



Advocis 

# UNDER 5 AFTER 5

CHAPTER PROGRAM  
PRACTICE DEVELOPMENT SERIES

Module 7  
Advice Delivery

Aligned with the PFA™ Designation Program, July 2021  
(Part 1: IAS21410702)  
(Part 2: IAS21410802)

# Module 7: Advice Delivery

## Learning Objectives:

In *Practice Development Module 6 – Needs Analysis*, you completed a needs analysis with your clients to help uncover the gap between their financial goals and their current situation. In this module, you will learn how to effectively communicate your findings to your clients as well as the solutions you recommend that will address the identified gaps. You will learn the most effective ways to deliver advice and present recommendations to your clients. With practice, these methods will increase the likelihood that your clients will collaborate with you to determine the best solutions for your client and implement your recommendations. The communications strategies outlined in this module will help you to continue to grow and maintain your relationship with your client.

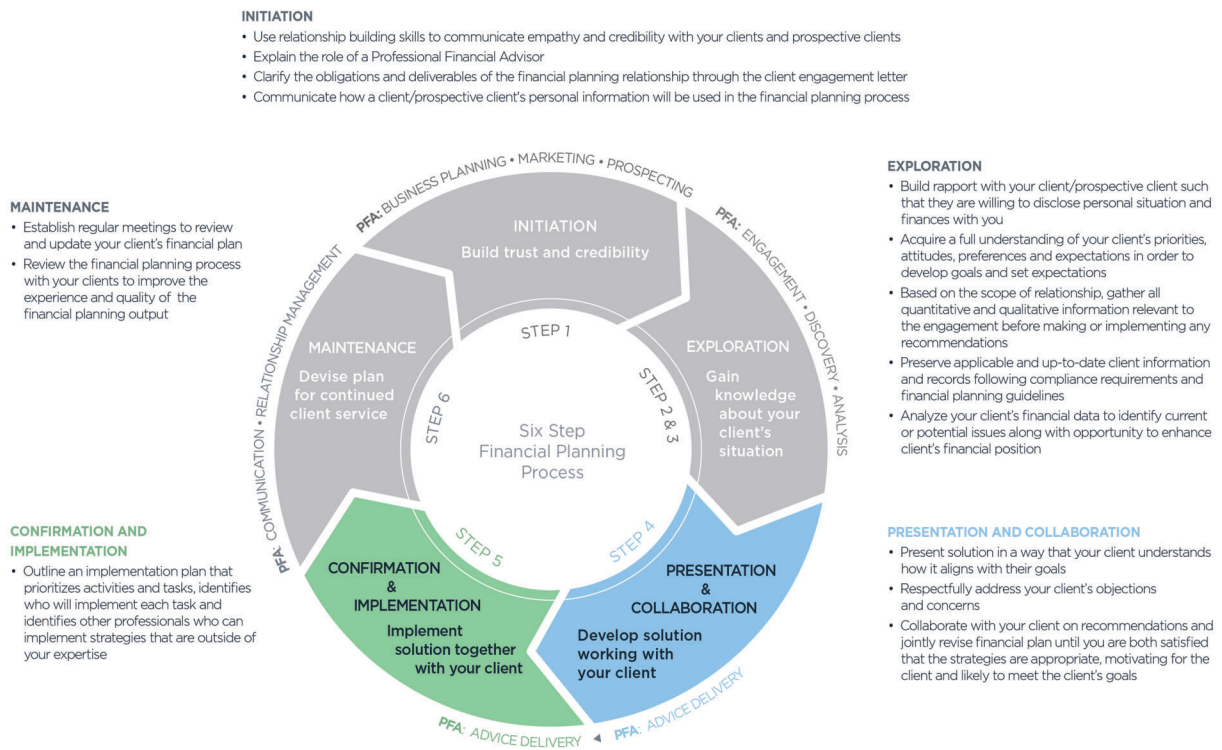
Upon completion of this module, you will be able to present financial planning recommendations to clients for four common financial planning goals:

- Debt reduction
- Saving for education
- Saving for retirement
- Protecting one's family using life insurance

# Advice Delivery and the Client Relationship Cycle

Advice delivery is closely linked to stages 3 and 4 of the *Client Relationship Cycle: Presentation and Collaboration* and *Confirmation and Implementation*. The Presentation and Collaboration stage is important as it can distinguish your skill in communicating issues and opportunities based on a client's situation and personal financial goals. After performing an in-depth analysis, you must use your skill, education and experience to develop strategies for your client, based on the issues and opportunities you defined during the Exploration stage. Your client may have a wide range of needs, some of these may include debt reduction, saving for retirement, saving for a child's education and insurance. You will learn about how to provide recommendations for each of these common needs in this module. The strategies that you develop will of course be unique, taking into consideration your client's temperament, values, priorities and attitudes. During this stage, you and your client will review your recommendations and jointly revise the financial plan until you are both satisfied with the strategies to be adapted. It is entirely normal for clients to have objections or concerns at this stage as they may be reluctant to face change. In this module, we arm you with some practical and actionable tools and strategies to help respectfully address and manage client concerns.

It's important to collaborate with your client to arrive at a plan together. This is important as your client needs to have a sense of ownership over the plan and be motivated because he believes that the plan is both realistic and achievable. Once you and your client agree on the strategies to be applied, you design an implementation plan in the Confirmation and Implementation Phase that helps prioritize solutions and tasks. It's important to assign a time horizon and due date to each of these tasks to help your client stay accountable and on track. At this point, setting up regular meetings that align with these milestones and due dates will help ensure a successful implementation.



Advice Delivery also aligns with Step 4 (Developing & Presenting the Financial Planning Recommendations) and Step 5 (Implementing the Financial Planning Recommendations) of the Financial Planning Process. Remember, implementing your plan may involve escalating urgent matters and coordinating with other professionals, such as your client's tax accountant or lawyer to ensure that the plan is as robust and complete as possible.

# Developing Recommendations

After assessing the client's situation and considering and evaluating strategies, the advisor develops recommendations to help optimize the client's situation. It is important for advisors to develop all of their recommendations prior to presenting any of them to the client. This ensures that the advisor has the opportunity to look at the recommendations holistically and prioritize them to optimize the client's situation.

## What is a Recommendation?

Financial planning recommendations are suggested proposals about the course of action that a client should take to achieve their desired outcomes (which includes achieving their goals, meeting their needs, or taking advantage of opportunities that are available to them).

A recommendation is a message that contains four parts:

1. An acknowledgement that the status quo will not result in the client achieving their desired outcome.
2. An educational component that informs the client about the change that is required to progress towards their desired outcome.
3. An emotional component that motivates the client to engage in the proposed change.
4. A request for the client to commit to the proposed change.

## The Importance of Presenting Recommendations Effectively

Lee Iacocca (1924 – 2019), the former President of Ford Motor Company and CEO of Chrysler, once said that "You can have brilliant ideas, but if you can't get them across, they won't get you anywhere." Presenting recommendations effectively requires the advisor to not only develop great ideas, but also present them in a way that is easy to understand and motivates the client to take action.

In today's world where consumers have access to increasing amounts of information at their fingertips at anytime during the day or night, it is more important than ever for advisors to hone their communication, interpersonal and relationship skills. These skills will aid in the delivery of their advice, and can be the difference between success and failure as an advisor.

## Planning to Present Recommendations

The top reasons why clients reject recommendations are linked to the advisor's approach to delivering them and their skill in presenting them to the client. The client may not have understood the message or been able to process it appropriately given the way the advisor communicated it. In another common scenario, the advisor may have communicated their recommendations effectively, but provided insufficient information for the client to make a decision. Alternately, the client may have forgotten the message because of the way that it was communicated. Whatever the case may be, it is important for the advisor to ensure that the client can fully receive, understand, and process the recommendation so he can take action.

Advisors should plan the presentation of their recommendations ahead of time to ensure maximum effectiveness. It is a best practice for advisors to present their recommendations at a meeting specifically set aside for the event. Holding a separate meeting for recommendations is important for three reasons.

First, a standalone meeting signals to the client that the advisor has prepared recommendations that are personalized to their unique circumstances. After the discovery meeting, the advisor spent the time to analyze the client's situation and develop personalized recommendations for them.

Second, it provides the client with a break from the initial discovery meeting, where they opened up and shared their story, which can be tiring. A separate recommendation meeting allows the client to be fresh, alert and ready to make decisions.

Lastly, it provides the advisor with an opportunity to plan their presentation, making it the most effective it can be.

Planning to present recommendations should begin prior to the end of the discovery meeting. Advisors are encouraged to determine a date, time and location for the recommendation meeting with their client before the discovery meeting ends.<sup>1</sup> Advisors should also ask their client to contact them should they need to reschedule the appointment.<sup>2</sup>

The time and location of a recommendation meeting can have a significant impact on a client's ability to pay attention to what the advisor is presenting. To help ensure clients can direct their full attention to the advisor's presentation, meetings should be planned for times where the client is well rested and free from distractions. Generally speaking, meetings held after the client's workday or during the time a client is working on a large project for work may not be the best times for the advisor to host such a meeting. For similar reasons, the location of the meeting should also be well thought out. Providing a distraction-free environment can help clients pay attention and make good decisions. Many advisors prefer to hold recommendation meetings at their office to ensure that clients are free from distractions that may occur in locations such as the client's home, including children running around, ringing telephones, and any clutter that may be in the client's home. Where clients bring their children to the advisor's office, advisors should have activities available to hold a child's attention and keep him entertained. Examples can range from low-tech options such as colouring books to high-tech options such as movies on a tablet.

Prior to the recommendation meeting, advisors should confirm with their client (using the communication medium that the client prefers (e.g., phone call, e-mail, etc.) that the meeting date, time and location are still convenient for the client and that the client plans to attend the meeting. This will reduce the number of missed appointments the advisor has and allow them to be as productive with their time as possible. If possible, advisors should send or share a preliminary meeting agenda with the client.

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<sup>1</sup> This approach, used by other professionals such as dentists, has been shown to increase attendance for subsequent meetings, partly because the meeting is booked in advance before either party has other commitments, as well as the fact that people are less likely to cancel the event that they confirmed first.

<sup>2</sup> This approach, used by restaurants, has been shown to reduce cancellations, missed reservations, and unproductive time by restaurants given that people are less inclined to cancel or miss their appointment if they have been asked to contact someone and make that request.

## ***TIP***

A best practice is for advisors to leave the number one agenda item open and ask the client to decide their priority for the meeting. This signals to the client that the meeting is focused on their priorities while also giving them control of the meeting's direction, making them more inclined to participate.

A copy of the client's financial plan should also be sent to the client prior to the recommendation meeting. While not every client will read the plan ahead of time, it provides those who do wish to review it the opportunity to do so.

## The Financial Plan

A [full] financial plan is a written report that addresses an individual's personal goals, needs and priorities. It takes into account relevant financial planning areas and the interrelationships among them. The financial planning areas include financial management, insurance and risk management, investment planning, retirement planning, tax planning, estate planning and legal aspects.

Each section of the financial plan covers the individual's current financial situation, the analysis performed to identify issues and opportunities, the evaluation of relevant financial strategies and recommendations to help meet the individual's personal goals, needs and priorities.

A plan includes the personal information and assumptions on which it is based. It also includes a disclaimer noting its reliance on information provided by the individual and assumptions made. A plan provides a list of actions steps, including what needs to be done, by whom and when." (FPSC 2015, 13)



A full financial plan should include the following ten parts:

### **1. Cover**

The cover page should include the client or prospective client's name, the advisor's name and organization, and the date the plan was created. It should be the first page of the plan. A disclaimer is commonly printed on the back of the cover page, on the second page of the plan, or immediately following the assumptions information. The disclaimer should indicate any limitations or cautions that the client or any other reader of the plan should be aware of.

### **2. Summary of Goals, Needs, Opportunities and Recommendations**

The summary of goals, needs, opportunities and recommendations section summarizes the:

- Client's goals in SMART format (see Practice Development Module 1 – Business Planning for a review of SMART goal-setting)
- Needs that the advisor identified that the client should address
- Opportunities that the advisor identified that the client may wish to take advantage of
- Recommendations that the advisor is advocating

### **3. Personal Information and Financial Assumptions**

The relevant qualitative and quantitative information used to develop the recommendations should be included in the plan. Personal information such as the client's date of birth (or age), occupation, marital status and familial relationships are commonly included in this section. Also included in this section are the financial assumptions used in the plan, including projected rates of taxation, inflation, rates of return and life expectancy.

### **4. Financial Management**

A summary of the client's current net worth and cash flow should be presented. Analysis of the client's financial position, cash flow, ability to sustain an emergency, debt management strategies and ability to financially support their goals should be covered in this section. The section closes with recommendations to address the client's financial management related goals, needs and opportunities.

## **5. Investment Planning**

A summary of the client's current investment planning strategies should be included, with an analysis and recommendations for addressing the client's investment related goals, needs and opportunities.

## **6. Tax Planning**

A summary of the client's current tax planning strategies should be included, with an analysis and recommendations for addressing the client's tax related goals, needs and opportunities.

## **7. Retirement Planning**

A summary of the client's current retirement planning strategies should be included, with an analysis and recommendations for addressing the client's retirement-related goals, needs and opportunities.

## **8. Insurance and Risk Management**

A summary of the client's current insurance and risk management strategies should be included, with an analysis and recommendations for addressing the client's insurance and risk management related goals, needs and opportunities.

## **9. Estate Planning and Legal Aspects**

A summary of the client's current estate planning and legal strategies should be included, with an analysis and recommendations for addressing the client's estate planning and legal goals, needs and opportunities.

