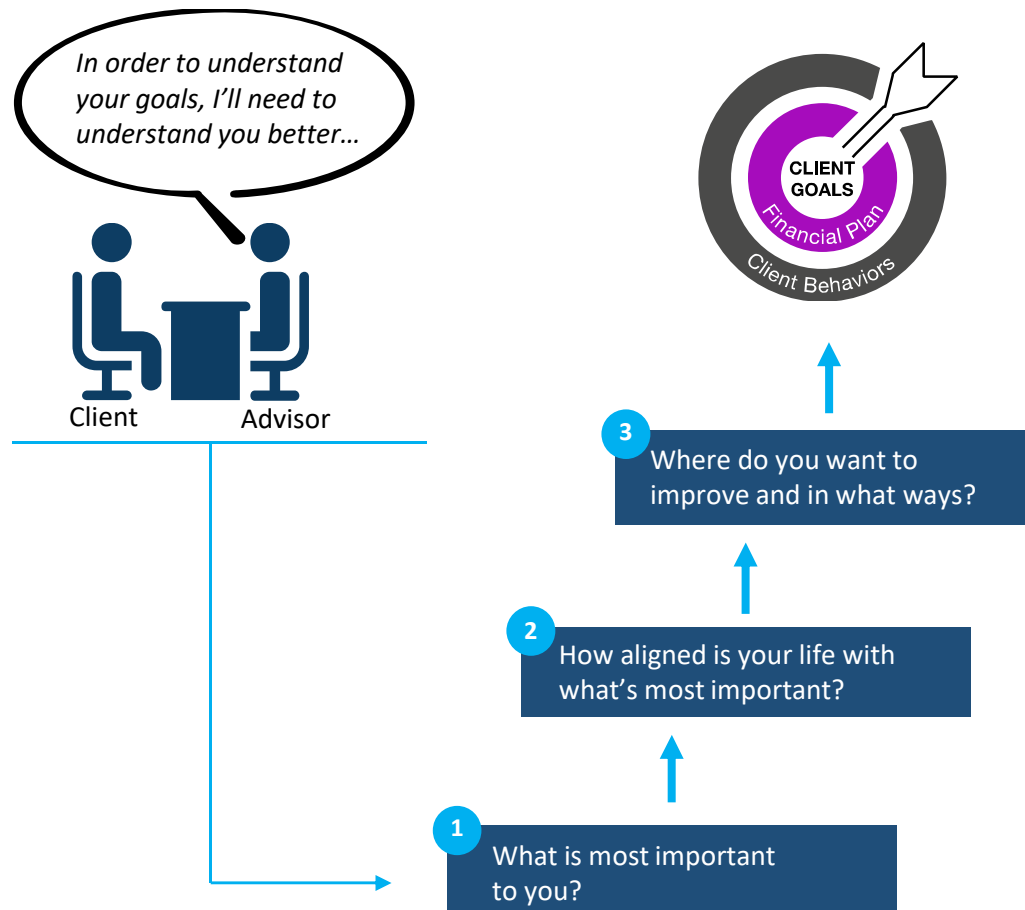
 "Social Noise" Goals



GOING DOWN AND UP



Advisors can get a richer perspective on goals and priorities by starting with what is most important for clients (and create a lot of value for clients in the process)*



*Note: Additionally, from a regulatory standpoint (at least in Australia), there is mounting pressure on advisors to show exactly how they are assisting clients in defining their goals

THE SHORTFALLS OF OPEN-ENDED GOAL EXPLORATION



While exploratory questions and brainstorming exercises are helpful for discovering client values, goals & priorities...

...over-relying on these tools may lead to a number of potential shortfalls

Sample Questions & Exercises Commonly Used for Discovery

What are some of your hopes and dreams?

Imagine your ideal week 20 years from now, what would your schedule be?

If you won the lottery tomorrow, how would you start living your life?

If you were going to make a mental movie of your life, what would you want the plot to be?

Imagine you're the 80-year old version of yourself looking back: what advice would you give to the current you?

Imagine you discovered you were going to die tomorrow, what would you most regret not doing with your life?

Potential Shortfalls of Unstructured Discovery*



Surface Level: Client may not actively engage with exploratory questions (e.g., one word answers; impatience), yielding minimal insight into goals



Emotional Triggers: Client may have a strong emotional reaction to reflecting on death or life regrets, derailing the discovery process



Advisor Bias: Advisor's values and biases may overly influence interpretation of the client's responses



Advisor Oversight: Advisor may not detect or follow up adequately on important themes, leaving deeper client values and goals potentially un-discovered



Transitory: Client responses may be biased and overly influenced by current life conditions and emotional state

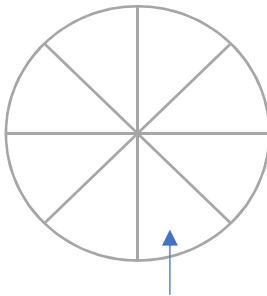
Note: these are potential shortfalls of a discovery process that relies heavily (or exclusively) on open-ended questions and brainstorming exercises to identify client values, goals, and priorities; we do believe such questions and exercises can be a valuable component of a discovery process

GIVING MORE STRUCTURE TO GOAL EXPLORATION

We came across two approaches for bringing more structure to the process of defining client goals

Approach 1: The Life Wheel*

Some advisors use the “Life Wheel” framework to help clients think holistically about their life; advisors then drill down into how satisfied clients are in each area, where they feel blocked or out of alignment, and what actions and goals would help them increase satisfaction.

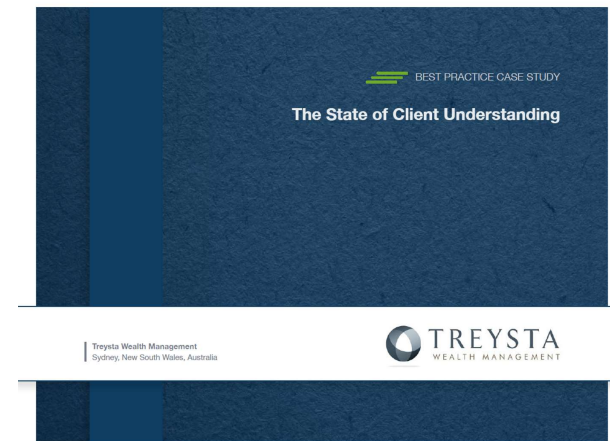


Each section of the “Life Wheel” represents an important life area (many variations exist), including:

- | | | |
|--------------------|-------------|---------------------|
| ▪ Adventure | ▪ Family | ▪ Partner |
| ▪ Attitude | ▪ Finance | ▪ Personal Growth |
| ▪ Business | ▪ Friends | ▪ Purpose |
| ▪ Career | ▪ Health | ▪ Recreation |
| ▪ Community | ▪ Home Life | ▪ Romance |
| ▪ Contribution | ▪ Learning | ▪ Self-Image |
| ▪ Education | ▪ Leisure | ▪ Significant Other |
| ▪ Ethics & Beliefs | ▪ Love | ▪ Social |
| ▪ Environment | ▪ Mental | ▪ Spirituality |
| ▪ Faith | ▪ Money | |

Approach 2: Values Sorting

Some advisors are using tools that start at a deeper level—helping clients identify and prioritize their core values; such approaches start by identifying core values and then help the client “build up” to goals, priorities, and plans that most align with their values. The profile of Treysta lays out this process.



[Download the Treysta case study in the [Client Goals & Priorities](#) resource center]

*Note: for a tutorial on how to use the Life Wheel tool, visit https://www.mindtools.com/pages/article/newHTE_93.htm

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