How to Become a Financial Architect

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Almost every time I deliver a speech, someone asks me afterwards how I handle objections and do I have any smart closing techniques.

I'm sorry to disappoint you, but I don't have any such smart statements, because I don't need them. You see, I close my clients before I even meet them. All I do is help them to identify their needs, most of which they were unaware, explain the possible solutions and alternatives, and simply help them to make an informed decision. The only closing statement I make is, "I have all the forms here with me, shall we make it happen?"

What you are really wondering is how we get the client into that position. This comes from a basic understanding of what it is that we do for our clients. Remember, it's not about us, it's about our clients. In order to understand this, we should certainly put ourselves in our clients' shoes, and think about what is happening from their perspective.

Do you think that more clients want a relationship? Most of you said yes. I disagree, I don't think clients want a relationship, I think that clients don't know what they want, because they really don't know what's available. We may think that they want a long term relationship, but unless our clients know that is what we offer, they will only compare us with their past experience with other product-focussed advisers; such experiences are not usually very good.

What can we do to differentiate ourselves? Many colleagues have said to me, "We know what you do is different, but we don't know what it is that you do!" When I first got asked that question, I was puzzled too, as I didn't know what I did that was different; I just did what I thought was right.

Let's say a referral calls us and says, "Hi, I'm John. I got your name and number from Paul. I have about $500 a month that I want to put in to a pension plan. Can I make an appointment to see you to start one of these?"

What would we say? We'd get him in straight away, wouldn't we! But, let's just analyse what would happen in the meeting. During the fact-finding process, we will identify that there are some other areas that should be considered, maybe some life assurance, or disability insurance.

How to Become a Financial Architect *(continued)*

Now let's consider what the client's thinking. He's thinking, "Typical salesman! I want a pension and he's persuading me to take something else." He doesn't necessarily understand we are recommending something more important; he just sees us as a salesperson, so we have to resort to handling objections and having a smart way of trying to close him.

So here's what I say:

Hi, you're talking to [Name] and I'm [Position] at Anand Associates.

If Yellow Pages, etc: You will have noticed from the ad that we're a firm of independent financial advisers. That means that we're not tied in to any insurance company, investment house or mortgage lender. Our job is to identify what a client needs and then research the market place to find the best solution. For example, last year we used nearly 80 different providers.

If referral: That's nice of John to refer (make some friendly comment about John, how is he etc.). Did John tell you much about us and how we work? Perhaps I can clarify. We're a firm of independent financial advisers. That means that we're not tied in to any insurance company, investment house or mortgage lender. Our job is to identify what a client needs and then research the market place to find the best solution. For example, last year we used nearly 80 different providers.

Optional: In fact we have a first class reputation in the industry and have been awarded Independent Financial Adviser of the Year, which is number one out of around 30,000 in the country, and in 1998, Evening Standard newspaper rated us the Best IFA in the Capital.

Tell me a little about yourself, Jane. What do you do?

I'm a Marketing Consultant.

Are you employed or self-employed?

I'm employed.

And which company are you with?

I work for ABC media.

And can I ask what salary you're on? Can you talk? (If not, then try some hit and miss figures to roughly establish) e.g. Ok. Let me throw a few figures at you. Over £20,000? Over £30,000? Over £40,000? Over £35,000? Ok, £37,000.

Are you married or single?

I'm single.

And does your company not offer a pension scheme?

No

How much were you considering putting into a pension? Did you have a figure in mind?

About £200 per month.

Ok. Well, I can certainly help with advising you on a pension. But, let me ask you, why do you think that you need a pension?

Well, I….

What I really mean is, how do you know that you don't want something else?

I don't know. What do you mean?

Well, arranging a pension is just a very small part of what we do. What we really do is financial planning for our clients. What I mean by that is that, buying a pension is not financial planning. Because, it may be that there may be something more important than a pension, but you just don't know about it yet.