## **10. Recommendations and Action Steps**

An advisor should present detailed recommendations and the actions needed to address the client's goals, needs and opportunities. The action plan should outline what needs to be done, by whom and when. Presenting it as a checklist is commonly done so that the client can use it to keep track of what has been versus what will be completed.

Optional parts of a financial plan include a delivery acknowledgement, where the client and advisor can sign to say the plan has been delivered/received and presented to the client, as well as appendices where supporting information for the plan can be found.

It is common for advisors to present modular financial plans over time in lieu of one comprehensive financial plan all at once. A modular financial plan tends to possess the first three sections of a full financial plan (the cover, the summary of goals, needs, opportunities and recommendations; and the personal information and assumptions), as well as the last section (recommendations and action steps). Sandwiched in between the beginning and ending sections will be the module(s) (representing sections four through nine) that the advisor will present to the client over time.

The benefits of presenting modular financial plans over time relate to people's ability to take in and use information in an effective way that motivates them to take action. As more recommendations are presented at one time, it becomes harder for clients to remember them. With more recommendations comes more decisions to make and more action steps to take. As the number of decisions increases, the client can become overwhelmed to the point where they become susceptible to the paradox of choice. Instead of making a decision, the client instead chooses the simplest option, which more often than not is to maintain the status quo and do nothing. With more action steps to take, the client also becomes more overwhelmed since they view the changes required to be too numerous. By presenting recommendations modularly as part of a modular financial plan, advisors can ensure clients have fewer decisions to make and action steps to take at one time, making it more likely that the client will make a decision and enact the recommendations.

# The Presentation of Recommendations Meeting

The goal of the recommendation meeting is to present recommendations in an effective way that motivates the client to decide to enact them.

Generally, when clients have the appropriate information required to make a decision, they do so. The advisor's role then is to ensure that the client receives the information they need to make an informed decision. Advisors can foster an environment that supports decision-making by:

- Establishing a receptive atmosphere
- Determining the client's willingness and capacity to make decisions
- Determining the client's readiness to change
- Delivering recommendations using the RA-IO-ER method
- Telling stories
- Delivering recommendations that are more likely to be accepted and adhered to
- Avoiding demotivating actions
- Communicating effectively

## Establishing a Receptive Atmosphere

Advisors can establish a receptive atmosphere by providing a professional welcome and setting up their workspace in a collaborative and safe way:

Providing a professional welcome helps set the tone for the meeting with the client. People are used to accepting the recommendations made by other professionals such as doctors and lawyers. By welcoming a client in a professional manner, the client receives a signal that they similarly receive from their doctor or lawyer; that being that this person (the advisor) is a professional who they can trust. A professional welcome includes dressing professionally, being punctual for the meeting, meeting the client at the front door or reception area of the office space, using the word "welcome" as a greeting, shaking hands (or using a custom the client uses), and walking beside (or slightly behind and to the side of) the client as one directs them to the location where the meeting will take place.

Dressing professionally involves matching one's appearance and attire to the social norms of one's role and workplace, as well as the expectations of the client. With different styles of dress ranging from business casual to business professional, it is sometimes hard to determine

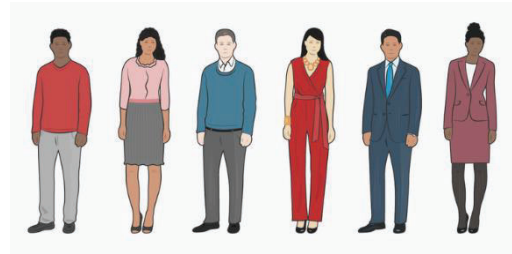


Figure 1. Professional Attire

what to wear when presenting to a client. At a minimum, clothes should be clean, in good working order, wrinkle-free and professional. In North America, many advisors wear business suits to demonstrate their professionalism. Three rules of thumb are worth noting. First, an advisor may wish to dress one step up from their client's attire to demonstrate their professionalism, while also ensuring they do not intimidate their client. Second, it is always better to be "overdressed" than "underdressed" since one can remove a garment (such as a jacket or tie) to become more casual. The reverse cannot be done if one is "underdressed." Finally, if one has to question whether their attire is appropriate, then err on the side of caution and choose different attire.

Being punctual shows respect for the client's time and helps build trust. Trusting clients are more likely to accept and enact recommendations provided by an advisor.

Meeting the client at the front door or reception area of the office space demonstrates that the advisor is ready and eager to help the client. Because people generally want to work with others who are passionate about what they do and eager to help them, this display of enthusiasm by the advisor encourages the client to move forward and work with the advisor into the future.

Also consider your choice of greeting. By using the word "welcome" when greeting the client, you provide a softer and warmer feeling than using the formal and harsher sounding "hello" or rushed equivalent, "hi" (or any other variant). "Welcome" also provides many people with a mental picture of a safe, secure and comfortable environment, allowing them to feel more at ease, which is supportive when making decisions.

Shaking hands when first welcoming the client into the office is a traditional custom that shows respect and builds trust between the two parties, increasing the likelihood that the client will move forward with the advisor's recommendations. While it is customary to shake hands in Western civilization (particularly in business contexts), it is important to avoid assuming that the client is experienced in, or prefers to use, this custom. An advisor should lead by extending his hand to shake the client's hand but remain open to adapting his approach should the client proceed to engage in another similar ritual.

Walking beside the client (or slightly behind and to the side of them) as you direct the client towards an office provides them with the feeling that you are with them every step of the way -- either beside them in a partnership, or letting the client take the lead and supporting them from behind. This feeling provides the client with a sense of safety, allowing them to feel more supported to make decisions and enact recommendations.

Advisors can physically set up their workspace to ensure that they sit perpendicular to their clients rather than parallel and across from them. Sitting across from clients can give them the impression that you are speaking to or at them. Sitting perpendicular to a client sends the message that you are speaking with the clients in an open and collaborative way where the clients feels as if he has a "guide on the side" who will work with and support them.

You should ensure that you position yourself in a location that provides the client with a view of the exit and a closer route to the exit, preferably one that does not need to pass by the advisor. This set up provides the client with a greater sense of safety since they have an unobstructed view and pathway to the exit should they wish to leave. While a client would be unlikely to do this, the option to do so will put their mind at ease and allow them to focus on making decisions.

## Determining the Client's Willingness and Capacity to Make Decisions

Once the advisor has created a receptive atmosphere, he should determine the client's willingness to make decisions. To do so, advisors can determine the client's goal(s) for the meeting, review and confirm the agenda with the client, and confirm the amount of time the client has available for the meeting.

You can better understand a client's expected outcome by inquiring about his goal(s) for your time together at the beginning of the meeting. Knowing ahead of time whether the client will only be gathering information or plans to make a decision by the end of the meeting, allows the advisor to adjust his approach and align expectations with those of the client.

Reviewing and confirming the agenda with a client at the beginning of the meeting provides him with a road map of what will be covered during their time together. When you have an agenda prepared, it also allows the client to follow along in real-time, as well as confirm whether the meeting plans to cover the topics that are important to them. Allowing the client to set the first agenda item helps promote their engagement in the meeting. It is important that prior to presenting any financial plan and/or recommendations, the advisor address the client's first agenda item to demonstrate the advisor's willingness to help the client with what is important to them. Doing so can also help put the client in the right frame of mind to make decisions given that their top issue has been handled. In many instances, the client's choice of topic acts as a great segue into the plan as the client is likely eager to talk about an issue or topic that they are hoping to have solved as part of their plan.

Even though the meeting may have originally been set for a specific amount of time, circumstances can change. By confirming with the client at the beginning of the meeting the amount of time they have available, the advisor can adjust their planned presentation and inform the client if their goal(s) for the meeting can be accomplished or if they will need to book a subsequent meeting to complete them. Failing to confirm the client's availability can lead to the client maintaining the status quo (rejecting the recommendations) given that the advisor may not be able to present all of the information required for the client to make a decision or the client may feel rushed to make a decision.

Advisors should also determine the client's capacity to make decisions. If the client is suffering from any physiological or psychological ailments, such as a headache, gastrointestinal pain, illness, hunger, stress or tiredness, their ability to receive and effectively evaluate the recommendations in support of making a decision may be impacted. Depending on the severity of the issue, the client may be better served by a recommendation to reschedule the meeting to a time when they are better able to make decisions.

## Determining the Client's Readiness to Change

When presenting recommendations to a client, an advisor is effectively asking the client to change their behaviour. For example, all else being equal, a recommendation to save more money towards retirement will require a client to change their behaviour by foregoing a portion of their current spending. Regardless of the type of change, how the advisor handles the situation can have a substantial impact on the successful acceptance of the recommendation by the client.

Changing behaviour is difficult because people find it unsettling and uncomfortable. In many cases, people prefer to maintain the status quo (the existing state of affairs) because of the way their brains make decisions. In particular, behaviour is affected by how one's brain views gains versus losses, and the degree to which influential factors such as regret, and the pursuit of instant gratification influence the decision-making process.



When clients evaluate an advisor's recommendation, they tend to use a relative cost-benefit analysis in their decision-making process. Many times, clients view what they are giving up by enacting the recommendation as a loss and what they will receive by enacting the recommendation as a gain. The issue with the way this decision-making process works is that people view losses quite differently from gains. In fact, on average, people tend to view losses twice as strongly as gains, meaning that for an individual to choose to change from the status quo, their relative gains need to be at least twice as much as any loss that they potentially face from making the change. This finding, known as loss aversion, doesn't only apply to monetary sums. It also applies to the client's resources (time, effort, etc.) as well. For example, a client may feel that they have invested a lot of resources into maintaining the status quo and that by enacting the advisor's recommendation, the resources they used in the past will be lost. If the gains they will potentially receive by enacting the recommendation cannot satisfy their loss aversion multiple, then they will likely choose to maintain the status quo.

In addition to loss aversion, the fear of regret can also influence a client to maintain the status quo. When evaluating a recommendation, clients also project how they are likely to feel in the future under both scenarios (maintaining the status quo and enacting the recommendation). They also envision how they will feel if they make the wrong decision and regret it. Regret avoidance has been found to be a strong influencer towards maintaining the status quo because people fear the regret of making the wrong decision when they take action (known as an error of commission) more so than they fear the regret of making the wrong decision when they take no action (known as an error of omission). Because of this, people tend to prefer the status quo over making a change.

Regret is not the only emotional factor that impacts a client's decision-making process. Because the human brain is focused on immediate gratification, it is difficult to change a client's behaviour when suggesting that they forgo current consumption in lieu of a future reward, which is a common requirement in financial planning recommendations.

Whether motivated by loss aversion, regret aversion, or any other reason, change scares many people because it requires them to step into an unknown, unfamiliar, and potentially uncomfortable future. When an advisor makes a recommendation, a client's mind may begin to race with thoughts and questions such as, "You want me to change? But I like how things are now. What am I going to lose by making the change? What if I make the wrong decision?" The challenge for the advisor then becomes how to influence the client to change.

The first step is determining the individual's readiness to change. For any change to occur, three conditions must be present:

1. The individual must perceive a need to change.
2. The individual must possess the motivation to change.
3. The individual must perceive that they have the ability to change.

The Transtheoretical Model of Change shown below describes the process of change in more detail. It can be used by advisors to determine if the right conditions are in place for change to occur. Specifically, an advisor needs to assess that the client perceives the need to change, possesses the motivation to change, and perceives that they have the abilities to change. By identifying which of the six stages the client currently falls within, the advisor can take appropriate action to support the client.

<b>Stage</b>	<b>Description</b>	<b>Advisor Action</b>
1. Pre-Contemplation	<ul style="list-style-type: none"> <li>• Denial or ignorance of need to change</li> <li>• Not thinking about change</li> </ul>	Refrain from attempting to persuade client
2. Contemplation	<ul style="list-style-type: none"> <li>• Ambivalence towards change</li> <li>• Thinking about change</li> </ul>	Refrain from attempting to persuade the client
3. Preparation / Planning	<ul style="list-style-type: none"> <li>• Identifying goals related to change</li> <li>• Preparing plan of action</li> </ul>	Help client plan for change (goals, motivations, tasks, obstacles, success measurements)
4. Action	<ul style="list-style-type: none"> <li>• Implementing the steps to achieve change</li> </ul>	Help client take action
5. Maintenance	<ul style="list-style-type: none"> <li>• Maintaining new behaviour or action</li> </ul>	Help client stay motivated and remove obstacles that could cause relapse
6. Termination / Relapse	<ul style="list-style-type: none"> <li>• Achieving success</li> <li>• Regressing to previous behaviour or action</li> <li>• Gaining insight</li> </ul>	Help client celebrate successes or deal with failure and gain insight into how they could handle change differently next time

Table 1. Transtheoretical Model of Change (TTM)

In the pre-contemplation stage of change, an individual may explicitly or implicitly express resistance because they do not perceive that there is a need for them to change or their motivation for maintaining the status quo outweighs their motivation to change. In the contemplation stage of change, an individual may be ambivalent or unsure about changing, continuously weighing the pros and cons of change.

It is important for advisors to determine if an individual is resistant or ambivalent to change. To determine whether they are resistant or ambivalent, an advisor should observe the client's language and actions. Individuals who are resistant to change generally use harder language and definitive phrases, while individuals who are ambivalent to change use softer language and indefinite phrases. Individuals who are resistant to change tend to engage in avoidance or procrastination techniques, while individuals who are ambivalent to change tend to engage in hesitation-related actions. Examples of the language that clients use, the actions they portray and the techniques that you can apply in each situation are summarized in the table below.

