



Six Step Financial Process

Step	Process	Participants	Key Activities
1	Establish the business relationship.	Advisor and client	Define responsibilities, discuss fee arrangements, and determine how decisions will be made.
2	Gather information, and define goals.	Advisor and client	Obtain detailed financial information, compile portfolio statements and other documents. Discuss financial goals such as retirement, children's education, and other goals. Determine risk tolerance. Explore general values and priorities in the areas of work, family, and personal fulfillment.
3	Analyse and evaluate the client's financial situation.	Advisor and possible Technical experts such as tax consultants, legal advisors, accountants, etc.	Determine what the client needs to do to reach his goals. Consider all areas: investment, insurance, debt management, business planning, tax planning, retirement planning, and estate planning. Decide which outside advisors are needed to complete the plan. Arrange to refer the client to other advisors or introduce him to those in your referral network. Prepare a detailed financial plan that includes solutions and recommendations.
4	Present the plan and recommendations to the client.	Advisor and client	Go over your recommendations with the client. Explain the rationale for each, get client input, and adjust recommendations as necessary. Answer questions. Describe next steps.
5	Implement the recommendations.	Advisor and client and other advisors with specialist skills	Determine the most appropriate means of implementing the recommendations. If a phased implementation is required, determine how the plan is to be staggered and discuss the implications of deferring some of the recommendations. Determine when the different phases are to be implemented.
6	Review the financial plan	Advisor and client	Establish a review program during which you will: <ul style="list-style-type: none"> - Renew the relationship - Revisit goals and evaluate progress - Obtain referrals. - Review the following: <ul style="list-style-type: none"> • The plan and identify any changes that may affect it. • Define new goals and amend the plan to incorporate them • The client's risk profile • The client's general knowledge • Investment performance (returns per fund, returns compared to appropriate benchmarks, peers, relevance of fund composition and asset allocation).