Financial planning is not about buying products but is a process that evolves over many years, and we offer our clients a long term relationship. What that means is that your life will change, products will change, legislation will change and, as we have seen recently, the whole world will change. So your financial planning will also need to change to keep pace. Our job is to help a client understand the different choices available and make an informed decision, to give them a sense of direction, and then to monitor the plan and make adjustments over time.

So what we offer our clients is a relationship for perhaps the next 20 to 30 years and provide a track for our clients to run on.

Would that be useful to you?

Yes, that sounds interesting. (Or, no it would not. I only want a pension - in which case move the conversation to making the appointment, and say that it may be something that she wants to consider in the future).

Well, let me tell you how we work. The first meeting is completely free, and is an opportunity to get to know each

How to Become a Financial Architect *(continued)*

other better. Because, if we are going to have a long term relationship, then it is important that you like me and I like you. And if at the end of the first meeting, you don't wish to proceed there are no obligations.

In that first meeting, as well as getting to know each other better, I'm going to fire some ideas at you on financial planning. Some of my ideas you'll like and some you won't like. That's fine, because it will help me to get a better feeling of what is important to you. I'll also throw jargon at you. Not to confuse you, but to help you better understand it, because, sadly, our profession is full of jargon.

By the end of the meeting, we'll both have a better idea of how to move forward. If, out of the discussions, we establish that all you need is a pension, then we'll happily go away and research the best provider for you.

If it turns out that you need to be looking at a range of different issues before making an informed decision, then we will prepare a comprehensive financial planning report for you. This report is a tailor-made document and can be anything from 20 to 60 pages long. In it, I will make specific recommendation of what you should be doing, which product will suit you best, which provider to be using, how much it will cost and what it will achieve for you.

The report will come to you with all the relevant brochures and quotations. The idea of the report is not that you proceed with all of my recommendations, and I have yet to have a client who can afford to do so. But to help you set some priorities and make an intelligent decision.

After a couple of weeks, to give you some time to go through the report, we'll have a follow up meeting to establish what you actually wish to proceed with.

Is that the kind of thing that you would find useful?

Yes, it sounds more than I expected, but I can understand the importance of it. But, how much will all that cost me?

Good question! Well, we charge a fee for the report of between £500 to £1,000. However, we actually get remunerated by the commissions from the providers of the products that you decide to take up. These commissions are paid to us from the normal charges of that provider. That means that if you went direct to our recommended provider, they will still charge you the same, but keep the commission element for themselves.

But we're very fair. We'll use any commissions generated from products that you take up through us to offset against the fee we charge for the report. And, as long as the commission generated is greater than the report fee, we don't actually charge you the fee for the report. We think that's very fair and, in reality, we have never had to charge anybody the fee. All we do is ask you to sign an agreement that you will pay us a fee if you don't take up sufficient of our recommendations.

Is that clear? It's important that you understand how we get paid. You have no obligations, and if you don't like what we have talked about, then you can walk away without it costing you anything. But until we get the fee agreement back from you, we won't be doing any work.

Yes that's clear.

(If still not sure, then explain further): The way to understand this is that we are not prepared to work for nothing. In reality, the cost of producing the report, in terms of the time it takes, is far greater than the fee we charge. But the fee is really there to, and I don't include you here, as a deterrent fee against time wasters - people who take our advice and then are not prepared to do any business with us. You have no obligations, and if you don't like what we have talked about, then you can walk away without it costing you anything. But until we get the fee agreement back from you, we won't be doing any work.

Is that Ok?

Yes that's fine.

Right. Let's set a time to get together. You need to allow at least one and a half hours for the first meeting. Fine, I'll scheduled you at (reconfirm time, date and place).

What I'd also like to do is drop you a line to confirm the meeting and send you some stuff to prepare for the meeting. In my letter, I'm going to enclose a 'Personal Financial Planning Questionnaire'. I'd like you to complete this before the meeting and bring it with you. It's a fairly lengthy form, and some of the questions you may not be able to answer or may not be relevant to you. But don't

How to Become a Financial Architect *(continued)*

worry. Whatever you do complete will save time for us bothI'm also going to send you a budget planner, which is a useful device for both of you, to know where you are spending your money.