When an advisor determines that an individual is resistant or ambivalent to change, they should acknowledge this and refrain from making recommendations. If you have already done so, cease attempting to persuade the client. Not only could the action be futile, but it may cause irreparable harm to your relationship whereby the client digs in their heels and becomes resistant to your recommendations and approach.

Stage of Change	Reaction	Examples of Client Language	Examples of Client Action	Action to be taken by Advisors
Pre-contemplation	Resistance	<p>"I don't want to reduce my spending."</p> <p>"I am not going to save more money for my retirement."</p>	<ul style="list-style-type: none"> <li>• Failure to seek advice</li> <li>• Refusing engagement</li> <li>• Missing appointments</li> <li>• Failing to return communications (i.e. phone calls, e-mails, mailings)</li> <li>• Failing to complete paperwork</li> <li>• Short attention span</li> <li>• Closed language</li> <li>• Short responses to questions</li> <li>• Superficial responses to questions</li> <li>• Failure to disclose information</li> <li>• Omission of information</li> </ul>	<ul style="list-style-type: none"> <li>• Refrain from attempting to persuade client.</li> <li>• Engage in reflection related activities, and/or motivational interviewing.</li> </ul>

Contemplation	Ambivalence	<p>"I don't know if I can reduce my spending."</p> <p>"I want to retire when I'm 60 years old, but I don't know if I can afford to save enough money by that time."</p>	<ul style="list-style-type: none"> <li>• Agreement, but failure to act</li> <li>• Ambivalence</li> <li>• Arguing</li> <li>• Closed body language</li> <li>• Denying</li> <li>• Defensiveness</li> <li>• Interrupting</li> <li>• Ignoring</li> <li>• Negating</li> <li>• Reluctance</li> <li>• Resignation</li> <li>• Rationalizing</li> <li>• Rebellious</li> </ul>	<ul style="list-style-type: none"> <li>• Refrain from attempting to persuade client.</li> <li>• Engage in reflection related activities, and/or motivational interviewing.</li> </ul>
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Table 2. Signals of Resistance and Ambivalence to Change and Actions that Advisors Can Take to Manage the Client and the Relationship

## Delivering Recommendations Using the RA-IO-ER Method

Once the advisor can ascertain that the client is not opposed to changing or that they are considering a change, they can then proceed with making recommendations as the client is in the right frame of mind to receive them. When presenting recommendations to clients that entail a behavioural change, advisors should use the Recommend Action (RA) – Intended Outcome (IO) – Emotional Rationale (ER) Model to present their recommendations.

The model starts with the advisor presenting the recommended action or behavioural change. For example, an advisor might propose to a client: “I recommend that you save \$500 per month to your RRSP.” This part of the recommendation makes it clear to the client what is required to help them progress towards or meet their goal. Using the words “I recommend...” promotes greater acceptance of a recommendation because the client feels compelled to reciprocate the advisor’s efforts in developing personalized recommendations for them by giving the advisor what they can give in the situation: their agreement.

Following the recommended action, the advisor shares the intended outcome from enacting the recommendation, such as “because it will allow you to retire at age 65 with enough money.” When “because” is added to a recommendation (particularly when coupled with “I recommend...”), clients are more likely to accept an advisor’s recommendation based on their perception that the recommendation is based on logical evidence rather than just emotional feelings.

The advisor completes the recommendation with the emotional rationale, such as “to let you feel the warm tropical breezes on your face and soft sand between your toes when you live in Florida for the winter months.” The goal of this part of the recommendation is to influence the client’s viewpoints of losses, regret, instant gratification, and other factors by helping them emotionally connect with their future goal so that they can determine by themselves that making the behaviour change today is worth it in order to achieve the desired outcome. Presenting a recommendation without the

emotional rationale will likely result in a lower rate of acceptance and adherence given that all decisions are emotionally driven and because what motivates a client is not the pursuit of money, but instead the pursuit of what money can provide for them.

Putting it all together, the recommendation might sound like this. "I recommend that you save \$500 per month towards your RRSP because it will allow you to retire at age 65 with enough money to let you feel the warm tropical breezes on your face and soft sand between your toes when you live in Florida for the winter months."

## Telling Stories

Because all decisions are emotionally driven, advisors must appeal to the emotional side of the client's brain, which tends to control or influence most decisions that a person makes. One of the best ways to do this is through storytelling. By telling stories, particularly about the future that the client can have if they enact the recommendations being presented, the advisor can alter the client's internal motivation to take action.

"[The human] brain has been evolutionarily hardwired to think, to understand, to make sense, and to remember in specific story terms and elements." (Haven, n.d.). The human brain possesses a Neural Story Net that turns all of the sensory information it receives (from an individual's five senses) into a story that makes "sense" to the person based on their memories and previous experiences. (Stanford University Graduate School of Business, 2017). If the Neural Story Net cannot make sense of the random sensory information it receives, it disengages with the information being received and repudiates it.

An advisor needs to ensure that their story is not only understandable by a client's Neural Story Net, but it also becomes the story that the client wants to live out. The advisor also needs to demonstrate to the client that the way to achieve that story is to enact the recommendations the advisor has made.

To ensure that their story is understood by the Neural Story Net, advisors should ensure that their message is relevant to, engages, transports, and influences a client (Stanford University Graduate School of Business 2017).



Ensuring a message is relevant is the first step in ensuring that a client will listen to and accept it. If the story being delivered by the advisor has little to no relevance for the client, the client will reject the story, disengage, and ignore any messages or look for information to refute any messages contained within the story. On the other hand, if the story being delivered by the advisor is relevant to the client, the client will accept the story, engage, and not only look for information to support any messages contained within the story, but also look for information to refute any challenges that may be present.

To help ensure the advisor's story (including recommendations) is relevant to a client, advisors are urged to ask their client at the beginning of the recommendation meeting if there have been any changes in their life since the pair met for the discovery meeting. If changes have occurred that will impact the client's plan and the advisor's recommendations, the advisor can either make the necessary alterations or recommend that they reschedule the meeting so the advisor can make the necessary adjustments to the plan. If there have been no changes, the advisor can be assured that the recommendations they are about to present should be relevant to the client given they are based on an analysis of the information collected from the client during the discovery process.

Engagement requires an advisor to use their voice (language, body language and tone) effectively to connect with the client by smiling, making eye contact, maintaining an open body stance, using symmetrical gestures at navel height, pausing effectively, and emoting an appropriate tone (Stanford University Graduate School of Business 2017). Smiling helps disarm the client and makes them feel at ease, while making eye contact helps increase the connection between the advisor and client. Both of these help the client be more receptive to hearing the story, as well as more likely to accept its messages. Maintaining an open body stance sends the signal that the advisor can be trusted. It involves maintaining a relaxed posture while ensuring one's palms are visible and their belly and neck are exposed. A relaxed posture makes one less intimidating, more approachable, and demonstrates one's openness to communicating. Ensuring one's palms, belly and neck are visible is an evolutionary signal that demonstrates that the individual possesses no weapons and, intends to do no harm (Bowden

2015a), and is choosing to allow themselves to be vulnerable (as they would do so with other people they trust) by exposing the areas containing their organs (the belly) and blood supply (the jugular).

Using symmetrical gestures makes the advisor's message more stable, which allows the intended receiver's brain to engage with the message because it is not distracted by the sender's gestures (Bowden, 2015b). Symmetrical gestures at naval height allow the advisor to remain level-headed, balanced and full of energy (Cunningham 2010), all of which will help the client "move into...and accept the message" (Bowden, 2015b). Because people have trouble listening and thinking at the same time, it is important that an advisor pause throughout their story to provide the client with time to think, process, and use the information. These pauses may be as short as one second, or longer if the client would benefit from more time. Regardless of the time they last, an advisor should pause when needed to signal to the client's mind that the point that the advisor just made was important. Last, but certainly not least, an advisor needs to ensure the tone of their story is appropriate. It has been said that the majority of conflict is due to the wrong tone. Because of this, an advisor must ensure that their tone of voice is congruent with the message they want to deliver. When combined effectively, an advisor's voice and story can motivate a client to take action.

Transporting a client requires the advisor to engage the client's emotional side using visual imagery, props, and appropriate settings to help them visualize and contextualize the plotline (Stanford University Graduate School of Business 2017) of the story being told by the advisor. Using such tools to impact the client's emotions, an advisor can help the client develop a vision of their future (a future orientation) that they are motivated to achieve.

To help a client develop and/or strengthen this future orientation, an advisor can ask the client to envision in their mind, find an image, draw a picture, or create a collage of images that depict a future goal they wish to achieve. As an example, a client may create a collage for their retirement including pictures of them playing golf, laying on a beach, boarding a cruise ship, volunteering at a local hospital and spending time playing with their grandchildren. By engaging in this activity, the advisor is helping the client transport themselves to the future and emotionally connect with the feelings

they expect to feel when they achieve their goal. This experience engages the client's emotional part of their brain and helps spark motivation within the client to begin working towards achieving their long-term goal.

Additional activities the advisor can have their client partake in to develop future orientations include asking them to locate a prop (e.g., a golf club they can physically hold) or hold the recommendation meeting at a location (e.g., a golf course) that is linked to their goal. The prop is something tangible they can grasp and have a connection to in the present that will remind them of the benefits they expect to receive in the future by continuing to enact the recommendations the advisor suggested they follow to meet their goal. Holding the recommendation meeting in a location that the client wishes to be at in the future can help physically transport the client in the present to their future goal, allowing them to be emotionally connected to it and resulting in a stronger motivation to make it a reality. As part of their progress reviews with clients, advisors can utilize the imagery, props, and locations the clients choose to keep themselves motivated towards achieving their goals.

The language an advisor uses to portray the importance of implementing the recommendations can be key to influencing a client. This concept makes use of the framing bias that individuals are susceptible to. Framing bias is the tendency to draw different conclusions from different presentations of the same information. This bias, originally demonstrated by experiments completed by Daniel Kahneman and Amos Tversky, has been shown to be one of the strongest biases in decision-making (Thomas and Millar 2011, 139 as originally quoted in Kahneman and Tversky, 2000).

Kahneman and Tversky discovered that people are risk averse when potential outcomes are positive. In other words, people prefer a sure gain over a probable gain. For example, they would prefer a guaranteed \$10 over a 2 in 3 chance of winning \$15, even though the mathematical expectation of both options is the same -- \$10. Conversely, people are risk-seeking when potential outcomes are negative. In other words, people prefer a probable loss versus a sure loss. For example, they would prefer a 2 in 3 chance of losing \$15 over a definite loss of \$10.

An important conclusion related to these discoveries is that the way in which information is framed can influence the decisions an individual make. When information is positively framed, people tend to avoid risk, however when the same information is negatively framed, people tend to seek out or take risk. This means that an advisor's choice of how to present information can impact the client's decision.

To help strengthen the influence of the message, the advisor should try to determine an individual's dominant motivational focus, either promotion-focused or prevention-focused. Promotion-focused individuals tend to focus on the potential rewards that can occur under a scenario and what they can do to ensure they achieve them. They hate missing opportunities, especially those that result in a gain, and tend to use optimistic language and like to take chances. Prevention-focused individuals tend to focus on potential losses and what they can do to avoid them. They hate to make mistakes and tend to use pessimistic language and are more risk averse' (Halvorson 2013).

Being promotion or prevention focused can be dependent on the situation, however, most people have one focus that dominates and that they instinctually lean towards. If an advisor can determine which focus his client is working under, they can potentially influence and motivate the client using appropriate language:

- For promotion-focused individuals, using optimistic language that focuses on the potential benefits of taking action or the potential lost opportunity for failing to take action
- For prevention-focused individuals, using pessimistic language that focuses on taking action to avoid risk or the certainty of a loss from failing to take action.

	<b>Influencing Promotion-Focused Individuals</b>	<b>Influencing Prevention-Focused Individuals</b>
Potential Language	<p>“How would you feel if your family could maintain their standard of living if you died?”</p> <p>“By obtaining insurance, your family will have the resources they need to maintain their lifestyle in the event of your death.”</p>	<p>“How would you feel if your family couldn’t maintain their standard of living if you died?”</p> <p>“By foregoing insurance, your family may not have the resources required to maintain their lifestyle upon your death.”</p>
Rationale	When positively framed, people will prefer the sure gain (obtain insurance and family will have resources required to maintain lifestyle) to the probable gain (forego insurance and take risk that the client does not die prematurely).	When negatively framed, people will prefer the probable loss (pay premiums for insurance and not use it) to the sure loss (family will not have resources required to maintain lifestyle).

Table 3. Promotion versus Prevention Focused Language

## Delivering Recommendations That Are More Likely to Be Accepted and Adhered To

Advisors who can deliver recommendations that focus on changes that have the following characteristics are more likely to have their recommendations accepted and adhered to:

- Require a single behaviour change
- Require short-term commitment
- Relieve immediate pain
- Are simple and easy to implement
- Are accompanied by a high degree of supervision and support

Conversely, clients are more likely to reject or fail to adhere to the following:

- Recommendations that require broader lifestyle changes
- Require longer-term commitment
- Focus on prevention
- Are painful and complicated to implement
- Are heavily reliant on will power

Recommendations including any of the above characteristics may require stronger emotional rationale to be accepted and adhered to.

## Avoiding Demotivating Actions

It is important that advisors don't inhibit an individual's motivation to change by lecturing, admonishing, scolding, ordering, blaming, warning, threatening, judging, criticizing, moralizing, preaching, and/or shaming the individual. Additional actions to avoid include providing deadlines for change, over-praising, victimizing, or sympathizing the individual, as well as trying to persuade them with logic. In each of these cases, the action can inhibit the client's motivation and unintentionally backfire, making the client more resistant to the proposed change.

