



The State of Client Understanding Study

**Practitioner Spotlight:
Collaborative, Real-Time Planning (Co-Planning)
For Deeper Client Understanding**

ADVISOR SNAPSHOT: FACILITATING CO-PLANNING



Joseph B. Hogan, CFP®

We interviewed Joe Hogan, a CERTIFIED FINANCIAL PLANNER™ Practitioner, about his approach to co-planning and how it overlaps with efforts around client discovery & understanding.

Joe is a strong advocate for co-planning and its many benefits to advisors and clients. Outlined below is an overview of how co-planning is managed with Joe's clients followed by key themes from our discussion.

Overview of Co-Planning Approach:

Co-planning is the approach Joe uses with clients following the initial discovery phase.




Details of the co-planning environment:

<p>Location Advisors generally prefer to meet in-person at the office over co-planning virtually (e.g., via video conference)</p>	<p>Setting The ideal co-planning setting is a conference room with a client-facing flat screen TV</p>	<p>Software Preferred planning software used for co-planning is eMoney, RightCapital, and TimelineApp; dependent on the client's needs</p>	<p>Facilitator(s) Sessions are facilitated by a Sr. Advisor supported by a Jr. Advisor (responsible for inputting data, running scenarios, and taking notes)</p>
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ADVISOR SNAPSHOT: CO-PLANNING FOR DEEPER UNDERSTANDING






Theme 1: Build excitement and engagement for co-planning by ensuring client goals are meaningful and inspiring

-  An important part of Joe's engagement model is to intentionally build excitement with the client as they transition from upfront discovery into actual side-by-side co-planning. Much of that excitement comes from the client's goals—meaningful, well-articulated goals provide much more energy going into the co-planning session.
-  In addition, Joe frames co-planning as an exciting and insightful activity, where clients are told: “Now you get to go in and explore everything that's going on with your financial life and the possibilities.” The advisor's role is to help the client feel empowered and curious. “We want to position ourselves as guides...we want to help the client navigate and read the terrain, but we need them to feel that this is ultimately their plan and they need to take an active role.”
-  Joe says that most clients buy in to the co-planning process and “when they are curious and bought-in, things flow pretty smoothly.” However, not all clients come in excited about financial planning, at first. There are many possible reasons: maybe the client isn't interested in the numbers (e.g., they only want to be given recommendations) or are too busy, both personally and professionally; but in many cases, Joe says that “what this means is that we probably 'aren't there yet' in defining goals that are meaningful and inspiring for the client.” This may mean the advisor would need to explore more around goals and potentially introduce different exercises to try to peel back another layer. “Co-planning with a client who doesn't understand their goals can end up being counter-productive.”

ADVISOR SNAPSHOT: CO-PLANNING FOR DEEPER UNDERSTANDING



Theme #2: Be mindful to encourage the client while exploring the plan's limits

-  Joe acknowledged an important balance when facilitating co-planning sessions: while it's important to let clients explore freely and discover the limits of their situation (and reveal to the advisor new information about their priorities, preferences, and emotional reactions in the process), it is also important to facilitate productive and constructive sessions that help the client feel excited, empowered, and confident. "We need to be very sensitive to the client's emotional state and reactions. We don't want to unintentionally discourage clients by running scenarios where they sit there and 'watch their ideas crash and burn' over and over. Ultimately, our goal is to have clients excited and optimistic about their financial future to encourage them to take action to reach their goals."
-  "We need to be in the driver's seat... co-planning is not about running a scenario for every idea. Instead, each of those ideas is an opportunity to learn more about the client, and we want to be constantly asking about what's underneath the client's curiosity and discussing and framing expectations. We can then guide the exploration towards options that are the most productive and intrinsically valuable to the client."
-  Joe emphasized good preparation is very important to facilitate in this way. "We stress test every variable and run a number of simulations to develop a sense for what the limits are in the plan so we can build guardrails and anticipate a lot of what's going to happen before we get in front of the client."