I'm also going to enclose our 'Terms of Business' letter, which you should read, because I'll be asking you to sign this in our meeting.

I'll also send you a map of how to find us, and finally, by way of further introduction, some background press cuttings of Anand Associates.

Anything else that you would like to ask me?

No, that's fine.

I look forward to meeting you on [date and time], and do give me a call if there are any problems.

END

Write down enough notes about source of client, status, needs, etc. to help you quickly remember who the client is just before the meeting.

Take a full address and all contact phone numbers (home, work and mobile). If married, explain that it would ideally make sense to see both of them together.

Reconfirm appointment day before meeting, or ask sales support to do for you.

We need to understand the psychology of this approach. What it has done, is to position ourselves to talk about anything we want to talk about in the meeting, without any fear on behalf of the prospect that we are trying to sell him something. It is simply a professional conversation, through which we will help our client to plan his financial future.

So what do we do when we meet our client? If we have set the stage correctly, then the client will have completed, or partially completed, the fact-find. He would also have completed the budget planner and brought along his relevant bits of information – his proof of identity and address, his birth and marriage certificates, his mortgage and other loan details, his existing policies, a schedule of his investments and, ideally, his cheque book!

After building the initial rapport, which could be as simple as asking if he found us O.K., I then remind him of the purpose of the meeting and the steps thereafter. I check how long he has for the meeting to ensure that I fit in the most important parts of what I need to say. I then ask him a very straightforward question and write down his answers. "What is it you would like to achieve by the end of our meeting?" This is a simple, but vital question, as it demonstrates we are interested in what he has to say, and it means we very clearly know what our client expects. It is therefore essential that we cover these points during the meeting or our client is going to leave dissatisfied.

At this stage, I'll have a quick glance at his fact-find and also at his budget planner form. Primarily, I'm looking to see what kind of disposable income or capital this person has. This will quickly determine how much of my time this person is going to get and how much depth I will go into.

Clearly, I am not interested in spending several hours with someone with no money. Nothing ruthless or unethical about this, it is just business.

And this is a fundamental point to master. Too many of us spend too much time educating people on products they are never going to be able to afford to buy.

I also prefer to make my own notes about the client, rather than going through the fact-find. I want to know what my prospect's dreams and aspirations are for the next three to five years. I want to know what concerns them and keeps them awake at night. To a businessman, I love asking him the question, "Who do you work so hard for?"

Once I have a better idea of who they are and their future plans, I then relate these to the formal financial plan.

On a clean sheet of paper, I write down and explain that when it comes to financial planning, there are three things to consider – short term issues, medium term issues and, funnily enough, long term issues. That doesn't mean you do the short before the medium before the long. You look at these areas simultaneously and then decide what the priorities are.

I then break it down further. Short term issues are debt consolidation; that is, if you have lots of loans and credit cards, managing them to reduce the overall outgoings. Short term issues are also protection, protection of what you currently have. And what you currently

How to Become a Financial Architect *(continued)*

have is your "life", your "health" and, a product of these two things, your "income". I write these words down and explain that I will break these down into more detail shortly.

Medium term issues are mortgage planning – making sure that you have the right type of mortgage, being paid off in the right way and over the right term. Medium and also long term planning is about savings, putting money aside on a regular basis, usually monthly, to create wealth in the future. This could either be for a specific purpose, perhaps future education fees, or a wedding, or just generally because it makes sense in order to get the best possible return on your monies.

Also, both medium and long term are investments. I differentiate investments from savings in that savings are what you put aside on a regular basis to build capital and wealth, whereas investments are using monies as a lump sum. These may have come from accumulated savings, or from a bonus, lottery win or perhaps inheritance. Again, you would invest either for a specific purpose, or just for generally trying to get a better return than leaving your money in cash.