Providing deadlines for change can be detrimental in helping change occur. While the individual may initially change because they feel pressured to conform by the deadline, the long-run adherence to the change is unlikely to be successful. Praising the individual too much sends the signal that the individual doesn't need to change. This can reduce their current and future motivation to make changes. Victimized or sympathized suggests that the individual's decisions have no impact on the outcome of their situation, reducing their motivation to engage in change. And finally, while trying to convince a client with logic may seem like a recipe for success, it rarely works given that change and motivation are inextricably linked with one's emotions more so than their rationale.

Using their knowledge, skills and abilities related to communication, relationships, and the change process, advisors can deliver effective recommendations that can facilitate change.

# Communicating Effectively

Presenting recommendations effectively can help foster decision-making. Presenting recommendations requires an advisor to communicate in ways that make it as easy as possible for a client to receive and process information so that they can remember and act on the information (i.e. not simply read the plan to the client).

Advisors should keep the following in mind to help them present their recommendations effectively:

1. Use multiple modalities
2. Less is more
3. The 10Cs (Characteristics) of Communication

## *Using Multiple Modalities*

Presenting information using multiple modalities (e.g. visual, aural, print, interactive) can bolster and expedite an individual's learning (Edutopia 2013), making it easier for them to receive and process the recommendations being presented by an advisor. Advisors commonly combine the aural, visual, interactive and print modalities when presenting their recommendations by verbally explaining them to a client, using supporting documents that contain charts, graphs and other images, as well as engaging in dialogue with the client about their thoughts and feelings related to the proposed recommendations. Advisors often follow up the dialogue by presenting the client with a written financial plan (the print modality) that the client can review for further details about the recommendations. In addition, certain modalities lend themselves better to the presentation of certain information. For example, showing a client a graph that depicts the historical annual returns earned by an investment is better understood than verbally describing the annual return that the investment experienced over a lengthy period of time.

Advisors should explain the importance of any supporting documents or images they use to provide context to the client so that they can better understand the reason why they are being shown the information. Drawing the link between the supplemental materials and the discussion helps provide the client with context rather than leaving them with the role of figuring out how the two are interconnected. This leaves the client's mind free to pay attention to the advisor's incoming message rather than trying to determine the importance of the supplemental material.

## *Less is More*

The human brain is a miraculous organ. It has the capacity to store, recall, and use vast amounts of information from its long-term memory that can be used to make complex decisions. For all of its abilities, it has two major shortcomings. The first is that it can be lazy in terms of the mental energy that it expends. In many instances the brain prefers to take the path of least resistance, and so chooses to participate in actions that require low levels of mental energy. Second, the brain has limited capacity to hold large quantities of information in its short-term memory. These two characteristics make it risky to present large quantities of information at one time given the increased chance that clients will either tune out from the conversation (given that listening and thinking intently require significant mental energy) or forget some of the information (including the recommendations and required action steps). The key then is to provide enough information without overwhelming the client.

### **How Much Information Can a Client Handle Receiving at One Time?**

While there is debate about the quantity of information that an individual can hold in their short-term memory, a general rule of thumb is that advisors should focus on only three to five recommendations during one meeting.



When deciding what information should be presented to a client, an advisor should ask themselves if the information that they plan to present will help or hinder the client in their decision-making process. If it helps, then it should be included. If not, then it should be omitted. Three areas where this thinking can be applied are described below.

When explaining advantages and disadvantages (or benefits and costs) of a particular strategy or recommendation, highlighting the most important aspects that are relevant to the client is more likely to motivate the client to take action as opposed to listing every aspect. Not only will the client be able to remember those few poignant aspects, but they will be less likely to suffer from 'analysis paralysis', an anxiety-provoking dilemma in which the client's brain becomes so taxed with comparing each advantage and disadvantage against one another that they decide to maintain the status quo for fear of making the wrong choice.

Advisors should try to present three advantages and one disadvantage. When three advantages are presented to one disadvantage, it can help satisfy many people's loss aversion factor (where potential losses or negatives must be outweighed by potential advantages or positives by a factor of between two and three before most people will move away from the status quo. In addition, it has been found that when presenting advantages in threes (known as a triad), the information will be more memorable and satisfying to people, making clients more likely to remember and act on it.

Advisors should also try to turn disadvantages into potential benefits, helping flip the client's negative perception of an attribute that may otherwise tilt their decision toward rejecting the recommendation.

Finally, with respect to advantages, advisors may also wish to pre-emptively cover potential objections in their presentation to clients. By doing so, and linking an advantage to satisfy the objection, clients are more likely to proceed with the recommendation as they feel that the advisor has thought out the potential downsides and tried to mitigate them.

Providing options to clients is important because it reduces resistance to the advisor's recommendations. When options are not provided, clients are more likely to resist recommendations because they lose the ability to make their own decisions and control their own outcomes. After all, people prefer to choose what to do rather than be told what to do. When presenting options to clients, it is important to limit the set of options that clients can choose from to avoid the paradox of choice, a situation in which too much choice actually leads to a restriction in the freedom to choose because the options become too overwhelming. The client, again, chooses not to make a choice from the alternatives available and maintains the status quo.

Finally, advisors should provide a balanced picture when making recommendations. Both the advantages and disadvantages of a strategy should be highlighted. When someone receives only one side of the recommendation (i.e., only the advantages), they intuitively look for the downsides of the recommendation. The more advantages that the advisor presents, the more likely a client is to take the opposite side of the recommendation. The client does this because the human mind is cynical. The client's mind plays devil's advocate and looks for disadvantages since the recommendation being presented to it seems too good to be true. And because the human mind tends to place greater weight on its own voice than

<b>Presenting Options to a Client</b>	
It is better to provide an option with a limited number of choices to a client as opposed to a larger number of choices.	
Worse Option	Better Option
RRSP vs. TFSA vs. RESP vs. Non-Registered Account	RRSP vs. TFSA
GIC vs. Bond vs. Stock vs. Mutual Fund	GIC vs. Mutual Fund
10 Canadian mutual funds	2 Canadian mutual funds

that of another, the client will be less likely to accept and enact the advisor's recommendation.

The human mind also pays close attention to numbers that are presented to it. When presented with a number, people tend to focus on and remember the number. After all, if the presenter of the number went to the extreme of providing that level of detail, then the number and its meaning must be important. When clients are presented with a number, their efforts to remember the number can interfere with their ability to hear and receive further information from their advisor because their mind is too busy trying to commit the number to memory. To provide clients with the best chance at receiving information, advisors should limit the amount of numbers they provide to clients, using them only when they are important. For example, to quantify the benefit a client can expect to receive from implementing a recommendation. For similar reasons, when numbers are presented, approximations should be used to limit the cognitive bandwidth the client is using to process and remember the number.

## ***10 Cs of Communication***

Communicating effectively focuses on the advisor presenting recommendations in a way that makes it as easy as possible for the client to receive, process, and remember the recommendation so that they are motivated to enact it. To help clients move from receiving the recommendation to enacting it, an advisor's communications should be complete, clear, coherent, correct, considerate, conversational, courteous, concrete, concise, and compelling. Communications that contain all ten of these characteristics (known as the 10 Cs of Communication) provides all the necessary components for the client to effectively understand the message and increases the likelihood that the client will remain engaged in the process and be open to enacting the recommendations.

<b>Characteristic</b>	<b>Descriptions</b>
Complete	The message contains all necessary information for the client to make a decision.
Clear	The message has only one interpretation and the client is able to understand it.
Coherent	The message is logical, relevant and congruent with the advisor's other recommendations.
Correct	The message is delivered at the right time, to the right person, in the right way.
Considerate	The message takes into consideration the client's needs and wants.
Conversational	The message is presented in an informal way using common language (avoiding formal language and technical jargon) so that a layperson can understand it easily.
Courteous	The message is friendly, open, and honest.
Concrete	The message is specific, definite and vivid rather than vague and general.
Concise	The message is only as long as needed for the client to be able to understand it.
Compelling	The message contains visceral imagery that influences the client to take action.

*Table 4. The 10 Cs of Communication*

# A Case Study in Presenting Financial Planning Recommendations to a Client

In this section, we will turn our attention back to the family we met in *Practice Development Module 6 – Needs Analysis*. You will recall that in Module 6, Lois and Bernadette worked with their financial advisor Jacquie to write SMART financial planning goals, analyze their current situation and develop recommendations to address gaps in their financial plan. In *Practice Development Module 7, Advice Delivery*, we will demonstrate how Jacquie effectively communicates her recommendations to Lois and Bernadette and addresses their concerns with the recommendations. You will also recognize that the three of them collaborate on solutions that work with Lois and Bernadette’s current situation, while addressing the gaps in their plan, and develop an action plan to close those gaps.

## Presenting Financial Management Information

Financial management primarily focuses on the client’s current and future financial position and cash flow, as depicted in their net worth and cash flow statements, respectively. As part of their presentation meeting, many advisors commence with a review of the client’s net worth and cash flow to provide the client with a synopsis of their current financial position and the amount of money they have available each period to fund their goals.

Please see *Presenting Net Worth and Net Cash Flow* for an example of language that an advisor might use with their clients.

<b>Presenting Net Worth and Net Cash Flow</b>	
<b>Advisor’s Language</b>	<b>Advisor’s Technique</b>
As part of my analysis, Lois and Bernadette, I calculated two very important numbers – your net worth and your net cash flow.	<ul style="list-style-type: none"> <li>• Advisor introduces topic, making it easier for clients to follow the story and receive information.</li> </ul>
Your net worth is the difference between your assets (what you own) and your liabilities (what you owe). It is the theoretical amount of cash you would have remaining if we sold everything you own and pay off everything you owe. It provides a snapshot of your financial health and is something we review each year to determine our progress towards your goals and if any issues have arisen that need our attention.	<ul style="list-style-type: none"> <li>• Advisor uses conversational language by avoiding technical jargon and explaining terms in easy to understand language.</li> <li>• Advisor explains relevance of information being presented.</li> </ul>
Currently, your net worth is approximately \$100,000. You have done well to build a positive net worth, not something easy to do these days given the need to borrow for one’s home and education expenses. One of the things we will work on as time progresses is to grow your net worth, particularly with assets that are accessible if needed. As you can see on this net worth statement, your net worth is currently dominated by your largest asset, your home. And while this is the case for many Canadians, we want to ensure that as time goes on, your net worth is not tied predominantly to the change in the value of your property because when the time comes to fund your goals, you will need to have other assets in place that can be liquidated to pay for those expenses.	<ul style="list-style-type: none"> <li>• Advisor presents only one number and uses an approximation to make it easier for clients to remember and avoid missing further parts of the message.</li> <li>• Advisor uses multiple modalities (aural and visual) to increase likelihood that information is received.</li> <li>• Advisor explains relevance of information being presented to increase clients’ understanding.</li> </ul>

<p>Your net cash flow is the money you have available at the end of each month after paying all of your expenses. It's an important number because it is the amount of money you have available to save towards your goals each month.</p> <p>I have calculated that you have a net cash flow surplus of almost \$1,100 per month. While this excess cash will help you progress towards achieving your goals, it will fall short of funding them fully because you need to save approximately \$1,700 per month going forward to meet your goals.</p>	<ul style="list-style-type: none"> <li>• Advisor avoids technical jargon and explains terms in simple and easy to understand language.</li> <li>• Advisor explains relevance of information being presented.</li> <li>• Advisor presents only two numbers and uses approximations to make it easier for clients to remember and avoid missing further parts of the message.</li> </ul>
<p>But not to worry, I have developed a solution that will allow you to achieve all of your goals, and it will only require a few small adjustments to the current structure of your finances.</p>	<ul style="list-style-type: none"> <li>• Advisor reassures clients and logically links to next topic, making it easier for clients to follow the story and receive information.</li> </ul>

## Presenting Debt Management Recommendations

Given the predominance of debt in today's society, many clients will benefit from advice related to managing their debt. Because debt can be a shameful topic for many people, it is important that an advisor avoid blaming the client for taking on debt and instead make recommendations without judgement, always helping the client to look forward rather than back to the past.

Because money is a scarce resource for most people, repaying debt quickly can be difficult. It can also cause clients to reject recommendations focused in other financial planning areas because they believe the cash flow requirements to fund those recommendations are unaffordable given their current cash flow. Many advisors recommend that clients with multiple debts consolidate them (into a loan, line of credit or mortgage) to help them increase their free cash flow to fund their goals. When presenting to clients

about debt consolidation opportunities, advisors can highlight four major benefits of debt consolidation:

- Decreased interest cost
- Increased convenience
- Increased comfort
- Increased cash flow

Because consolidation loans tend to be used to pay off higher interest rate debts, the client can benefit from both a decreased interest rate and a reduction in the overall interest cost over the life of the debt. Convenience is another benefit of consolidating debts. This is due to fact that clients would only have to make one debt payment to one creditor each month rather than multiple payments to multiple creditors. But by far, the two most impactful benefits to clients include the increased comfort that comes (through peace of mind) from knowing one will be debt free in a relatively shorter period of time, and the increased cash flow that the client can use to fund their goals.

Providing clients with peace of mind increases the likelihood that the recommendation will be accepted given that it removes a real source of immediate discomfort, the stress of being in debt without a plan. Increasing a client's cash flow also increases the likelihood that the recommendation will be accepted since it removes one of the most common reasons for rejecting a recommendation, affordability. By showing the client that they will have the cash flow available to fund their goals (without the need to alter their lifestyle), they will be more motivated to proceed with the recommendation.

