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# FINANCIAL PLANNING RELATIONSHIP OF THE FUTURE

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- Perry the Planner & Carl the Client, working together 4 years



**CARL**  
Client  
Early-60s



**PERRY**  
Planner  
Mid-40s

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- Carl's financial plan lives in the cloud and can be accessed anywhere, from any device



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- Both Perry and Carl can keep track of how Carl is proceeding towards his financial goals on an ongoing basis, with continuous integrated data updates



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- Perry can also monitor how well Carl is implementing his goals and action items on an ongoing basis and send reminders and positive feedback



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- Perry and Carl connect on a regular basis to check in through a variety of communication tools



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- Perry and Carl have never met in person



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## RISE OF THE DIGITAL WORLD

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## THE RISE OF THE DIGITAL WORLD

- The Internet isn't a fad – it's a fundamental shift in the way we communicate
- Over 294 billion emails per day
  - 90% are spam... but 20 million *real* emails per minute!
-  has over 1.3 billion users
-  serves over 4 billion videos per day (more video in a month than the 3 major networks produced since 1950!)
- eReaders have surpassed traditional book sales



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## THE VALUE OF FINANCIAL PLANNING

- What is the value of advice-givers in an increasingly technology-driven world?
- Planners are experts when finding solutions on the internet is like finding a needle in a haystack...
  - ...But will improvements in search, sharing, and social media change this?
  - What if the answers to your questions came up instantly in an internet search?
- What is the role of a planner if useful, relevant information actually becomes easily accessible?

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## THE VALUE OF FINANCIAL PLANNING

*"We Help People Navigate the Powerful Forces that Money Exerts in their Lives."*



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## BLUE OCEAN STRATEGY



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## BLUE OCEAN STRATEGY FOR PLANNING

RED oceans	BLUE oceans
Known market space	Unknown market space
Many competitors	Few competitors
Fight for market share	Create market share



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## BLUE OCEAN STRATEGY FOR PLANNING

### WHAT IS THE BLUE OCEAN STRATEGY (BOS) FOR THE DELIVERY OF FINANCIAL PLANNING?

- Focus on what matters, eliminate everything else, and create something new
  - The simultaneous pursuit of differentiation and low cost
- What creates the most work? What has the most cost? What can we leave behind?
- What value or experience is financial planning not delivering, that it could?

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## BLUE OCEAN STRATEGY FOR PLANNING

- Can video help to replace physical meetings?
  - How much more efficient would your firm be without travel?



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## BLUE OCEAN STRATEGY FOR PLANNING

### WHAT IS THE BLUE OCEAN STRATEGY (BOS) FOR THE DELIVERY OF FINANCIAL PLANNING?

- Can online software tools help to replace the physical financial plan document?
  - Could an online platform be a live studio for the client's financial plan, eliminating plan documents and drafts?

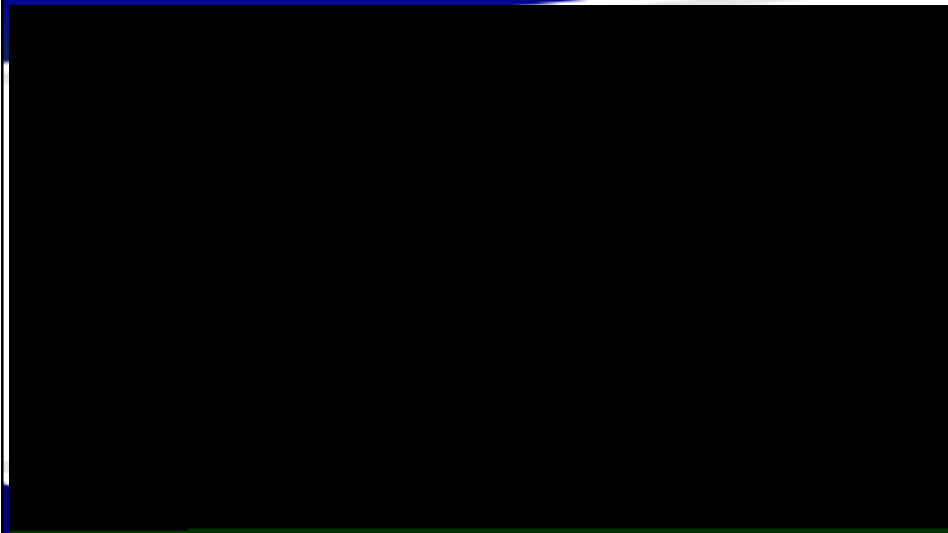
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## EXPLORING POSSIBILITIES