Long term planning is about "pensions" but in my company, we don't use the word pension as it has connotations of being old and grey, and people don't like thinking about that. Instead we talk about "retirement planning". But we don't like that word either, as it has connotations of planning for the last phase in your life and people don't want to talk about that either. What we prefer to talk about is creating "financial independence"; creating a point in your life where you can choose to work because you want to work, rather than your current position of having to work. This is because we have created sufficient passive income to give you the choice.

Long term planning is also about "estate planning" so that you don't throw away your hard-earned wealth in a large estate duty bill.

Finally, long term planning is also about planning for that point in time when you and I can't remember that we had this conversation, because we're both sitting in a rocking chair, in a nursing home somewhere! This discussion is in about 20 years time, so I'll defer it until then, if that's ok?

Finally, I write the word tax down the left hand side and explain that, alongside all of these various issues, is an understanding to maximise tax efficiency. Either to ensure that we don't lose wealth through unnecessary taxation, and also to consider ways in which we can use tax saving devices to create profit.

I then turn the page around so that it is facing the client, and place it in the centre of the table. This is now going to form an agenda for the rest of the meeting and achieves various functions. Firstly, it keeps us on track to ensure that we don't miss anything. It allows the client to see how wide the range of subjects are, to help him place each subject into the context of the others. It also allows him to monitor our progress through the agenda.

Most important, if we have done our soft fact-finding correctly, we would have established what the clients' aspirations were. We should then be able to align their invariable needs of security with protection, of freedom and flexibility with savings and investments, retirement planning with our financial independence, and generational wealth planning with estate duty planning.

We then proceed down the agenda.

For most of the clients we see, debt consolidation is not an issue, but where it is, it is vital to address it, either because of its concern to the client, or to show that, by reducing the outgoings, we can find the money to enable us to implement new products and services.

Next item is protection – protection of what you currently have. Of course, you have your life. Here, I'm looking at possible needs for life assurance cover. "So, let me ask you, what would be the financial consequences of you not being around? Of course there would be huge emotional consequences, but what would be the financial consequences?" Then keep quiet and let the client think these through himself. You see, nobody's ever asked him this question before and, if he has ever thought about it himself, he has always avoided coming to a final conclusion in his own mind.

How to Become a Financial Architect *(continued)*

Initially, he will think of the big financial commitments, such as his mortgage that would be left behind and will often not think about his true value as the breadwinner to the family. At this point, it is useful to cross refer back to the budget planner and look at how much monthly income is required to provide for at least the basic cost of living.

I then roughly gross this up for tax purposes. From this, we can calculate how much lump sum would be required to provide the replacement income for the family. I use a multiple of 20 times, because if this was invested to produce 5% per annum income, this would provide the appropriate initial starting amount. However, it makes no allowance for inflation, and so, over time, the capital will be eroded.

From this total figure, I then deduct the life cover already in force, including any death-in-service benefits. I also deduct the capital value of realisable assets, such as cash, investments and property. This leaves me with a target figure for the total life cover now required.

I then ask the same question of the spouse; i.e., what would be the financial consequences of the loss of a spouse, then we can use the same logic as before, or a 20 times multiple of salary, to arrive at a suitable sum assured. An alternative method is to simply multiply the gross income by 20 times. Anyone who is using less than this will probably end up under-insuring the client.

Now that we know how much cover is required, we need to explore how to provide this cover.

I explain that the first of these methods is to use a level term insurance policy. This policy would run for a fixed period of time, say 25 years, and would have a fixed premium and a fixed term. In the event of death occurring at any time during the term, it will pay out the sum assured. The good thing about a term policy is that it is cheap and has a fixed (i.e. non-reviewable) premium. But the problem with a term policy is it is like gambling except that here you are gambling against the actuary. And guess what? The actuary always wins. Another problem is that Murphy's Law says that when you need it most, it is not going to be there.

For example, if you fell ill in 24 years and 11 months and wanted the policy to carry on, tough, it will stop next month. Or if you died after 25 years and 1 month, tough, your policy finished the month before.

