

## Pillar 3: Client Onboarding

### The 2<sup>nd</sup> Appointment

#### WHY is this Important?

At the time of setting the 2<sup>nd</sup> Appointment, you and the client have mutually decided to work together. Congratulations! You now need to gather all the information necessary to begin formulating your recommendations for implementation. That's not all this appointment is about. To understand how this agenda driven meeting unfolds, it's important to understand the intent:



1. To continue to demonstrate you have a professional and attractive process for bringing on new clients.
2. To gather as much financial information as required to begin formulating professional, suitable recommendations to be presented in the next phase of Implementation.
3. To share your Introduction Process with the new client (how to introduce or recommend others to you).

One of the things that make this appointment particularly unique and powerful is the reinforcement of who we are and what we do. Remember, these new clients have only met with you once so far and will appreciate the reminders. We will also be positioning introductions as a service to your best clients.

When it comes to fact-finding, you want a data collection process that can be consistently applied with each client. This will allow you to focus on the client so you can process all the important information they share with you.

#### WHAT You Can Expect from this Best Practice

- Continue to establish rapport and build trust with your client
- Reinforce and clarify client goals - what matters most to them about their money
- Follow up the 'Is There a Fit' decision with the fact-finding required to prepare a Personal Financial Organizer (PFO)
- Reinforce that you both made a well-informed decision about working together.
- Deliver your Introduction Process
- Set the stage for the 3rd Appointment and the delivery of the Personal Financial Organizer (PFO)



## HOW to Get Started

### The 2nd Appointment: Comprehensive Fact-Finding

1. Print out a copy of the 2nd Appointment Process Graphic.
2. Review and customize the 2<sup>nd</sup> Appointment Confirmation Letter, which is sent out ahead of time to confirm the appointment details. It includes a list identifying specific items the client should bring.
3. Include a checklist with the confirmation letter. Choose whichever works best for you:
  - A Checklist that dove-tails with your planning software (often ready to go)
  - The Basic Checklist
  - The Detailed Checklist (US Full Checklist or CDN Full Checklist)
4. Review the 2nd Appointment Confirmation Call Script.
5. Review and customize the 2nd Appointment Agenda.
6. Review and customize the 2<sup>nd</sup> Appointment Advisor Script.
6. Rehearse conducting this appointment using the following:
  - 2nd Appointment Agenda
  - 2nd Appointment Advisor Script
  - Personal Financial Profile (the tool you have chosen for Fact Finding)
7. Identify who on the team will be responsible for each of the 2nd Appointment steps.
  - Add this information to your **New Client Checklist**.
8. Add all 2nd Appointment scripts, resources and templates to your **Procedures Manual**.

### Standardize Your Fact-Finding Approach

1. Identify the standard tool you will use to conduct Fact Finding.
2. If you have a Fact-Finder that dovetails with planning software and covers all basis, continue to use it.
3. If you do not currently have a Fact Finder, investigate your options by examining the following:
  - Questionnaires available for planning software you currently use
  - Firm-endorsed questionnaires
  - Our sample Fact-Finders:
    - Personal Financial Profile - US Version (Word) or PDF file
    - Personal Financial Profile - Canadian Version (Word) or PDF file
4. Once you identify the fact finding tool that works best for you, use it consistently.

## Risk Assessments

1. If you don't have access to a risk assessment tool, you may wish to use one found online or use our sample [Risk Tolerance Assessment](#).

# The 2<sup>nd</sup> Appointment Graphic



## 2<sup>nd</sup> Appointment Confirmation Letter

*Send the 2<sup>nd</sup> Appointment Letter & Checklist about 2 weeks before the 2<sup>nd</sup> Appointment with your new client so they have enough time to receive it and begin pulling together the documentation you asked them to bring.*

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March 30, 2021

Name  
Address  
Address

Dear [Client]:

**RE: Our Upcoming Appointment**

I enjoyed meeting you at our first meeting and I look forward to beginning the financial planning process with you.

Our next meeting has been confirmed as follows:

Date: [Date]  
Time: [Start and end meeting time]  
Address: [Location of meeting]

At our next meeting, we will complete a *Personal Financial Profile*. This profile will summarize your current financial situation and will be instrumental in helping us to decide which financial strategies will help you to achieve your goals.