In both of these cases, the advisor is connecting the intended outcome of their recommendation to the client's emotions and goals, an important aspect of any recommendation. While saving money on interest costs or having more cash flow are benefits in and of themselves, they may not necessarily motivate an individual because money itself is not a motivator. What tends to motivate people are the goals that money can help them accomplish. In other words, money is a means to an end. By showing a client that the savings on interest costs or increased cash flow that will result from consolidating their debts can be redirected towards the funding and



attainment of their goals (especially when the clients will not need to change their lifestyle or spending habits), clients will be more motivated to enact the debt management recommendation.

Please see *Presenting a Debt Consolidation Recommendation* for an example of language an advisor might use with clients in a debt management scenario.

<b>Presenting a Debt Consolidation Recommendation</b>	
<b>Advisor’s Language</b>	<b>Advisor’s Technique</b>
<i>I recommend consolidating all of your credit card and line of credit debt in to one loan because doing so will free up \$200 of cash flow. This means you’ll have \$1,300 of the \$1,700 per month that you need to save every month to meet your goals.</i>	<ul style="list-style-type: none"> <li>• Advisor delivers recommended action (RA) using an “I recommend...because...” statement to increase likelihood that advice will be accepted.</li> </ul>
<i>To consolidate your debts, we will apply for a new loan and use the proceeds of that loan to pay off your credit card and line of credit debts. The new loan will have a lower interest rate, shorter repayment period, and most importantly will have a lower payment than the amount you are spending now on all of your debts combined.</i>	<ul style="list-style-type: none"> <li>• Advisor explains intended objective (IO) to provide clients with expectation of final outcome.</li> </ul>
<i>By consolidating your debt, you will be able to repay your debts in five years, helping you achieve your goal of being debt free as soon as possible.</i>	<ul style="list-style-type: none"> <li>• Advisor uses considerate language to connect advice with clients’ goal of reducing debt.</li> </ul>
<i>In addition, being debt free in five years means less worry since you’ll have a plan to pay off your debts sooner rather than later.</i>	<ul style="list-style-type: none"> <li>• Advisor includes emotional rationale (ER) by linking advice to the removal of a pain point, the stress of being in debt.</li> </ul>

<p><i>And finally, consolidating your debts will help you progress towards your goals of being able to sit at Gracie's graduation, knowing that you fully funded her education, as well as travel to those exotic locations, such as Fiji, during retirement.</i></p>	<ul style="list-style-type: none"> <li>• Advisor includes emotional rationale (ER) by linking advice to the visions of the future that evoke clients' emotions.</li> </ul>
<p><i>How does that sound?</i></p>	<ul style="list-style-type: none"> <li>• Checks to proceed by asking clients if they have any issues with what has been presented to them.</li> </ul>

## Presenting Education Recommendations

Many people want to provide the best opportunities for their children to succeed in life. Funding their children's education is one way that they can achieve this. While many people know they want to fund a child's education, they may have some reluctance to do so given the number of unknown variables that come into the decision. For instance, will the child attend post-secondary education? If so, what type of education will they pursue? For how long and how much will it cost? And if the child does not attend any sort of post-secondary education, what happens to the money they saved for that purpose?

In addition to the techniques that have been presented in this text, advisors can help clients envision the impact that their financial support will have on their child during and after they complete their education. By having clients engage in visualizations of their child's future, one can evoke the client's emotions, helping activate the stronger, emotional decision-making part of their brain. Furthermore, advisors can educate their clients about the existence and operation of Registered Education Savings Plans (RESP), which can help dispel potential worries that clients may have about saving for a goal that may not come to fruition.

Please see *Presenting an Education Planning Recommendation* for examples of language that an advisor can use when recommending education planning solutions.

<b>Presenting an Education Planning Recommendation</b>	
<b>Advisor’s Language</b>	<b>Advisor’s Technique</b>
<p><i>By investing \$500 of that \$1,300 per month that you have, we can fund a savings plan to fully cover Gracie’s expected education costs.</i></p>	<ul style="list-style-type: none"> <li>• Advisor highlights recommended action (RA) and intended objective (IO), while also introducing next topic, making it easier for clients to follow the story and receive information.</li> </ul>
<p><i>To save for children’s education, parents generally have two main options. The first is to save using a non-registered investment account. The second is to save using a Registered Education Savings Plan, also known as an RESP.</i></p>	<ul style="list-style-type: none"> <li>• Advisor provides two options to reduce the risk that clients resist recommendation.</li> </ul>
<p><i>In a non-registered account, any income that your investment makes is taxed each year at your tax rate, while any growth in the value of the portfolio is taxed at your tax rate when they are liquidated to pay for Gracie’s education. This means that you could lose substantial amounts of your money to taxation.</i></p> <p><i>As an alternative, I recommend that we use an RESP to save for Gracie’s education because any funds contributed to it grow tax-deferred, meaning while the money remains invested in the RESP, no tax is payable on any income or growth it experiences. When money is withdrawn from the plan to pay for Gracie’s education, the income and growth will be taxed at Gracie’s tax rate, which is likely to be much lower than either of your tax rates.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses an “I recommend...because...” statement to increase likelihood that advice will be accepted.</li> </ul>

<p><i>In addition to being able to keep more of your own money, an RESP also provides parents and their children with an educational grant equal to 20% of any contributions made to the plan, up to \$2,500 per year. In other words, for every \$2,500 you contribute per year, the Government of Canada will contribute an additional \$500, up to a maximum of \$7,200, to help fund Gracie's education. So not only, do you get to keep more of the money you invest, an RESP will also let you acquire more money for Gracie's education.</i></p>	<ul style="list-style-type: none"> <li>• Advisor provides two advantages versus one disadvantage (e.g. higher tax on withdrawals not used by child for education) to help influence clients' decision.</li> </ul>
<p><i>Is there anything about what I've explained so far that you are unsure about or that you have questions about?</i></p> <p><i>No? Excellent!</i></p>	<ul style="list-style-type: none"> <li>• Checks with clients before proceeding by asking if they have any issues with what has been presented to them.</li> </ul>
<p><i>I've also included a fact sheet about RESPs in a package that you can take home. This fact sheet provides the important details about these plans that can be used to help increase the amount of money available for Gracie's education. If after reviewing it, you have any further questions, please let me know at any time.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses multiple modalities (aural and visual) to increase likelihood that information is received.</li> </ul>
<p><i>Bernadette and Lois, thank you for sending to me, ahead of our meeting, the pictures of each of you at your respective university graduations and one of Gracie. They're great pictures! I've put them together in this document, which you can take home. You'll notice that your graduation pictures are on each side of</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses pictures to link clients' goals with their past and future feelings, to work as an emotional rationale (ER) that will influence them to enact the recommendation.</li> </ul>

*the page, while I've put Gracie's photo in the middle. I'd like you to put this up somewhere at home – perhaps on your fridge, in a home office, or even as your computer's home screen – anywhere you'd like as long as you'll see it on a regular basis. And each time you see it, I hope that it'll remind you of how you felt when you graduated from university and how you'll feel when Gracie graduates from her post-secondary education, knowing you were able to fund her education!*

## Presenting Insurance Recommendations

For many people, life insurance has a negative connotation. To some, it can rouse the sense of fear that comes when thinking about one's own mortality. For others, they see it as money wasted given that they will never experience the benefit that it can provide. For these reasons and many others, making recommendations related to insurance can be difficult.

A common misconception that is shared by both clients and some advisors is that insurance is expensive. While the cost may be high to some, to others it is not. It is important that advisors refrain from allowing their presuppositions about the potential objections that clients may make about insurance from influencing their recommendation. Recommending to a client that they obtain \$500,000 in life insurance (even though they need \$1,000,000) because the cost is high discounts the importance of the insurance and leaves the advisor with less room to reposition a lower amount of insurance should the client decide that the cost is too prohibitive for them. The client should decide whether the value they receive for an insurance premium is worth it to him.

Advisors can use the techniques presented in this module to help present their insurance-related recommendations to clients. In particular, the techniques involving storytelling, transporting, framing can increase the effectiveness and influence of an advisor’s insurance-related recommendations.

Using stories about insurance can help increase the relevance that a recommendation has for a client. These stories may be ones that the advisor has experienced personally or ones that other clients or people the advisor knows have experienced (while maintaining confidentiality, of course, by omitting any personal details that may identify the individuals involved in the story). Transporting a client by presenting the recommendation in a location that is important to them and their family (such as their home) can also be used to help the client see, hear, smell, touch, and feel what it is they are protecting by obtaining life insurance. By framing one’s recommendations appropriately (with a promotion or prevention focus), one can appeal to the client’s way of thinking to help influence them to obtain insurance.

Please see *Presenting a Life Insurance Recommendation* for an example of language that an advisor can use when presenting insurance-related recommendations to clients.

<b>Presenting a Life Insurance Recommendation</b>	
<b>Advisor’s Language</b>	<b>Advisor’s Technique</b>
<p><i>To determine how much life insurance an individual should have in place, we estimate the amount of money your survivors would need if you were to die today. We add up all of the money required to pay for things like your funeral, pay off your debts, fund all of your goals, replace your income, and pay any taxes owing upon your death. From that we subtract the resources you have in place, such as cash in bank accounts and existing insurance policies.</i></p>	<ul style="list-style-type: none"> <li>• Advisor introduced next topic, making it easier for clients to follow the story and receive information.</li> <li>• Advisor avoids technical jargon and explains terms in simple and easy to understand language.</li> </ul>

<p><i>After completing this analysis, which you can see on this insurance needs analysis, I would recommend that you, Lois, should obtain at least \$840,000 in life insurance, while Bernadette, you should obtain at least \$885,000 in life insurance.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses multiple modalities (aural and visual) to increase likelihood that information is received.</li> <li>• Advisor presents only two numbers and uses approximations to make it easier for clients to remember and avoid missing further parts of the message.</li> </ul>
<p><i>Obtaining this insurance will ensure that everything you have worked to build thus far and all of the goals you are working towards can still be achieved, even if one of you were to pass away unexpectedly. Even more importantly, it means that everything you see around you – your home and the sense of security and safety it brings; your possessions; and your lifestyle; they can all be maintained. Having this insurance means that if one of you were to pass away prematurely, you wouldn't need to uproot Gracie during such a difficult time.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses considerate language to connect advice with clients' goal of remaining in home after death of one spouse.</li> <li>• Advisor includes emotional rationale (ER) by linking advice to most important thing for them – Gracie's well being.</li> </ul>
<p><i>How does that sound?</i></p> <p><i>See the continuation of this part of the conversation by reviewing the example in the Handling Objections to Recommendations section of the text.</i></p>	<ul style="list-style-type: none"> <li>• Checks to proceed by seeing if clients have any issues with what has been presented to them.</li> </ul>

## Presenting Retirement Recommendations

Retirement means different things to different people. Some people want to cease working completely and travel the world, while others prefer to work part-time and volunteer with local community organizations. Some might even continue to work full-time at their current role with retirement being the confidence that they could afford to cease working at anytime they would like. Whatever an individual's vision of retirement is, it is important for an advisor to know what their client's vision for retirement is and how to tap into the emotions the client feels about their goals.

Retirement is, for many, a goal situated in the distant future, it can be hard for clients to put forth the effort to save today for a goal they won't get to reap the benefits from until the future. People have a tendency to discount the connection between what they do today and how it will impact them in 10, 20, 30 or even more years. In fact, people actually view their current selves and their future selves as two different people. Couple this with the intrinsic human motivation to obtain immediate rewards over future ones and influencing an individual to accept retirement planning recommendations can be a very difficult task.

In addition to the techniques that have been presented in this text, advisors can focus on the images and emotions that are linked to the client's retirement goal, including the sights, sounds, and smells of the activities they wish to participate in during their retirement. By using visceral images and emotive language, one can evoke the client's emotions, helping activate the stronger, emotional decision-making part of their brain.

Please see *Presenting a Retirement Planning Recommendation* for an example of language that an advisor can use when presenting a retirement planning recommendation to a client.