And guess what the insurance company did when your policy stopped last month; they opened a bottle of champagne, because they took your money and gave you nothing for it. So, because of the limitations of a term policy, we only use it to cover a fixed liability for a fixed period of time (e.g. a mortgage).

The alternative way of arranging life cover is to use a whole-of-life policy. This, as the name suggests, runs for the whole of your life and will pay out one day, as long as you keep up premiums on the policy. It is no longer a gamble, but a certainty that one day, this policy will pay. The problem with this certainty is that the premiums are more expensive and are not usually guaranteed.

I then use a separate sketch to explain how the client could choose which type of whole-of-life policy he should have. Most importantly, he could have one that carries an element of savings in the policy, so that has a surrender value in the future, if he needs or wants it.

I close this section by advising that, once we have agreed and quantified the total need, we should split it equally between term and whole of life. This will help to keep the premium down, with some of the cover ceasing when it is probably not needed, with the balance retaining the right to keep it going for the long term, if preferred.

On to the next item on the agenda, by health insurance, we mean providing insurance for private medical care. Moving on to protection of income, I ask the client another simple question. "John, what do you think is your most valuable asset?" What do you think he will reply, probably "my home." "Well, can I put it to you, John, that your most valuable asset is not your home, but it is your ability and capacity to produce income over the rest of your working life?"

He suddenly realises this is true. When it comes to financial planning, it's vital to protect your most important asset, and I am a firm believer in the need to protect income. If the client agrees with us, great, but if we feel

How to Become a Financial Architect *(continued)*

that he needs further convincing, continue with the following sketch.

I draw a simple line sketch of a house, showing just the walls and the roof and explain, "If we were building a house, putting up the walls and the roof, this is actually a fairly flimsy structure, unless we put in some firm foundations first. You see, you would never build a house without first putting in strong foundations, because if a storm or a disaster occurred, this would collapse."

Alongside this sketch, I write in the words "savings and retirement" whilst talking. "In financial planning terms, if putting up the walls is your savings and investment program and the roof represents your retirement program, then the foundation to all of this is to secure your income. Otherwise, we could talk about savings, investments, pensions, retirement and so much more. But without protecting your income, that's all it will ever be, talk!"

At this point, the client should have asked, or at least be thinking, "I understand and agree this is essential, but how do I go about protecting my income".

There are two ways to protect your income. What you'll find is that I'm always looking for combinations of solutions; there is very rarely one right answer.

On another sheet of paper, I draw a line down the centre and on the left hand side, I Write, "Income Protection." The first of these is a disability insurance policy that pays you an income if you are unable to work due to accident or illness. I then write a bullet point for each of the following features: It pays an income either until you return to work or, potentially, all the way through to your retirement age of say 60 or 65. Obviously, the longer the maturity age, the more expensive the premium.

The income is paid to you after a waiting, or deferred, period, which is your choice of 1, 3, 6 or 12 months. This is the period you have to be out of work for before you can make a claim. Clearly, the longer the deferred period, the cheaper the premium.

In a claim, the income is tax-free. Because of this, there is a limit on how much you can claim of 65% of your current income; otherwise, if people could get 100% of their income tax-free, some people would deliberately have accidents just to make a claim!

We recommend policies that pay out only if you are unable to perform your *own* occupation as opposed to being unable to follow *any* occupation. They're both only three letter words, but they have a massive difference.

The next subject on the agenda is mortgages. For most people, this is their biggest liability, and therefore the biggest component of their monthly expenditure. Yet, many people, having secured a mortgage, don't then put any strategy on it. What I mean is, that they don't consider how best to pay off such debt and the advantages or disadvantages of carrying such debt.

For example, say someone has a $240,000 loan and is paying an interest rate of 6%. If we could arrange for them to swap the mortgage to a new lender at a lower rate of say, 5%, then we will save our client 1% on $240,000, which is $2,400 per annum or $200 per month. We may earn on the re-mortgaging work and I'm sure that we can find a home for $200 per month.