To ensure we can proceed effectively, you will need to bring the required documents to this meeting. I have enclosed a checklist detailing the documents you will need to bring.

If you have any questions or if you need to contact me prior to your appointment, I can be reached at (xxx)-xxx-xxxx. I look forward to meeting with you again.

Sincerely,

Advisor's Name  
Advisor's Title

Encl.

# Basic Checklist

It is important you bring the following documents with you to our next meeting so we can complete *Your Personal Financial Profile*.

## **Names, Address, Birth Date and Social Security Number**

- ☐ Children
- ☐ Dependents

## **Names, Address and Telephone Number**

- ☐ Accountant
- ☐ Lawyer/Attorney
- ☐ Insurance Agent

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## **Cash Flow Planning**

- ☐ List items you require here

## **Tax Planning**

- ☐ List items you require here

## **Retirement Planning**

- ☐ List items you require here

## **Investment Strategies**

- ☐ List items you require here

## **Your Family's Security**

- ☐ List items you require here

## **Caring for Others**

- ☐ List items you require here

## **Your Legacy**

- ☐ List items you require here

## **Business Planning & Succession**

- ☐ List items you require here

# Full Checklist Options

We have provided a comprehensive checklist to assist Advisors with the collection of information for the purposes of fact finding.

Both a US and Canadian Version of this tool are provided to reflect variances in references used.

**NEXT STEP →** Go to this Best Practice online and print the **version** that best fits your practice.

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It is important you bring the following documents with you to our next meeting so we can complete *Your Personal Financial Profile*.

## **Names, Address, Birth Date and Social Security Number**

- ☐ Children
- ☐ Dependents

## **Names, Address and Telephone Number**

- ☐ Accountant
  - ☐ Lawyer/Attorney
  - ☐ Insurance Agent
- 

## **CASH FLOW PLANNING**

- ☐ Statements for your regular Saving Accounts
- ☐ Bank Checking Account Statements and Check Book
- ☐ Mortgage Statements
- ☐ Statement of Personal Loan and/or Line of Credit
- ☐ Credit Card Statements

## **TAX PLANNING**

- ☐ Tax Returns from the previous 2 years
- ☐ All Property Tax Receipts
- ☐ Information on Holding Companies or Limited Partnerships

## **RETIREMENT PLANNING**

- ☐ Retirement Pension Plan Statements (private and public pensions)
- ☐ Employer's Qualified Retirement Plan (401(k), 403(b) etc.)
- ☐ Statements from your Individual Retirement Accounts (IRAs)
- ☐ Statements from Non-Qualified Retirement Investments
- ☐ Social Security Annual Benefits Statement

## **INVESTMENT STRATEGIES**

- ☐ Brokerage Account Statement
- ☐ Mutual fund Statement
- ☐ Statement from Trust Companies
- ☐ Bank Statements pertaining to investments
- ☐ Stock Certificates and/or Bond Certificates
- ☐ Annuity Contract Statements

## 2<sup>nd</sup> Appointment Confirmation Call

*This is the confirmation call script for new clients coming in for the 2<sup>nd</sup> Appointment.*

*It is recommended the Assistant makes this confirmation call.*

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- [Client] please?
  - This is [Assistant] calling from [Advisor's] office.
  - I'm calling to confirm your appointment at [time, on date].
  - We will be completing your *Personal Financial Profile* at this meeting.
  - You will need to bring the documents with you that are listed on the checklist that came with the appointment confirmation letter.
  - Did you receive the confirmation and checklist we mailed to you?

- ***If yes:***

Great, do you have any questions about the list?

Have you had trouble getting all the documents together?

*If yes, offer to rescheduling appointment if the client requires more time.*

- ***If no:***

[Client], these documents are required for you and [Advisor] to have thorough discussion about your current situation – which is very important.

To give you time to gather the material, let's go ahead and reschedule this appointment for you.

*Confirm address, resend checklist and reschedule appointment for later date, saying:*

- Terrific - we look forward to seeing you at [time] on [date].