<b>Presenting a Retirement Planning Recommendation</b>	
<b>Advisor's Language</b>	<b>Advisor's Technique</b>
<p><i>Thank you also for creating the photo and word collage I asked you to create. By looking at the photos of the activities you'd like to engage in during retirement, as well as the names of all the places you'd like to travel to, I can see that you are planning to have an exciting and fun retirement! Like the photos related to your education goal, I'd like you to find somewhere to put this collage up as well to remind you that every month, this is what a part of your savings is striving for.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses pictures to link clients' goals with the future they envision, to work as an emotional rationale (ER) that will influence them to enact the recommendation.</li> <li>• Advisor highlights recommended action (RA) and intended objective (IO), while also introducing next topic, making it easier for clients to follow the story and receive information.</li> </ul>
<p><i>To save for your retirement, you generally have two main options. The first is to save using a Tax-Free Savings Account (TFSA). The second is to save using a Registered Retirement Savings Plan (RRSP).</i></p>	<ul style="list-style-type: none"> <li>• Advisor provides two options to reduce the risk that clients resist recommendation.</li> </ul>
<p><i>Think of both plans as umbrellas under which you can hold a multitude of different investments. The largest differences between a TFSA and an RRSP are how contributions, growth of investments in the plan, and withdrawals are treated.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses conversational language by avoiding technical jargon and explaining terms in easy to understand language.</li> </ul>
<p><i>With a TFSA, any contributions made have no special tax treatment. Any income or growth the investment experiences within a TFSA occurs tax-free. And when you withdraw your money, you can do so tax-free as well with the option to re-contribute that amount, generally in the next year.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses conversational language by avoiding technical jargon and explaining terms in easy to understand language.</li> </ul>

*With an RRSP, any contributions made qualify for a tax deduction and help reduce the income tax you owe. For your family, this would mean an annual tax savings of approximately \$2,400 per year, which you can use to pay down debt, reinvest towards your retirement or take that vacation to Disney that you want to take Gracie on. Any income or growth the investment experiences within an RRSP occurs on a tax-deferred basis, meaning you don't have to pay any tax until the money is withdrawn from the plan. When withdrawals are made however, every dollar withdrawn is taxable as income and cannot be recontributed. This means that while your money is always accessible, withdrawing from an RRSP should only occur in retirement, or prior to retirement, as a last resort and only done under extenuating circumstances. While this taxation may sound like a negative, especially when compared to the tax-free withdrawals allowed in a TFSA, it generally saves you even more money given that most people have lower tax rates in retirement. For example, when you contribute money to an RRSP, you are likely to save tax at a rate of about 30%, but when you withdraw your money from an RRSP in retirement, you are likely to pay about 20% of tax on the amount you withdraw. Finally, when you need to draw an income in retirement, we can switch your RRSP to a Registered Retirement Income Fund, or a RRIF. This plan*

- Advisor uses conversational language by avoiding technical jargon and explaining terms in easy to understand language.
- Advisor presents balanced approach by showing disadvantage, helping reduce likelihood of resistance to recommendation, however, limits its potential impact by reframing disadvantage as potential opportunity.
- Advisor provides three advantages versus one disadvantage (e.g., tax deduction, tax-deferred growth, income splitting versus tax on withdrawal) to help influence clients' decision.

<p><i>operates just like an RRSP, only where RRSPs are set up to accumulate money for retirement, RRIFs are established to allow people to withdraw income from their plans. RRIFs also help you save more taxes as they allow spouses like yourself to split or share income once you're 65, to help lower your tax rates even more.</i></p>	
<p><i>Because of the potential for all of these tax savings opportunities, I would recommend that you contribute the remaining funds you have each month, approximately \$730, to your RRSPs to save for your retirement.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses a format of an "I recommend...because..." statement to increase likelihood that advice will be accepted.</li> </ul>
<p><i>This amount will fall short of the \$1,000 you need to save, but not to worry. I've determined that once your loan has been paid off in five years, you can redirect that cash towards savings for your retirement and it will fund the remainder of your retirement goal.</i></p>	<ul style="list-style-type: none"> <li>• Advisor reassures clients, and explains in straightforward terms what is required to meet their goals.</li> </ul>
<p><i>Do you have any questions about this or any of the other recommendations I've presented to you today?</i></p>	<ul style="list-style-type: none"> <li>• Checks to proceed by seeing if clients have any issues with what has been presented to them.</li> </ul>

## Presenting an Action Plan

Advisors should recap their recommendations at the end of the meeting in conjunction with their action plan. This will provide the client with an additional opportunity to see the big picture and determine if they need further information before proceeding with the recommendations.

When presenting a summary of the recommendations with an action plan, advisors should present only the action steps required to implement the recommendations, and refrain from adding any new information.

In addition, advisors should ask if the client wishes to proceed with the recommended actions. Many times, advisors refrain from asking the client if they wish to proceed with the recommendation. In many instances, this is because the advisor doesn't want to be perceived as being too aggressive, while in other instances, advisors may feel that if the client wants to proceed, they will indicate this willingness to the advisor. The majority of clients will proceed with recommendations, but only if asked to do so. So, it is imperative that the advisor asks. The client will either proceed or indicate that they do not wish to proceed, opening the door for the advisor to inquire about what is preventing them from moving forward.

Please see *Presenting an Action Plan* for an example of language that an advisor can use when presenting an action plan to a client.

<b>Presenting an Action Plan</b>	
<b>Advisor's Language</b>	<b>Advisor's Technique</b>
<i>I always find it helpful to recap the recommendations for my clients as it brings everything together and gives them a clear picture of what will be required to meet their goals.</i>	<ul style="list-style-type: none"> <li>• Advisor explains their reasoning related to their next step so that clients can more easily understand what is occurring, which will allow them to be better able to receive recommendations.</li> </ul>
<i>I also find it helpful to provide my clients with a one-page summary so they can follow along easily. In addition, this page can act as your checklist to see where we are at any time on the pathway to achieving your goals.</i>	<ul style="list-style-type: none"> <li>• Advisor uses multiple modalities (aural and visual) as well as repetition, to increase likelihood that information is received.</li> </ul>
<i>To recap, I'd recommend the following actions:</i>	<ul style="list-style-type: none"> <li>• Advisor uses "I recommend..." statement to increase likelihood that advice will be accepted.</li> </ul>

<p><i>First, consolidate your debts into one loan.</i></p> <p><i>Second, we use the \$1,300 in free cash flow that you have each month to contribute \$500 to a Registered Education Savings Plan for Gracie, \$730 to your Registered Retirement Savings Plans, and spend the other \$70 to purchase a 20-year term insurance policy that will payout \$885,000 to either of you upon the other's death.</i></p>	<ul style="list-style-type: none"> <li>• Advisor uses clear language (indicating first, second...) so that client can easily follow the points the advisor is presenting.</li> </ul>
<p><i>I would recommend that we complete all of these actions within the next month so as not to miss out on lost time, which can be very important in investing.</i></p>	<ul style="list-style-type: none"> <li>• Advisor does not provide deadline so as not to demotivate client.</li> </ul>
<p><i>I'll get working on all of the paperwork and transactions required to enact these recommendations once you approve taking the steps</i></p>	<ul style="list-style-type: none"> <li>• Advisor explains intended outcome (IO).</li> </ul>
<p><i>We can then meet again to review all of the documents that you have to sign.</i></p> <p><i>' time to see how you're feeling about your new plan and the steps we will have taken together to help you meet your goals.'</i></p>	<ul style="list-style-type: none"> <li>• Advisor mentions follow-up, which helps support acceptance and adherence to recommendations as clients will feel supported.</li> </ul>
<p><i>How does that plan sound?</i></p> <p><i>That's great! I'm glad you're excited about it!</i></p> <p><i>Can I proceed with getting everything ready for you?</i></p> <p><i>Thank you. I'll get working on enacting your plan right away.</i></p> <p><i>Is there anything I've presented today that you wanted to ask further questions about or that you have concerns with?</i></p> <p><i>No, excellent!</i></p>	<ul style="list-style-type: none"> <li>• Advisor asks if clients would like to proceed.</li> </ul>

## Handling Objections to Recommendations

Objections are a normal part of the advice delivery process. They provide important signals to the advisor, particularly that the client has heard and is likely interested in pursuing the recommendation, however they are not yet ready to proceed with it. In many cases, this hesitation is rooted in being uncomfortable with making the change the recommendation requires.

Recall that when faced with objections, it is important for advisors to determine if the client's objection is an indication of resistance (they don't wish to proceed) or ambivalence (they have conflicting beliefs about proceeding). Regardless of if it is a demonstration of resistance or ambivalence, advisors should acknowledge the client's objection and cease attempting to persuade the client. Not only will the action be futile, but it has the opportunity to cause irreparable harm to the relationship between the advisor and their client.

People may be resistant to an idea or taking action because of their thoughts, beliefs, and feelings based on previous experiences. Known as issue resistance, it is evident by the statements made by the client, which will tend to contain incomplete or incorrect information. 'Discounting, dismissing, or immediately correcting the client's statements in an attempt to handle their resistance can cause the client to experience competency face loss (when the client is immediately corrected) or autonomy face loss (when the client is told what to do when they're not ready to do it). Both losses of face lead to greater issue resistance, and worse, relational resistance' (Berger 2016), where the client digs in their heels and becomes resistant to the advisor and anything they say.

When the client's objection demonstrates their ambivalence to the recommendation (and by extension, making a change), advisors have the opportunity to engage in motivational interviewing, a technique used to help the individual effectively deal with their indecisiveness.

## Motivational Interviewing

Motivational interviewing (MI) is a method of interacting with clients (Mead Johnson n.d.) that involves a collaborative conversation style focused on exploring the possibility of change through a supported reflection of one's motivations and resources so the individual can resolve their own ambivalence and commit to move forward with change (Garrity 2014). The advisor's role in motivational interviewing is one of facilitation, acting as a guide, and supporting the client to "articulate their reasons for changing and in doing so, strengthen their intention to change" (Mead Johnson).

Motivational interviewing contains five important elements:

- The Spirit of MI
- The Guiding Principles of MI
- The Approach to MI
- Core Skills of MI
- Change talk

### *The spirit of motivational interviewing*

The spirit of motivational interviewing lies in the idea that the advisor and the client are partners who, through collaboration, can determine the pathways the client can take to achieve change.

"While the [advisor] is an expert in [financial matters], the [client] is the expert in knowing what is important to them and what they want to do... Instead of imparting wisdom and insight to the [client], the [advisor] elicits and draws out these things from the [client]. The overall goal is to build intrinsic motivation so that change arises from within rather than being imposed from without" (Mead Johnson n.d.). It is important that the advisor accept the client for who they were, who they are, and who they would like to become. This requires the advisor to suspend judgement and exercise compassion towards the client, both of which are required ingredients for trust to be established and cultivated. Once trust has been established, the advisor can then engage the client in exploring their own motivations, resources, plans for, and commitment to change.

Spirit of Motivational Interviewing	
P	Partnership
A	Acceptance
C	Compassion
E	Evocative

Figure 2. Spirit of Motivational Interviewing

## ***The guiding principles of motivational interviewing***

The first principle of motivational interviewing is that an advisor should resist and override their natural urge to help a client by immediately correcting the client or telling them what they should change. When people are on the

receiving end of this paternalistic type of behaviour known as the “righting reflex,” they tend to take the opposite side of the argument, which in these cases will be to resist change and maintain the status quo (The Change Companies 2011). Because advisors want to help a client avoid painful or problematic outcomes, the reflex to right the client’s behaviour can easily occur. Trying to persuade, convince, rationalize, inform or any other method of trying to alter the client’s behaviour are all examples of an expert’s righting reflex. To help prevent themselves from using their righting reflex, advisors should maximize the questions they ask, and minimize the statements they make. This will help ensure the clients do the majority of the talking and the advisor reduces their risk of trying to help fix a problem without having the problem and solution identified and approved by the client. If the advisor realizes that they have used their righting reflex, they should apologize to the client and redirect the conversation back to the client’s exploration of their own motivations and resources for change.

The second principle of motivational interviewing is to understand the client’s motivation. Motivation is internal to an individual. Nothing an advisor can do will motivate an individual to change if they do not possess the internal motivation to do so. When uncovering the client’s motivations, it is important for advisors to avoid explicitly or inadvertently judging the client’s motivations, perhaps through follow-up questions such as “why is that important to you?” Learning to articulate non-judgmental curiosity will help reduce the defensiveness of a client and contribute to a healthy and open relationship between the advisor and the client.

Guiding Principles of Motivational Interviewing	
R	Resist the Righting Reflex
U	Understand the Client’s Motivation
L	Listen with a Client-Centered Approach and Empathy
E	Empower the Client to Change

Figure 3. *The Guiding Principles of Motivational Interviewing*



The third principle of motivational interviewing, listening with a client-centered approach and empathy, helps ensure that trust can be built between the two parties. Only when trust is established will the client feel comfortable sharing their thoughts, feelings and beliefs with the advisor. Listening empathetically also allows the advisor to hear what is and what isn't being said, both of which are required to deal effectively with resistance and ambivalence.

The final principle of motivational interviewing is to empower the client to change. Empowering the client can be accomplished by supporting self-efficacy, "an individual's confidence in their ability to accomplish a particular goal." (Letkiewicz, Robinson and Domian 2016). Self-efficacy is the most important predictor of sustainable behaviour change because when one "believes they can be successful at something, then they will be more motivated to try it and work hard to accomplish it." (Letkiewicz, Robinson and Domian 2016). "To help promote self-efficacy, [advisors] can provide clients with hope, vicarious experiences, and opportunities to accomplish a goal" (Letkiewicz, Robinson and Domian 2016). Through their language, advisors can provide their clients with hope and encouragement that the clients can achieve success. Advisors can also provide their clients with vicarious experiences, in the form of success stories (social comparisons) from others facing similar issues, to give the client the confidence that their situation can be changed successfully. Finally, advisors can guide clients towards making decisions that are likely to result in accomplishments (small wins) to help clients build their confidence and a track record of success' (Letkiewicz, Robinson and Domian 2016).

## ***The approach to motivational interviewing***

The approach to motivational interviewing involves engaging, focusing, evoking, planning and sustaining. The approach is focused on getting to the behaviour, supporting the behaviour change and sustaining the behaviour change.



Figure 4. The Approach to Motivational Interviewing

Guiding a client in motivational interviewing requires advisors to first establish a mutually trusting and respectful relationship focused on helping the client (Bethea-Walsh n.d.). The advisor must also ensure that there is a focus to the conversation. Initially setting an agenda will help direct the conversation (Bethea-Walsh n.d.). Many advisors ask the client to set the agenda with questions such as “What motivated you to see me today?” or “What concerns do you have with the recommendations I have presented?” As part of the conversation, an advisor will evoke the client through open-ended questions, reflections and summarizations to elicit the client’s motivations for change (Bethea-Walsh, n.d.). The advisor will also facilitate the client’s development of their own plan for change, including commitment to change through an action plan (Bethea-Walsh n.d.). Finally, the advisor will help the client sustain change by asking clients to identify potential triggers and obstacles that may cause them to revert back to their previous behaviour, ways to mitigate those risks, and supports that the client needs (such as the removal of such triggers or obstacles, ongoing review and follow-up, etc.).