## BLUE OCEAN STRATEGY FOR PLANNING



Figlo Planning Software, Concept Video:  
<http://www.youtube.com/watch?v=dpB1NOc9LkA>

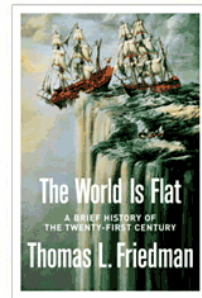
# FINANCIAL PLANNING IN A FLAT WORLD

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## FINANCIAL PLANNING IN A FLAT WORLD

- The internet & the growth of bandwidth are leveling the playing field
- Geographical divisions are becoming increasingly irrelevant



How is a financial planning firm structured where hiring and staffing doesn't need to be connected via geography?

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## FINANCIAL PLANNING IN A FLAT WORLD

### PLANNING FIRMS OF THE FUTURE AS TECHNOLOGY BREAKS DOWN GEOGRAPHY

- What (& who) needs to be physically located at the firm?
  - Virtual staff vs. employees
  - The trend towards outsourcing has begun
  - Central hub for planners around the city/state/country/world(?)
- Planners will choose business relationships based on:
  - Technology offering and platform
  - Flexibility to match their needs
  - Support service
  - NOT geography!

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## FINANCIAL PLANNING IN A FLAT WORLD

### FINANCIAL PLANNING AS THE WORLD GOES FLAT PART 2 – THE CLIENT RELATIONSHIP

- Eventually, there will be a disconnect between geography and planner selection!
- What if clients work with the best firm that fits their needs... period? And not the best firm in their area?
  - What are you “the best” at? What’s your niche?
  - Can you survive if competing with others outside your area?
  - Can you grow more if not constrained to nearby prospects?
- Can you build a client relationship with people who you won’t meet face to face?

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# TRUST AND/VIA THE INTERNET

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## TRUST AND/VIA THE INTERNET

- Can we trust at a distance?
  - Can a true trust-based relationship be created via the internet?
- What is it that makes us trustworthy?
  - It's all about credibility
    - Integrity (do you walk your talk?)
    - Intent (what's your motive/agenda?)
    - Capabilities (are you able to be relevant?)
    - Results (what's your track record for value/results?)



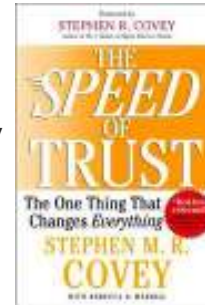
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## TRUST AND/VIA THE INTERNET

### RELATIONSHIP TRUST – IT'S ALL ABOUT CONSISTENT BEHAVIOR

- Talk Straight
- Demonstrate Respect
- Create Transparency
- Right Wrongs
- Show Loyalty
- Deliver Results
- Get Better
- Confront Reality
- Clarify Expectations
- Practice Accountability
- Listen First
- Keep Commitments
- Extend Trust



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## TRUST AND/VIA THE INTERNET

- Walter Cronkite
- “The Most Trusted Man In America”
  - It wasn’t because he met everyone in America in person!
- What is it that makes us trust?
  - Credibility and relationship-building lead to trust
  - Trust builds from ongoing demonstration of credibility and relationship-building - develop a reputation for being trustworthy!



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## TRUST AND/VIA THE INTERNET

- Can we trust at a distance? Yes!
  - Sometimes tragically so...
- *Nothing in the trust-building process inherently requires a face-to-face connection*
- *Remember when we didn't trust buying anything on the internet?*
  - Until companies built a trustworthy reputation with us!
  - Could we build the same relationship with our clients?
  - Will robo-advisors beat us to it?

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## TRUST AND/VIA THE INTERNET

- Are Robo-Advisors the end point?
  - Not necessarily...
  - Does a computer make us change our behavior?
- The advisor of the future is not human nor robot, but cyborg?
  - The technology-augmented "bionic" human advisor



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## TRUST AND/VIA THE INTERNET

- The ongoing disruptive force of technology
  - First “stock brokering” died with discount/online brokers
    - So we became fund pickers
  - Then active mutual fund picking died as reporting tools made it clearer how bad most are
    - So we became asset allocators
  - Now “robo-advisors” are commoditizing asset allocation
    - So we become... financial planners & wealth managers
  - *Technology doesn't “kill” advisors, but it does force our ongoing evolution up the value-add chain*

HOW WILL YOU  
ADD VALUE  
BEYOND  
WHAT TECHNOLOGY  
CAN ALREADY PROVIDE?



# QUESTIONS?

**Handouts & additional materials:**  
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