

## PARTNERING WITH A SUITABLE CERTIFIED FINANCIAL PLANNER

I hope you found my series of monthly articles on what I feel are the pertinent 'building blocks' of a sound financial plan helpful and in some way assisted you along your financial journey. In this month's article I would like to highlight the importance of partnering with a suitable financial planner.

Unless you have vast knowledge in the financial services industry, managing your financial affairs can be daunting. The investment industry and estate planning world can be filled with complexity and the cost of making an incorrect choice can sometimes lead to unforeseen consequences.

### The role of a financial planner

A CERTIFIED FINANCIAL PLANNER® professional is a partner who is well versed in the financial services industry. Regardless of your income, planning your personal finances with a CERTIFIED FINANCIAL PLANNER® professional will put you in control of your income, expenses, and investments to enable you to manage your money to achieve your long-term financial security goals.

The role of a financial planner is to assist you with the following key aspects:

1. Understanding your risk tolerance, investment term and return expectations.
2. Establishing an optimally structured investment portfolio, taking diversification and costs into account, and structured to avoid unnecessary taxes while considering all regulatory and legal characteristics
3. Implementing your investment structure and reviewing it regularly and making changes where necessary.
4. Ensuring that your financial structure is optimally set up for estate planning purposes
5. Managing your investment journey and expectations

### Questions to ask your financial planner

Choosing a financial planner means choosing someone you can trust with all your personal financial affairs, someone that understands you as an individual and someone that can help you achieve your long-term financial goals. Here are a few questions to ask to ensure that you appoint a suitable financial planner and what you can expect from the potential relationship.

1. **How do you earn fees?** Understanding how a financial planner gets paid is key to understanding your potential relationship. You want to ensure that there is a mutually beneficial relationship for years to come and that the planner won't be taking action just to earn a commission.
2. **What are your credentials and background?** Understanding the financial planner's educational background and professional credentials is important. Is your planner a CERTIFIED FINANCIAL PLANNER? What is their investment background and understanding?

3. **What processes do you follow to determine your client's needs?** A rigorous financial planning process, subscribed to by the Financial Planning Institute of Southern Africa, incorporates six clearly established steps designed to ensure effective, professional, long-term, and bespoke intergenerational financial planning
4. **Which services do you offer?** Choose a financial planner that suits your needs whether it's a product specific need or a specialist service. Ensure that you partner with a planner that can cater for your long-term future needs.
5. **Do you have any potential conflicts of interest?** Choose a financial planner who is able to offer you independent advice and services and products that are appropriately aligned to your needs.
6. **What is your service offering and client communication?** The implementation of the longer-term strategy, underpinned by a rigorous ongoing management and review process, ensures that the expected outcomes are continually adjusted for changes in personal circumstances and market conditions.

Most financial planners will offer you a free initial meeting. This gives you the chance to get a sense of whether they are a suitable match to your needs. This initial meeting also affords the financial planner the opportunity to better understand your specific needs and decide whether they can offer you the service you need.

### **Finding a suitable financial planner**

Finding a suitable financial planner is not a simple task and the process can be a different for everyone. You need to actively search for someone who's going to work for your best interest, ultimately forming a mutually beneficial relationship, and that takes some time. This increases your chances of getting good advice and have a sound financial plan and be well on your way to achieving your financial goals.

PS. I'd encourage you to contact your CERTIFIED FINANCIAL PLANNER® to ensure that your financial plan is updated and aligned with your objectives. If you don't have an advisor and would like to set up an appointment, visit [www.fpimymoney123.co.za](http://www.fpimymoney123.co.za) for a list of CFP® professionals near you.

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