Often, people will say I have a mortgage and I have some savings, should I use the savings to reduce the loan. This is a classic question, asked almost daily. My answer is a stepped approach.

Firstly, we need to understand that debt itself is not an issue, it's the management of debt that is the potential issue. So, the first response is, can you afford to service the loan? If not, if it is causing you cash-flow difficulties each month, then use the capital to reduce the loan.

If, however, the debt is manageable, then it's a question of what is your attitude to investment risk. Clients then look at me strangely, so I explain.

If you have cash in one hand and a loan in the other, then, to just break even, the cash has to get growth, after tax, equal to the cost of the loan. If the loan costs say 6%, then the cash needs to earn 6% net which, for a 40% tax payer is 10%. You can't get those kind of returns without taking some risks. I'll then need to establish the client's attitude to risk, but I'll do that later in my presentation.

Moving on to savings. We want our clients to understand the need for regular savings as a way of building up

How to Become a Financial Architect *(continued)*

wealth in the future, and the need to constantly do more. I use my elastic band analogy. Financial Planning should hurt otherwise it is not having any effect. What I mean is, if you only invest or save a small amount, because you won't notice it, it will have no effect at the other end either – you won't notice the lump sum coming back to you. And the reality is that whatever amount you decide to save, it is going to hurt for the first three to six months, because it is a new expenditure. But, after about six to twelve months you forget about it, as you've gotten used to it, it's just another standing order, your pay has increased so you don't notice it so much, and inflation has eaten into the value of it. That's when you need to do some more.

It's like stretching a rubber band. If you don't pull it hard enough, you don't notice it. But you don't pull it so hard that it breaks, that would be like bankrupting yourself! Over time, therefore, the rubber band will start to relax itself, and that is the time to re-stretch it.

In fact, most of our clients that understand this simply call us every year or so and say they are ready to re-stretch my rubber band. All I ask is, "How much have you got in mind? Let me take a look at your current portfolio, and I'll get back to you with my recommendations."

Now we need to explain what kind of ways the client could be saving. As always, we should try to avoid talking about products, but keep the ideas conceptual, by talking in generalized terms. On a sheet of paper, draw a line down the centre and explain that there are two different ways to save; I call these a structured route and an unstructured route.

That's not to say that one is better than the other, they're just different ways to save.

With the structured route, it's a fixed term, minimum ten years. The nature of these plans is that they are best value in the long term with charges and penalties in the early years.So they are inflexible once you start them. But this inflexibility is not necessarily a bad thing, as it creates a favourable feature, which is discipline.

With the unstructured route, there is no fixed premium or fixed term, you just put monthly amounts aside. This also means that you can start, stop, increase reduce and access your funds whenever you feel like. So it's very flexible. However, this flexibility requires huge amounts of discipline. Discipline to ensure that you don't stop, reduce or access your funds too often, otherwise you will not accumulate the funds that you thought you were going to.

With the structured route, we invest in low risk, with-profit funds which smooth the volatility of the stock market, by growing through annual bonuses. I then draw a simple graph to help explain how a with-profits fund works. With the unstructured route, the funds are directly in stock markets, which means that they will fluctuate in value. This requires considerable of control and monitoring to reduce the risks and knowing when to cash in, at the top of the market and not at the bottom. In the UK, the rules are that the structured route is taxed internally on its growth and with the unstructured route, a limited amount is free of tax on its growth.

At maturity, the proceeds of the structured route is tax-free, whilst only some of the unstructured route is tax-free, with the balance taxable. The structured route throws in a small amount of life assurance cover also.

As usual, to summarise I then turn this sheet around to face the client. The first decision is how much you want to invest each month. Then split this amount between the two routes, not necessarily equally, but in the proportions with which you are comfortable. We wouldn't want you to go down only the structured route, because if times became difficult, you may have to stop, which is not a good thing.