## 2nd Appointment Agenda

### Your Personal Financial Profile

[Client Name]

[Date]

[Time]

- **Meeting Overview**
- **Review of Our Practice and Approach**
  - Our Wealth Management Process & Your Critical Financial Events
  - Our Introduction Process
- **Review of Your Goals and Objectives**
  - What's Important to You
- **Your Current Circumstances**
  - Your Personal Financial Profile
  - Review of the Items We Requested You Bring
- **Meeting Wrap-Up**

## 2<sup>nd</sup> Appointment Advisor Script

*This is the companion script for Advisors conducting the 2<sup>nd</sup> Appointment with new clients.*

*Much of the scripting in this Appointment has been developed and practiced in the New Client Advocate Process. Use what you have created already to completely customize this script.*

*This meeting should take approximately one hour.*

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### Greeting (5 minutes)

- Welcome the client and establish a rapport with them.
- Make small talk (weather, sports, families, anything to establish common ground).
- Make sure they have brought the majority of required documents for this meeting. If for any reason they have not, explain to them that it isn't possible to proceed and have the meeting rescheduled. Your assistant is expected to screen for this when the appointment is confirmed using the 2<sup>nd</sup> Appointment Confirmation Script

### 1. Meeting Overview (1 minute)

- Here is the agenda for today's meeting.
  - Give them a copy of the agenda.
- To begin, we always start our meetings with a brief Review of Our Practice & Approach, including our Introduction Process. This will only take a few minutes.
- The rest of our time together will be spent asking you a lot of questions to make sure I have a thorough understanding of your situation. We will be using *Your Personal Financial Profile* to ensure we are organized and thorough. *Point to the Personal Financial Profile.*
- This means we will be reviewing your goals and objectives, as well as conducting a thorough review of your current situation.
- This is also where we will review the documentation we asked you to bring.
- After we finish that, we will talk about the next steps in the financial planning process.
- Do you have any questions about what we will cover today?

### 2. Review of Our Practice and Approach (2-3 minutes)

*Use the scripting you created for the 1<sup>st</sup> Appointment with New Clients. This is intended to be a concise version of who you are and what you do – it should reflect the highlights and key messaging.*

We covered a good deal of information in our 1<sup>st</sup> Appointment together, so I'm going to take a minute here to remind you about a few important things related to our practice and approach.

## Our Wealth Management Approach & Your Critical Financial Events

- I know we covered a lot in our first meeting, and I wanted to take a minute now to briefly review our core philosophy on wealth management because it's central to how we will work with you going forward – starting today.
- We focus on simplifying, organizing and coordinating all aspects of your wealth management to create the financial peace of mind we know most of our clients are looking for.
- All this begins with understanding 'What's Important to You,' which we began to discuss at our last meeting.
- This helps us begin to identify your short, medium and long-term goals and Critical Financial Events - anything and everything that pertains to and affects your finances either now or in the future.
- You mentioned that [insert critical financial event applicable to them - retirement, caring for others, family security] is important to you and that means we will be helping you plan and prepare accordingly.
- Today we will complete a thorough examination of your current financial situation – to do this we will complete *Your Personal Financial Profile* today.
- Based on this information, we will propose a series of recommendations that will be summarized in your *Personal Financial Organizer (PFO)*, which will help us monitor our progress together. *Show the Sample PFO.*
- We will meet regularly to review your *Personal Financial Organizer (PFO)* to ensure it reflects an accurate representation of what's important to you, your specific critical financial events and where you are in relation to achieving your goals.
- We will also make sure that you are kept up to date on any changes that occur and of course, we will need you to do the same.

## Our Introduction Process

*Look at the agenda for your meeting and point to the item on the agenda when you begin speaking about the Introduction Process.*

*Be low key and relaxed.*

[CLIENT], now that we will be working together, I am going to briefly explain how introductions work within our practice.

- Over the course of our relationship, it is likely at some point that you will encounter someone that has need of our services. Someone you know may have uncertainties about the markets or their portfolios, perhaps they are going through a Critical Financial Event like we discussed and there is uncertainty about it. Or, maybe they are dissatisfied with their advisor.
- When that situation does happen, and historically speaking my experience tells me it will, you should know that if that person is important to you, then they are important to me. I will always make the time to meet with them.
- Regarding how to handle it if you **do** encounter someone that might benefit from our services, really the best thing to do is for **you** to give me a call to let me know more about who you would like to introduce to us, as well as provide us with their contact information – with their expressed permission to do so - of course.