### ***Core skills of motivational interviewing***

Four core skills comprise motivational interviewing, including asking open-ended questions, affirming, reflective listening and summarizing. The four core skills are focused on moving the conversation forward towards “change talk,” where the client believes they can make a change, and plans to and commits, to take the steps required to change.

Core Skills of Motivational Interviewing	
O	Open-Ended Questions
A	Affirming
R	Reflecting
S	Summarizing

*Figure 5. Core Skills of Motivational Interviewing*

Open-ended questions are used to get the client talking and sustain dialogue between the advisor and the client. Using open-ended questions allows the client to identify what’s important to them and uncover the client’s motivations. They also help the advisor move the conversation in the direction of change. In the spirit of motivational interviewing, advisors should maximize the questions they ask and minimize the statements they make. This will ensure the client, who should be the focus of the

conversation, speaks the most, allowing the advisor to obtain sufficient information to help the client move forward.

It is important to note that in motivational interviewing, a mixture of open-ended questions are used, including those that are questions (such as “What would you like to discuss?” or “How does that make you feel?”) and those that are statements (such as “It sounds like you feel anxious about that change.”).

Affirming focuses on reflecting the client’s positive traits back to them to instill self-confidence and self-efficacy in the client so that they believe they can achieve change. Affirmations focus on positively recognizing the client’s efforts, achievements and behaviours (Garrity 2014). Examples include “This is hard work you’re doing” or “It took a lot of courage for you to try to reduce your spending.”

Reflective listening involves restating the client’s words back to them, sometimes including a conjecture about what the client meant or felt when they made their last statement. Providing the client with the opportunity to hear their own words and meanings has three intended outcomes. First, it lets the client work through what they mean and what they feel by confirming or denying if the advisor’s reflection was correct. This approach helps avoid further resistance that can occur if the advisor argues for change while the client defends the status quo. Second, this approach helps continue the forward momentum of the conversation, since reflections are statements that elicit further responses from the client. Third, by hearing their own words and attitudes reflected back to them, clients can identify their personal motivations, the gaps that exist between their current and preferred states, and any discrepancies between their current behaviour and the behaviour required for them to meet their goals. Such realizations can help the client become more open to change as the advisor “helps evoke the client’s own reasons for and against change while resisting coercion” (Mead Johnson n.d.).

Motivational interviewing involves reflective listening techniques to help the client uncover their own intrinsic motivations and help them resolve their own ambivalence or resistance. The reflective listening techniques that advisors may wish to use during their interactions with resistant or ambivalent clients can be found in the table below. Advisors are encouraged to use different reflection techniques rather than just one type throughout their conversation to help keep the flow of the conversation moving and avoid sounding robotic or staged. When engaging in motivational interviewing, the advisor may have to provide multiple reflections to help a client move forward. While hearing one's own voice tends to carry greater credence towards changing than hearing another's voice (The Change Companies, 2012), it may take a client multiple times of hearing their own voice for them to recognize the issue and move forward.

Summarizing helps ensure the client has had an opportunity to fully explore a particular topic before moving on to the next topic or step in the process of change. Summaries often contain statements that focus on attitudes and are followed by a clarifying question (e.g. "What I hear you saying is that you feel helpless to control your spending." Are there other feelings you experience when your spending is high?"). This approach signals to the client that they are being heard and understood, as well as provides them the opportunity to add other important information they feel is necessary (Garrity 2014). Summaries can also be used to shift the dialogue towards change (Garrity 2014) (e.g., It sounds like you've decided that controlling your spending is necessary for you to be able to retire when you're 60.").

It is important that advisors do not prematurely use summaries to move the dialogue with the client towards change. Moving too quickly can derail the conversation and eliminate a substantial part of any progress that has been made up until that point if the client is not ready to move forward. Advisor should listen for change talk, a "mention and discussion of the client's desire, ability, reason and need to change, leading to a commitment to change, [activation], and taking steps to change" (Mead Johnson n.d.).

Action	Description	Example of Client Statement	Example of Financial Planner Response
Simple Reflection: Repeat	Repeat what the client said verbatim, adding no additional meaning or emphasis.  Allows the client to hear and confirm that their statement accurately depicts their feelings.	"I want to stop spending so much money."	"You want to stop spending so much money."
Simple Reflection: Rephrase	Paraphrase what the client said, adding some meaning or emphasis.  Allows the client to hear and begin to uncover their motivation.	"I really want to stop spending so much money."	"Spending less money is important to you."
Amplified Reflection	Reflect what the client said, exaggerating some piece of it.  Elicits the other side of the client's ambivalence.	"I am only here because my wife wants us to spend less money."	"That's the <i>only</i> reason why you're here."
Double-Sided Reflection	Reflect both sides of the client's ambivalence.  Allows the client to hear and confirm both sides of their ambivalence.	"I don't like having little to no money in my bank account at the end of the month, but I like how buying clothes makes me feel."	"On the one hand, buying clothes makes you feel good, and on the other hand having little to no money at the end of each month causes you stress."

Reframe	<p>Look at the situation from another perspective.</p> <p>Provides perspective to client, and can be used to redirect negative statements and pessimistic attitudes to positive statements and optimistic attitudes.</p>	<p>"I've tried to limit my spending so many times, but I just can't seem to stop myself."</p>	<p>"You are persistent, even though you have not been able to stop spending yet. This change must be really important to you."</p>
Agreement with a Twist	<p>Reframes the situation and prefaces it with a statement that sides with the client's feeling.</p> <p>Elicits the other side of the client's ambivalence or their limits of continuing the status quo.</p>	<p>"I can't imagine not being able to buy the things I want. It's how I feel better and manage my stress."</p>	<p>"You can't live your life without shopping. It's such a part of who you are that you will keep shopping no matter what the cost."</p>
Side with the Individual's Argument Against Change	<p>State the negative side of the client's ambivalence.</p> <p>Elicits the positive side of the client's ambivalence.</p>	<p>"My spending isn't that bad."</p>	<p>"There's no reason for you to be concerned about your spending."</p>
Sit with Ambivalence	<p>Acknowledge that client is not ready to change, followed by inquiring about their feelings with maintaining the status quo.</p> <p>Elicits the positive side of client's ambivalence.</p>	<p>"I'm not ready to stop spending yet since I'm stressed out and eating out and buying clothes reduces my stress levels."</p>	<p>"I understand that you're not ready to spend less money right now. How do you feel about continuing to spend what you are currently spending each month?"</p>

Evoke Ambivalence	Ask the client to identify what obstacles are preventing them from achieving their goal.  Lead discussion towards methods for removing obstacles.	"I can't stop spending. It's just too hard."	"What is preventing you from stopping spending?"
Roll with Resistance	Restate obstacle as opportunity and encourage client to identify other possible alternatives or viewpoints.  Demonstrates to client that roadblocks can be viewed differently. Helps remove fear and defensive from change.	"I can't stop spending because my debit card gives me constant access to my money."	"It's hard to reduce your spending given the convenience that a debit card provides. Are there other ways that you can think of to reduce the convenience that you have to your money?"
Avoid Argument	Restate the client's argument ("Yes, but...") to reason why they're not ready to change (No, because...)	"Yes, I can try to reduce my spending, but I don't think I'll be able to because I've failed in the past."	"I think what you're trying to tell me is that you're not ready to do this because you fear how hard it might be to try again."

Shift Focus	<p>Shift focus of conversation away from advisor.</p> <p>Ensures that advisor does not become problem that client focuses on and diffuses discord in relationship between client and the advisor.</p>	<p>“You probably don’t know how I feel given that you’re good with money.”</p>	<p>“It’s hard to imagine how I could possibly understand.”</p>
Emphasize Personal Control	<p>Emphasize the client’s ability to control the situation.</p> <p>Reminds the client that they can make their own choices and they are responsible for deciding to proceed with change.</p>	<p>“I really want to save more for my retirement, but I’m not ready.”</p>	<p>“Saving is really important to you. You’ll start when you’re ready.”</p>

Table 5. Reflective Listening Techniques

**Change talk**

Change talk indicates that the client has made movement towards being ready to change. To help promote change talk, advisors can ask leading or guiding questions that can test whether the client is ready to move forward. Examples of guiding questions and change talk that advisors should listen for from their clients are described in the table below.



	<b>Type of Change Talk</b>	<b>Guiding Question</b>	<b>Cues of Change Talk</b>
D	Desire	"What would want to make you want to...?"	"I want to..." "I wish..."
A	Ability	"How might you go about...?"	"I can..." "I might..."
R	Reasons	"How might you benefit from...?"	"I will be able to..." "I will benefit by..."
N	Need	"How important is it for you to...?"	"I have to..." "It is important that I..."
C	Commitment	"What do you see as your first step in...?"	"I will..." "I am going to..." "I intend to..." "I plan to..."
A	Activation	"How will you know when you're ready to ...?"	"I'm ready to..."
T	Taking Steps	"What are ways you are taking steps to...?"	"I started..."

*Table 6. Types of Change Talk*

Eliciting change talk is very important to the process of change. Research has shown that change talk predicts behaviour change (Garrity 2014). Methods for eliciting change talk are portrayed below.

<b>Method</b>	<b>Potential Questions to Ask</b>
Ask evocative questions	<ul style="list-style-type: none"> <li>• How important is it for you to...?</li> </ul>
Ask for elaboration	<ul style="list-style-type: none"> <li>• How would you...if you decided to...?</li> <li>• In what ways could you...?</li> </ul>
Ask for examples	<ul style="list-style-type: none"> <li>• "What were ways you used to...?"</li> <li>• "When was the last time you...?"</li> <li>• "Give me an example of how you feel different when you are/are not...?"</li> </ul>
Use extremes	<ul style="list-style-type: none"> <li>• "What do you think would be the worst thing that would happen if you didn't...?"</li> <li>• "What do you think would be the best thing that would happen if you...?"</li> </ul>
Look back	<ul style="list-style-type: none"> <li>• "What was different when you were...?"</li> <li>• "How were things different before...?"</li> </ul>
Look forward	<ul style="list-style-type: none"> <li>• "If you were successful in..., what would be different?"</li> <li>• "How would you like to see your life in 5 years?"</li> </ul>
Explore goals	<ul style="list-style-type: none"> <li>• "How does not...fit with your goal to...?"</li> </ul>
Use a position ruler	<ul style="list-style-type: none"> <li>• "On a scale of one to ten, where one is not at all important and ten is very important, how important is it for you to...?"</li> </ul>
Elicit problem recognition	<ul style="list-style-type: none"> <li>• "What problems have arisen from not...?"</li> <li>• "In what ways does not...concern you?"</li> <li>• "How would you like things to be different?"</li> </ul>
Elicit concern	<ul style="list-style-type: none"> <li>• "What would need to happen for you to...?"</li> <li>• "I sense you are feeling unsure. What would make you more positive about...?"</li> </ul>
Elicit optimism	<ul style="list-style-type: none"> <li>• "What do you think would work for you if you decided to...?"</li> <li>• "How would things be different for you if you...?"</li> </ul>

Table 7. Methods for Eliciting Change Talk

As a client expresses change talk, an advisor can respond appropriately by continuing to reflect and ask open-ended questions that guide the client towards change. At some point during the motivational interviewing conversation, the client will need information or an explanation. While they are in control of planning for and implementing their change, they will need the support of a trusted advisor who has specialized knowledge and skills that they do not possess. When this occurs, it is important that advisors only inform the client when they are ready to hear it and after the advisor has asked and received permission to provide it (Mead and Johnson n.d.). If either of these pre-requirements have not been met, the client may return to a mode of resistance.

When informing clients, advisors may benefit from using the elicit, permission, provide, elicit (EPPE) approach. This approach starts with the advisor asking the client what they know about a topic, followed by asking permission to share more information. If permission is granted, the advisor provides the information, followed by eliciting from the client their thoughts and feelings about what was presented. The advisor can then continue the conversation by asking more open-ended questions, affirming the individual, providing reflections and summaries to help the client move closer to change.

If successful, the conversation will eventually move towards planning for change. To help facilitate the client in developing a plan for change, advisors can help their clients S-O-A-R, as shown in the adjacent table.

	<b>Step</b>	<b>Description</b>
S	Set goals	Help clients determine which goals are important to them and which goals they are motivated to achieve.
O	Option sorting	Use the elicit, permission, provide, elicit approach to ensure client has all necessary information to sort options and make informed decisions.
A	Arrive at a plan	Assist the client in envisioning the enactment of the plan by thinking through the steps required, the supports required, the obstacles and risks that may pose challenges in adhering to the plan, how they will handle such roadblocks, and how they will measure success.
R	Reaffirm commitment	Ask the client to rate the importance of achieving their goal and their confidence level in following the plan.

Ensuring long-term adherence to the behaviour focused on achieving the goal is an important facet of motivational interviewing. Ongoing support from an advisor can increase a client's ability to sustain a change. Advisors should continue to engage in motivational interviewing with their clients as part of the follow-up and review process.

Affirming the client's efforts, behaviour and achievements are all important aspects of ensuring the motivational interviewing process can continue and recycle back to engaging the client. Should a client succeed in meeting their goal, advisors may wish to ask the client if they would like to focus on another goal or issue, starting the process again. If a client falters in achieving their goal, it is imperative that advisors do not disengage from the client or ignore the failure. Instead, advisors should ask the client if they would like to turn their focus to that topic and explore what issues arose that prevented them from achieving their goals so that it can be used as a learning experience and launch pad for that and other future goals.