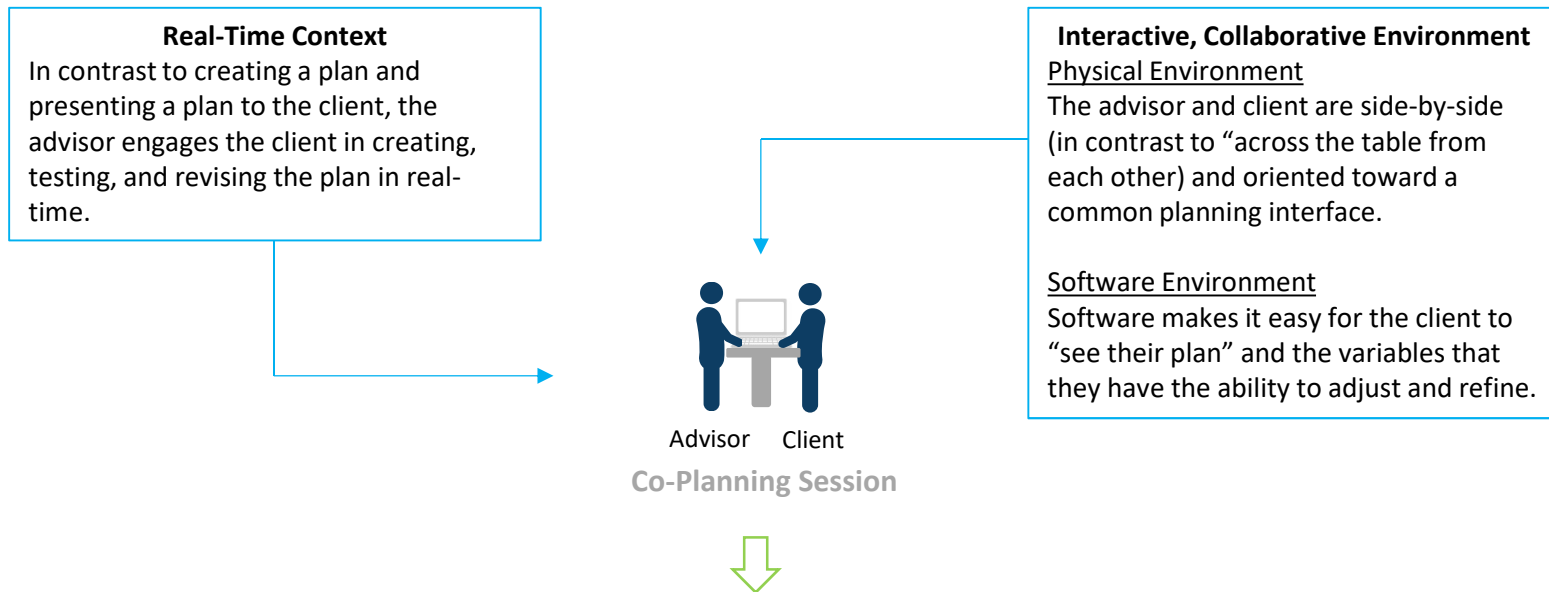
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APPENDIX: WHAT IS CO-PLANNING?

Co-planning a collaborative model for planning in which the advisor and client jointly explore and design a financial plan together



Opportunities to Deepen Client Understanding *Common Themes from Interviews with Advisors*

The advisor may discover...

- ...that the client’s stated priorities don’t align with deeper personal values
- ...an important, unrecognized client goal
- ...that the client is much more loss averse than they realize
- ...a deep emotional attachment to particular investments
- ...an unvoiced, long-standing divide between spouses/partners
- ...a particular behavioral bias that the client hadn’t yet exhibited

APPENDIX: USING CO-PLANNING TO DEEPEN CLIENT UNDERSTANDING



Co-planning presents abundant opportunities to deepen client understanding—assuming the advisor can encourage and maintain an exploratory, collaborative mindset with the client

Four Key Way Advisors Can Deepen Client Understanding during Co-Planning Sessions

Encouraging the Client

The advisor actively encourages the client to “get curious” and explore the plan by:

- Helping clients tap into the inspiration inherent in their goals (assuming client goals are well-articulated and meaningful) and engage fully with the process
- Helping clients feel a sense of importance and personal importance around the plan (e.g., “this is *your* plan and *your* financial life”)

Observing

The advisor spends substantial time simply observing the client as they explore and react to different plan scenarios, in order to:

- Gain insight into the kind of emotional reactions clients have to different scenarios and compare that with other information about client goals, priorities, and preferences
- Identify topic areas potentially worth following up on

Framing the Process

The advisor proactively frames the co-planning process to encourage creativity and constructive collaboration by:

- Emphasizing how the planning process is an exercise in continuous learning and improvement
- Helping clients feel accountable for changing the factors in their control to create the future they want
- Guiding the client toward scenarios that are more productive for the session

Investigating

The advisor seeks to “peel the onion” on issues arising for the client during the co-planning session by:

- Asking follow-up questions in the moment or during an appropriate pause in the session
- Encourages the client to do some “homework” (e.g., an exercise appropriate to the issue that arose) in between sessions