- You can also let them know I will reach out to them to briefly introduce myself and if they are still interested in learning more, we will send them out an Introductory Kit as we did for you.
  - *You may want to have a sample Introduction Kit at the meeting and point to it now.*
- As you know, when I meet with someone for the first time, we spend time getting to know each other in order to determine if we can provide what they are looking for and equally important, if they are a good fit for our philosophy and approach. We recognize it's an important decision for both of us. That's exactly why we take the time to assess any partnership before proceeding.
- There is no guarantee this person will be a good FIT for me as a client, but that is irrelevant. I will meet anyone that is important to you and if it turns out **not** to be a good FIT, I will do everything I can to point that person in a direction that is beneficial to them.
- And know that everyone you send to us will **always** be treated with the same level of professionalism and respect you have experienced with us.
- Do you have any questions [CLIENT]?"

### 3. Review of Your Goals and Objectives (5 minutes)

#### What's Important to You

- At our last meeting, we talked extensively about what is important to you.
- You indicated that ...

*Summarize each of the goals they identified to you in the 1<sup>st</sup> Appointment*

- [CLIENT], as I mentioned, we will be choosing financial strategies based on these goals.
- Is there anything you want to add to our initial discussion at this point?
- Are there any goals you would like to place a higher priority on?

*If there are changes explore these by questioning them as you did before.*

### 4. Your Current Circumstances (40 minutes)

#### Your Personal Financial Profile

- Next, we need to complete your Personal Financial Profile.
- This will tell us more about your current financial situation and help us identify solutions suitable for helping you achieve your financial and lifestyle goals.

*Complete their Personal Financial Profile. Also, be sure to complete a Risk Tolerance Profile.*

#### Review of the Items We Requested You Bring In

*You may integrate the documents you asked them to bring with each related section of the factfinder or you may want to go through them all at once and ask questions related to each one.*

## 5. Meeting Wrap-Up (1 minute)

- Now I would like to book our next meeting. At that time, I will provide you with your *Personal Financial Organizer (PFO)*. *Reference the sample binder once again by simply pointing to it.*
- When can we see you in about two weeks from now? *See note below.*
- Do you have any other questions about what we covered today or what to expect at our next meeting? *Answer questions accordingly.*
- Great, I look forward to seeing you on [date, time].

*Note:*

*Your Assistant may make this appointment for you at the end of the meeting or they may call the client later that day – in which case you would simply let the client know to expect the call from your Assistant. Choose the method that works best for your team – and stick with it.*


# The Personal Financial Profile

The **Personal Financial Profile** is a resource Advisors can use if they currently do not have a questionnaire or fact finder they want to use for fact-finding.

We have provided a **US Version** and **Canadian Version** of this tool to reflect some variances in language used.

**Next Step →** Go to this Best Practice online and print the **version** that best fits your practice.

## Your Personal Financial Profile



*Helping You Manage Your Critical Financial Events*

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

Personal Financial Profile – Canadian

# Risk Tolerance Assessment

This questionnaire has been designed to help you understand the type of investor you are, so that with the help of your adviser, you can choose the investments that best match your financial objectives.

1. Which of the following best describes your current stage of life?	Points
<b>Single with few financial commitments.</b> You are keen to accumulate wealth for the future. Some funds must be kept available for enjoyment (cars, clothes, travel or entertainment).	50
<b>A couple without children.</b> You may be preparing for the future by establishing and furnishing a home. There are a lot of things you need to buy. You are probably better off financially now than you may be in the future.	40
<b>Young family.</b> This is the peak home purchasing stage. You have a mortgage and a small amount of savings. Probably dissatisfied with your financial position and the amount of money saved.	30
<b>Mature family.</b> You are in your peak earning years and have got the mortgage under control. Many partners also work, and any children are growing up and have either left home or require less supervision. You're starting to think about retirement, although it may be many years away.	20
<b>Preparing for retirement.</b> You probably own your own home and have few financial commitments; however, you want to ensure that you can afford a comfortable retirement. Interested in travel, recreation and self-education.	20
<b>Retired.</b> No longer working you must rely on existing funds and investments to maintain your lifestyle. You may be receiving the pension and are keen to enjoy life and maintain your health.	10