<b>Handling an Objection</b>	
<b>Advisor's and Client's Language</b>	<b>Client's Reaction and Advisor's Technique</b>
<p><i>This is the continued conversation between Jacqueline, Lois and Bernadette from previous examples.</i></p> <p>Advisor: How does that sound?</p> <p>Lois: I don't think I can go ahead with that recommendation.</p> <p>Advisor: What is preventing you from proceeding with that recommendation?</p>	<ul style="list-style-type: none"> <li>• Evoke ambivalence</li> </ul>
<p>Lois: I don't think we need that much insurance.</p> <p>Advisor: You think that that amount of insurance is too much.</p>	<ul style="list-style-type: none"> <li>• Rephrase</li> </ul>
<p>Lois: The amount of insurance isn't so much the issue, as the amount that it's going to cost us.</p> <p>Advisor: I think what you're telling me is that you don't feel the value in having the insurance.</p>	<ul style="list-style-type: none"> <li>• Avoid argument</li> </ul>
<p>Lois: No, I understand the importance of having life insurance. After all, the last thing I would want is to leave Bernadette and Gracie in a financial mess if I were to die. But I know that insurance is expensive and anyone I've known who bought it, never received a payout from it.</p>	<ul style="list-style-type: none"> <li>• Change Talk focused on needs.</li> </ul>
<p>Advisor: On the one hand, you want to ensure Bernadette and Gracie are financially stable if you were to die, and on the other hand, you feel that spending money on insurance premiums without a guaranteed payout is money that could be put to better use.</p> <p>Lois: Exactly!</p>	<ul style="list-style-type: none"> <li>• Double-sided reflection</li> </ul>

<p>Advisor: Making a decision like that is hard work. It's great that you didn't simply negate the recommendation, and instead are willing to talk about it.</p>	<ul style="list-style-type: none"> <li>• Affirming</li> </ul>
<p>Advisor: What would have to happen for you to be comfortable with proceeding and obtaining the insurance?</p>	<ul style="list-style-type: none"> <li>• Determining potential options.</li> </ul>
<p>Lois: I'd have to see that the insurance is affordable, but I know that's not likely to be the case given my experience.</p> <p>Advisor: What do you already know about life insurance premiums?</p>	<ul style="list-style-type: none"> <li>• Beginning the informing process by eliciting the client's current knowledge.</li> </ul>
<p>Lois: I know that they're expensive. For example, Bernadette and I were quoted almost \$220 when we got our \$320,000 mortgage. At that price, the insurance you're recommending would cost us close to \$600 per month.</p> <p>Advisor: Would you be interested in learning more about the costs of the life insurance and how we can lower the premiums?</p>	<ul style="list-style-type: none"> <li>• Continuing the informing process by asking permission to provide information to the client.</li> </ul>
<p>Lois: Yes, I'd be interested in that.</p> <p>Advisor: There are two main types of life insurance: individual and credit protection.</p> <p>The credit protection life insurance that is offered at financial institutions like your bank is a convenient way of covering debt in the event of your death. It doesn't require you to undertake a medical or any tests other than the completion of a questionnaire. In addition, this insurance is priced per person. And many times, this life insurance is bundled with critical illness</p>	<ul style="list-style-type: none"> <li>• Continuing the informing process by providing information to the client.</li> </ul>

and/or disability insurance. All of these factors can make the insurance appear quite expensive.

Individual life insurance tends to be much more affordable, especially for younger people like yourself and Bernadette. Because insurance companies request a medical and additional information, they can more accurately estimate the risk of your death, helping them to offer lower premiums. They can also offer joint policies which will payout on the death of the first spouse. This can help reduce the cost as compared to buying two separate policies.

For you and Bernadette to have a joint policy that would cover all of your funeral expenses, debts, fund your goals and replace your income will cost \$70 per month.

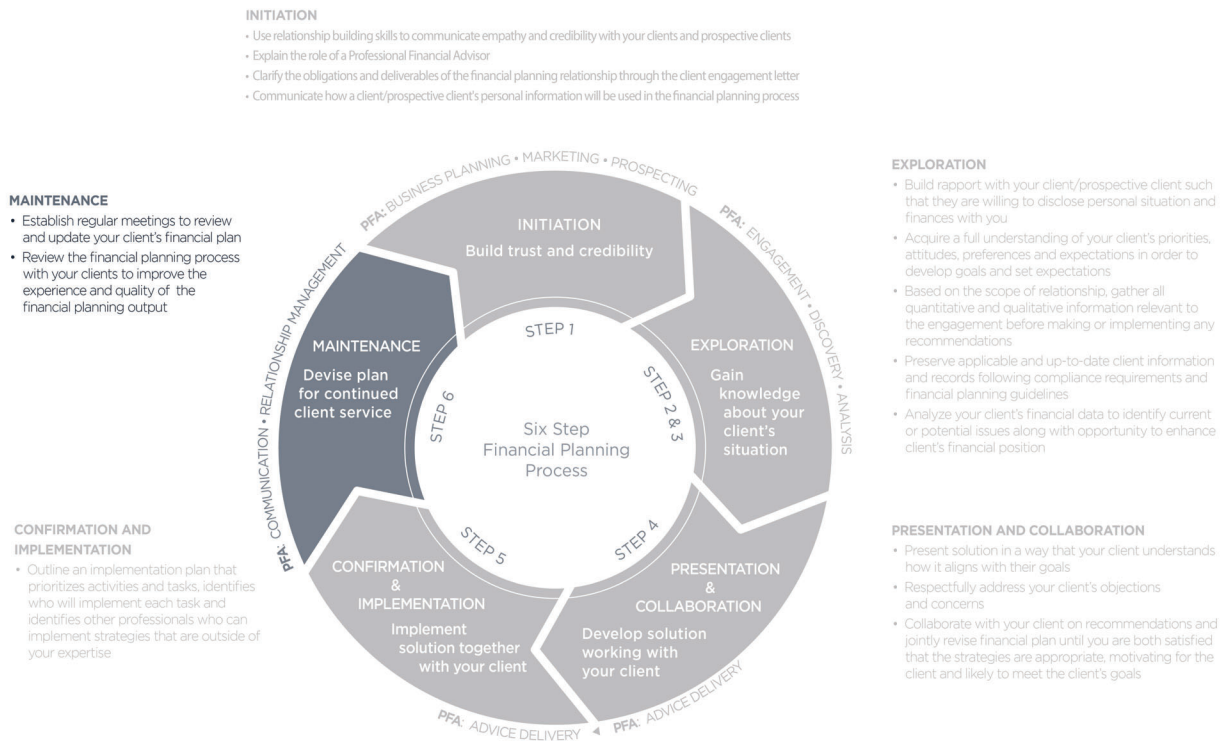
<p>Advisor: What are your thoughts and feelings after hearing that information?</p> <p>Lois: \$70 per month! That's it! That's about as much as it costs for the three of us to go out for dinner. I was definitely not expecting it to be that affordable. That definitely tips me towards obtaining the life insurance.</p>	<ul style="list-style-type: none"> <li>• Continues the informing process by eliciting the client's thoughts and feelings about the information provided.</li> </ul>
<p>Advisor: It sounds like you have the information you need to proceed with obtaining the insurance.</p> <p>Lois: Yes, definitely. Let's get the insurance. I'll sleep better knowing that our family has that coverage.</p>	<ul style="list-style-type: none"> <li>• Paraphrase</li> </ul>
<p>Advisor: Excellent. Lois, you did a great job of expressing your concerns. That's not always an easy thing to do especially when you're weighing out the pros and cons of an action.</p> <p>Advisor: I'm happy to report that with that, Bernadette and Lois, you are on your way to achieving all of your goals!</p>	<ul style="list-style-type: none"> <li>• Affirming</li> </ul>

Table 8. Facilitating Planning for Change



## The Maintenance Phase of the Client Relationship Cycle and Beyond

After you handle any objections or concerns your clients may have, collaborate with them on recommendations, revise the financial plan if needed , and set timelines to complete activities and tasks required to achieve their goals, you will proceed into the final phase of the *Client Relationship Cycle: Maintenance*. In this sixth and final phase, you and your client continue to build your relationship as the client's financial plan is implemented and monitored. During the Maintenance phase of the Client Relationship Cycle, you and your client agree to a schedule that ensures your client's financial plan is monitored into the future. The Maintenance phase is also an opportunity for your client to provide you with valuable feedback on the quality of the financial planning output and the client experience. To ensure future client satisfaction, it is critical that you incorporate this valuable feedback into your financial planning processes. Remember, happy clients are also important sources of referrals.



During the Maintenance phase, it is important to monitor a client's progress relative to their plan and ensure that everything is progressing as planned. After a financial plan has been implemented, you would schedule the first of many regular meetings (annual or periodic) during which a client's complete financial plan is reviewed and updated as appropriate. Of course, a client's plan can change based on life circumstances and a host of other factors.

Did the client get married? Perhaps the client recently welcomed a second child? Has divorce or separation affected a client's financial picture and goals? Is the client's advancing age in any way compromised his decision making capacity? Other important red flags to monitor are signs of cognitive decline and financial or physical abuse.

## Identifying red flags and problems

There are many instances where a financial advisor can play an important role to assist a client, especially as an advisor may have a valuable perspective due to their long-term relationship with a client and is in a position to spot critical changes. Seniors are a particularly vulnerable demographic (although they are certainly not the sole demographic for cognitive decline and financial abuse).

As clients age, one common problem is cognitive decline. Cognitive decline can range from mild to serious and symptoms can include loss of memory, difficulty concentrating, grasping new concepts, speaking, making decisions and performing everyday tasks such as banking or paying bills.

Signs a normally trusted individual (caregiver, close friend, child, grandchild, other family member) may be a financial abuser:

- Takes an abnormal interest in the client's financial matters
- A client's financial statements show withdrawals that the client did not perform
- A client fails to meet financial obligations such as paying bills, mortgage or insurance payments where they had no difficulty before
- Tries to persuade or pressure your client to give the individual access to accounts or account information
- Forces your client to sign or revise legal documents such as wills, letters, guarantees or beneficiary declarations in an investment account
- Your client misuses credit cards, lines of credit or is loaning money to the individual to assist them

If a client is in a state of cognitive decline, he is at greater risk of being exploited. This exploitation may be intentional or unintentional. It may manifest in erratic shopping habits, unusual charitable donations, greater susceptibility to consumer scams or even gambling.

Friends and family are usually a great support system, but unfortunately there are situations where those closest to a client may take advantage of them if they are in a vulnerable state. As your client may be dependent on family and friends, they are also in a position to influence your client's behaviour to their advantage, at your client's expense.

Regular meetings are important opportunities to spot patterns of cognitive decline as often you will see noticeable changes in behaviour. If you are ever in this situation, it's important to determine how best to assist your client while still preserving and respecting their privacy. Remember, your client may not always be aware that cognitive decline or financial abuse is taking place. The first step is to gently share your observations and concerns with your client. These are not easy topics to discuss and your client may be ashamed of his situation, so it may take more than one conversation during which it is very critical to be sensitive and carefully explain why you have made these observations. If your concerns continue, it may be time to escalate your concerns to a family member (who is not the source of abuse), his lawyer, accountant, financial institution or even the police.

### **Other material changes**

Of course, communication is a two-way street. You should also contact your client in the event of material changes in tax laws, changes in financial markets or other significant developments. Educating a client about the market and other financial/technical developments and putting this in the context of the client's financial plan helps you to establish yourself as a subject matter expert. This helps you to continue building trust and client loyalty over the longer term. In some cases, changes in tax laws may require urgent meetings and immediate revisions to financial plans. In other cases, it's sufficient to make a note to inform and advise the client about new legislation at his next regular meeting with you. In the event of market volatility, it's not uncommon to need to contact clients to reassure them about market events and put them in context. It is also important at these times to reinforce the importance of not making rash decisions that could derail financial plans.

At times, a client's plans may be very complex and technical. At this point, you may need to work with a client's other professionals such as lawyers and tax accountants. It is important to work in collaboration with these professionals to help your client achieve their desired goal. For example, an individual's tax lawyer may devise a new tax savings strategy that may override or complement a strategy or tactic that you suggest.

A client's plan can be expected to evolve, which is why meeting regularly is so important to attain an accurate read of how their goals or personal circumstances may fluctuate. Of course, it's important to educate your client about the importance of contacting you in the event of a significant change in personal circumstances. And for you to reach out in turn in the form of regular meetings and communications driven by market events, significant milestones and important educational and relationship building opportunities.

While we've focused on some negative scenarios above, hopefully these are the exception rather than the rule. Many of a client's life changes are positive, creating the need for further investment and insurance solutions as clients' businesses, families and estates grow. As their advisor, you are their guide through this journey and will help them navigate their financial and insurance needs to help successfully achieve their varied and evolving life goals by applying a robust, full-cycle process that upholds the rigour and discipline of the Client Relationship Cycle.

# Summary

In this module, you learned how to deliver advice to clients using various techniques that are focused on making it as easy as possible for a client to receive and process information so that they can remember and act on that information. While these advice delivery techniques are transferable across all financial planning areas, you have seen how they apply directly to four common financial planning goals: debt reduction, saving for education and retirement, and protecting one's family using life insurance. You have also learned how to handle objections and deal with both a client's potential resistance and ambivalence towards making changes that your recommendations require. By using the techniques covered in this module, you can increase the likelihood that a client will accept and enact your recommendations.

You should now be able to present financial planning recommendations to clients for four common financial planning goals: debt reduction, saving for education, saving for retirement, and protecting one's family using life insurance.

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