On the other hand, if you only went down the unstructured route, then you run a real risk that you will stop, reduce or access some funds at some time and, instead of your funds going up in value, they start falling. By presenting in this way, we are demonstrating true impartiality, whilst also appreciating and recognizing our role is to and encourage, and even impose, some discipline on our clients for their own good.

We must remember that we are not asking our client to make any decision as to his preferred route right now, or to close a sale. We are merely looking to gain approval to produce a financial planning report.

How to Become a Financial Architect *(continued)*

Moving to investments. Clearly, this section is only relevant if the client has some funds to invest. The first thing to establish, if we have not done so already, is the client's attitude to investment risk. Depending on if he is a cautious, balanced or speculative investor, we will create an investment portfolio to match his needs. I'm not going to go into any details about any particular investment as you will all have your own favorites and range to choose from.

There are many sophisticated tools for evaluating a client's attitude to risk, and I'm happy to use these where appropriate. But in the meantime, I use a simpler method of getting a client to understand risk and volatility – I simply ask the client what their general attitude to risk is – Are they a generally cautious person, or speculative personor somewhere in the middle. I clarify it further by asking them to put themselves on a scale of 1 to 10, where 1 is putting your money under the bed, and 10 is generally gambling it on a racehorse. There are no rights or wrong to this answer, it is just how they see themselves as only a 1 or 2 on the scale, or an elderly person wants to be 8 or 9, then we have a duty to ensure that they understand risk and reward, and the impact and benefit of time.

We also need them to understand how a portfolio is created, and if they are 5 on the scale, for example, they should still hold some investments graded below this and balanced by some graded above this.

I have never believed that it is appropriate to just put clients into Insurance Company's Managed Fund. Moreover, we have an obligation to create the most suitable portfolio, to diversify risk and manage that risk overtime.

A very important aspect of long term planning is to create "Financial Independence".

Traditionally, clients think of pensions as being their source of income in later life, but I prefer them to understand that income for financial independence will come from a range of sources, and I draw a circle with arrows for the possible sources of income.

Once again, we should look to position ourselves as being totally impartial in our advice, rather than being focused on a product. We want to show that we have enough breadth of experience and knowledge, and to show how we can add real value to our relationship.

At this stage, we'll explain how a pension works, if that's relevant.

It's important, however, to emphasise the urgency for action, and again I use simple sketches to illustrate the point. For example, say an employee has 20 years to go to retirement, let's express it in terms that make it far nearer than that. 20 years to retirement is actually only 240 pay days for a monthly paid employee. Next month, he only has 239 months, then only 238 months; each month counts.

The final items on the agenda are estate planning and long term care, where relevant.

With regard to inheritance tax planning, I use a very simple quote from a politician, "A voluntary tax paid by those who distrust their relatives more than they hate Inland Revenue."

By now the client has fully realized that financial planning is not a straight forward process. It is not something he can get from his bank, over the phone, through the internet or from most of the life assurance salesman he will come across.

If he will not sign an agreement to pay us a fee after this discussion, then do we really want this person as a client? Almost 100% of my clients that have had this discussion, instruct me to produce a report, and we invariably transact substantial amounts of business. It is never a question of trying to increase his premium, or coming up with a smart close. The client has told you what he can afford. All we have to do is help him spend it in the right places, by helping him to understand his options and making an informed decision.

Let's also make something clear. It will take time to master this presentation. Each stage, each sentence, each word, has been refined over years to produce a comprehensive and compelling basis of a long term relationship. When you have it mastered, you will have a new energy and volatility about this wonderful business of ours. You will see that we can make a difference to our client's lives,

How to Become a Financial Architect

not just when they are no in this world, through the benefits of life assurance, but whilst they are accumulating wealth and building their future dreams. What other profession provides the ability to make a difference to the people you meet, make a lot of money along the way and have fun!

My friends, if you want to stop being a financial furniture salesman and wish to become a top financial architect, then I urge you to practice this approach. Use this as a basis for your own presentation. Adapt it to your own style, your own language, to suit your own clients.