## 2. What return do you reasonably expect to achieve from your investments?

A return without losing any capital.	10
3 – 7% per annum.	20
8 – 12% per annum.	30
13-15% per annum.	40
Over 15% per annum.	50

**3. If you didn't need your capital for more than 10 years, for how long would you be prepared to see your investment performing poorly before you cashed it in?**

You would cash it in if there were any loss in value.	0
Less than 1 year.	10
Up to 3 years.	20
Up to 5 years.	30
Up to 7 years.	40
Up to 10 years.	50

**4. How familiar are you with investment markets?**

Very little understanding or interest.	10
Not very familiar.	20
Have had enough experience to understand the importance of diversification.	30
Understand that markets may fluctuate and that different market sectors offer different income, growth and taxation characteristics.	40
Experienced with all investment sectors and understand the various factors which may influence performance.	50

**5. If you can only get greater tax efficiency from more volatile investments, which balance would you be most comfortable with?**

Preferably guaranteed returns, before tax savings.	10
Stable, reliable returns, minimal tax savings.	20
Some variability in returns, some tax savings.	30
Moderate variability in returns, reasonable tax savings.	40
Unstable, but potentially higher returns, maximizing tax savings.	50



**6. Six months after placing your investment you discover that your portfolio has decreased in value by 20%, what would be your reaction?**

- |   |           |
|---|-----------|
| Horror. Security of capital is critical, and you did not intend to take risks.                              | <b>10</b> |
| You would cut your losses and transfer your money into more secure investment sectors.                      | <b>20</b> |
| You would be concerned but would wait to see if the investments improve.                                    | <b>30</b> |
| This was a calculated risk, and you would leave the investments in place, expecting performance to improve. | <b>40</b> |
| You would invest more funds to lower your average investment price, expecting future growth.                | <b>50</b> |

**7. Which of the following best describes your purpose for investing?**

- |   |           |
|---|-----------|
| You want to invest for longer than 5 years, probably to the age of 55 – 60. You are mainly investing for growth to accumulate long-term wealth.                                 | <b>50</b> |
| You are not nearing retirement, have surplus funds to invest and you are aiming to accumulate long term wealth from a balanced fund.  | <b>40</b> |
| You have a lump sum, e.g., an inheritance or an eligible termination payment from your employer, and you are uncertain about what secure investment alternatives are available. | <b>30</b> |
| You are nearing retirement and you are investing to ensure that you have sufficient funds available to enjoy retirement.  | <b>20</b> |
| You have some specific objectives within the next 5 years for which you want to save enough money.  | <b>20</b> |
| You want a regular income and / or totally protect the value of your savings.   | <b>10</b> |

*Investor Profile Total Points*

# Investor Risk Profile Summary

## ☐ 0 – 50 Defensive

You are a conservative investor. Risk must be very low, and you are prepared to accept lower returns to protect capital. The negative effects of tax and inflation will not concern you, provided that your initial investment is protected.

## ☐ 51 – 130 Moderate

You are a cautious investor seeking better than basic returns, but risk must be low. Typically, an older investor seeking to protect the wealth that you have accumulated, you may be prepared to consider less aggressive growth investments.

## ☐ 131 – 210 Balanced

You are a prudent investor who wants a balanced portfolio to work towards medium to long-term financial goals. You require an investment strategy that will cope with the effects of tax and inflation. Calculated risks will be acceptable to you to achieve good returns.

## ☐ 211 – 300 Growth

You are an assertive investor, probably earning sufficient income to invest most funds for capital growth. Prepared to accept higher volatility and moderate risks, your primary concern is to accumulate assets over the medium to long term. You require a balanced portfolio, but more aggressive investments may be included.

## ☐ 301 – 350 High Growth

You are an aggressive investor prepared to compromise portfolio balance to pursue potentially greater long-term returns. Your investment choices are diverse but carry with them a higher level of risk. Security of capital is secondary to the potential for wealth accumulation.

## Client Acknowledgement

I confirm that the details recorded are correct and reflect my Investor Risk Profile.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signed by Advisor:

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date:

**Disclaimer:** Your investor risk profile and asset allocation recommendations are based on information provided by you and on our knowledge of existing legislation and asset sectors. This Investor Risk Profile should be used as a guide only as there may be other individual circumstances to be taken into account.

## My Action Items & Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.