

How to Overcome the Three Dysfunctions of Traditional Planning

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In relative terms, financial planning is a young industry. Its roots were well-intended but product-driven. In many ways, the industry is still trying to figure itself out. The consumer gets caught in the crosshairs of this confusion.

Here are the three primary dysfunctions at play today:

- **Product-driven:**
Consumers come to the planning table in search of a plan, yet they're met with a product-driven solution. Even the savviest consumer often can't discern the difference.
- **Single-discipline:**
Many approaches lead with a single or primary discipline, such as investments or insurance. Meanwhile, the financial markets, the legal environment and the tax code are inherently linked. If the consumer addresses the disciplines separately, their effort to plan can actually create more problems than it solves.
- **Transaction-based:**
Many of the traditional approaches are one-and-done. The consumer is congratulated for checking planning off their list. However life and business are continuous and fluid. So are the legal, tax and financial environments. If planning is addressed at a single point in time – and not revisited – it can quickly become obsolete.

Careful Conversations: Overcoming the Three Dysfunctions

When smart, successful people sit down to address their planning, traditional approaches suggest that you should somehow know what questions to ask. Financial planning isn't your life's work but you're in charge of working the process. In the Careful Conversations approach, we believe the advisors should supply the questions: real questions about real people, not just facts, figures and checklists.

- **Planning-driven:**
When people are led to address their financial affairs from a product perspective, the discussions center on facts and figures: how much to whom and when. What about the lives and relationships at stake? At Phillips Financial, we guide you to explore and contemplate the impact of your thinking, helping you see how it will come alive in your family decades into the future.

Careful Conversations is a planning environment that invites any concern or question to the table. Sometimes clients don't even know what questions to ask. Other times, they want to field-test a decision with a professional who is as much of a sounding board as a credentialed expert. It's the difference between things you've *thought about*, and how it feels once you've fully *thought it out*. Over time, clients find themselves connected to this deeper thinking model. They know that whatever life brings, they can come in for a Careful Conversation.



- **Multi-disciplinary:**
Once you understand what you want to achieve, the best methodology for achieving it usually stretches across several planning disciplines. It's tough to believe that a single professional could have all of the questions and all of the answers. At Phillips Financial, we incorporate multiple minds and mindsets into each financial plan.

For example, when applicable, we proactively conduct collaborative Round Table discussions. Advisors from a variety of core disciplines sit at the same planning table. Recommendations come back to you as a unified voice representing the best combined thinking. You'll have the relief of knowing that multiple disciplines have been explored, honored and integrated, without having to play project manager and translator from one advisor to the next.

- **Continuity and accessibility:**
At Phillips Financial, multiple professionals participate in every planning relationship. If one of us is out of the office, you can get a timely answer from another party. Also, because our relationships have planning at their core, we remain wired into your situation between calls, meetings and annual reviews. Any time you're craving a Careful Conversation, your team stands ready to have the conversation in context of your unique situation.

Lastly, we believe that effective planning is a continuous process. As your life, family or business evolve and grow over time, the plans you put in place originally may no longer be effective or optimal. At Phillips Financial, every client is welcome to engage in our Annual Financial Physical. It's our intentional methodology for keeping your planning current.

