

PREFACE

SINCE THE FIRST EDITION of *Getting Started as a Financial Planner* was published, much has changed in our profession: Fee-based financial planning is on the rise. Commissions are being commoditized. And there is now a profusion of financial planning courses and training programs. The profession continues to grow rapidly. In fact, the U.S. Department of Labor expects the number of individuals employed as personal finan-

cial planners “to grow faster than the average for all occupations through the year 2012.” This is because “as the number and complexity of investments rises, more individuals will look to financial advisers to help manage their money.”

Advising the public on financial planning issues continues to be one of the most profitable areas of personal consulting. Financial planners need to keep their clients focused so they will continue accumulating sufficient assets to accomplish their personal goals. Americans desire to get ahead and will need effective strategies to pass the approximately \$6 trillion of intergenerational wealth to succeeding generations. These growth opportunities in the marketplace and continued federal deregulation of the financial services industry gave me reasons to update this book.

My experiences have shown that individuals aspiring to be professional financial planners want what is best for their clients. These forward-looking planners have migrated to a comprehensive needs approach to help their clients achieve financial objectives, rather than continuing to employ a purely transactional approach, which has long been the dominant theme of traditional financial planners. Historically, the main goal of this latter group has been selling “product” rather than establishing a long-term relationship. I became determined to help new financial planners evolve their view of the planning process by providing a logical, easy-to-digest, and automatic system that can help them provide comprehensive financial planning services. The result was the development of a turnkey approach to personal financial planning, which is the essence of this book.

I decided to blend my own experiences with those of very successful and well-known financial planners, including prominent members of the Financial Planning Association, the California CPA Education Foundation, the American Institute of Certified Public Accountants, members of the governing board of the Certified Financial Planner Board of Standards, and various university colleagues. I asked my associates if they were to start all over again, would they approach financial planning the same way? What would they do differently? What have they learned to

become successful financial planners? Where do they see their practice and the profession headed? What does the competition look like? Most of all, what advice can they give financial planners first entering the profession? All the responses pointed primarily to one fundamental need—that entry-level financial planners have a business plan to guide them on starting a business. This action plan, they advised new financial planners, must include all the important infrastructure decisions that need to be in place before taking on the first client (as opposed to the trial-and-error approach many planners tried when they entered the profession). Much of this invaluable information was incorporated into this book in order to provide the reader with a clear, detailed, and practical approach to practicing personal financial planning across the spectrum from entry to mastering the profession.

Getting Started as a Financial Planner is written for stockbrokers, insurance agents, CPAs, attorneys, bankers, credit union reps, trust officers, wealth managers, and others who want to graduate from the transactional selling approach to the client management approach, which requires true understanding of clients' needs, capabilities, and resources. The book provides financial service professionals and non-financially trained individuals first entering the field with a method to graduate from a transaction-oriented business model to one involving a step-by-step process. This book helps explain that by using a comprehensive "client first" approach, planners can uncover more of what their clients are looking for, thus putting themselves in a better position to prepare a competent plan. This change in direction ends up providing clients with an understanding of previously unrecognized concerns and therefore with better service, ultimately making more money for both the client and the planner. This introductory book provides the basics that the narrow-based financial planner can use to create the infrastructure of a broad-based financial planning service. I decided to write this book to help make this transition successful for evolving planning advisers.

Getting Started as a Financial Planner is organized in a logical business-cycle approach. It tackles critical issues every new financial planner needs to address, from how to set up a practice through

writing the business plan, marketing it, and managing clients.

The book begins by providing an overview of the profession. Chapter 1 describes who is attracted to the field, identifies the trends in the industry that will create business opportunities in the next decade, and takes the reader through the origins of financial planning to what it has become today. Chapter 2 provides the reader with the “Ten Must-Do’s” for establishing the successful business infrastructure, from selecting the right business legal entity to finding a mentor and picking a specialty.

Once the business is formatted, the planner needs a proven process that will facilitate a comprehensive financial planning program. Chapter 3 describes such a process, called PIPRIM, a client management system that will help planners approach client consulting in a complete manner and create client loyalty to the process of long-term investing to accomplish financial objectives. Chapter 4 provides the reader with an overview of the many disciplines in financial planning and elaborates the concerns clients will have in each area and strategies the planner can use to satisfy these concerns. The chapter identifies the dilemmas clients will most likely encounter, explains how the planner should interpret client issues, and provides strategies for overcoming client blind spots. Chapter 5 tells the planner how to comply with the many stringent laws affecting financial services.

Chapter 6 takes the reader through all the appropriate steps for developing a business plan and offers a thorough sample business plan. It also discusses how to develop the needed business infrastructure, including establishing a compensation model that represents the planner’s practice philosophy. Chapter 7 turns to marketing a financial planning practice and provides many useful strategies to help the entrepreneur become recognized and well known. Chapter 8 provides techniques and insights for maximizing dealings with clients through effective planner-client communication strategies. Understanding clients’ wants and needs enables the planner to design a strategy to make clients feel comfortable and involved during this process, and enables the consultant to provide the best type of service. Chapter 10 provides additional resources that can be instrumental in establishing a practice and

gaining the expertise needed in a variety of subject areas. And a new chapter in this second edition, Chapter 9, integrates the principles discussed throughout the book by presenting three common client scenarios and applying the best methods to address each of their specific concerns.

Implementing the tools and techniques discussed in the book will guide the planner through all the stages of becoming a better financial planner. Planners can assess where they are now and where they need to be in order to satisfy their financial objectives.

Please let me know how *Getting Started as a Financial Planner* helps you start, fine-tune, or expand your financial planning practice. I invite you to contact me at jeff@jrfinancialgroup.com or visit my website at www.financialplanningfasttrack.com.

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