

## Say Goodbye to “Financial Planning Lite”



Over time, Susan O'Brien made a conscious effort to shift away from pure investment management (“*a commodity*,” in her words), toward an approach that's proven more important to her high-net-worth clients: making an impact on the wealth of future generations by creating a plan *that gets executed*. She shares her success story with *Insights*.

### The opportunity: wealthy clients are ill-served

To me, it's a fallacy that the wealthy are well served. When we meet high-net-worth families, they don't have a plan in place; or if they do, it's something a previous Advisor created, and it's been sitting on a shelf – *forgotten*. We see families that have gone to an investment manager, estate lawyer and tax accountant – but never received an integrated plan that was executed.

That's an opportunity to step in and help affluent families define a singular vision and bring it to life.

We're different in that we don't think of planning as a service – it's not about software for cash-flow analysis or a retirement projection. *It's the core of what we do*. Everything revolves around a plan. We can't make any recommendations without it.

### Retirement planning = financial planning lite

Many think that *retirement planning* IS financial planning. To me it's “financial planning lite,” reflecting a prevalent fear: even the very wealthy are concerned they'll run out of money – particularly given their lifestyle, and generosity toward children, charities and, sometimes, aging parents. Retirement is *part* of the plan, but what if you don't have guardians for your children? What about philanthropic passions? What is the best ownership structure of assets?

Through as much face-to-face discovery as is necessary, my team takes a deep dive to elicit common family values and objectives – including tax, estate, insurance, and investment perspectives; philanthropic aims; and intergenerational wealth issues. The result is a 15 to 20-page plan broken down into areas of concern. We reflect their values and goals, detail next steps, options and strategies, and assign responsibilities. In this regard, I'd say the secret to our success is strong relationship and analytical skills – the ability to steer conversation, so that people can articulate their vision for the future and then we can bring it to life.

## Clients ask, “You mean we have to pay for a plan BEFORE you'll work with us?”

### The correlation between fees and commitment

Prospective clients seem to associate Advisors solely with investment management, and think we're all alike, which tells me they don't actually know what's out there. We reframe their thinking. And when they ask, “*You mean we have to pay for a plan BEFORE you'll work with us?*” our answer is a definitive “Yes.” For us, you can't write a prescription for someone's life without a proper and complete diagnosis.

While it depends on complexity, we typically charge a financial planning fee of \$6,500. We've found this helps people

commit to the process, starting with initial “homework”: assembling old wills, personal directives, investment statements, tax returns, etc. In reality, it commits us too, because when a client is paying, you better make sure they get a five-star plan.

## Among other accolades, since 2002 our business has experienced a 16.24% annualized growth rate.

If we stopped there, they’d go home, put the plan on a shelf, and nothing would happen. As an Advisor, good project management – and the right processes – are critical to get a plan over the finish line.

Our clients are busy people, so over a 12 to 18-month implementation period we organize meetings, follow-up for each successive step, and as warranted, coordinate the expertise of a like-minded network of tax planners and estate lawyers we’ve cultivated. The entire family is often included to create harmony and foster future wealth stewardship. For example, by setting up a tax-efficient foundation through [The Calgary Foundation](#), we set the stage for the next generation to research what’s closest to their hearts, and become knowledgeable stewards of family money.

We’re also very high-touch, which is critical to implementing a plan. The three Advisors on my team which includes me serve 112 families, so we’re able to spend lots of time and energy thinking about their unique needs. We liken our clients to being on a Board of Directors; with our team carrying out the day-to-day operations of family wealth management. We report back quarterly on any topic that’s relevant and contributes to smart decision-making.

Clients hug us – and we see tears flow – so we know we’ve hit on something important. Ultimately, though, our success at attracting referral business with this approach is measurable: among other accolades, since 2002 our business has experienced a 16.24% annualized growth rate.

### Finding a portfolio approach that fits

Most people come to us with a mishmash of accounts, funds, and situations – and no overriding targets in place. For the investment component of the plan, my team first creates an investment policy statement and from the asset mix decides where select managers fit in on a tax-efficient basis. Any time a parameter moves by 5%, we rebalance. And to instill confidence that clients can truly maintain their lifestyle, we build in the real rate of return they’ll need, on an inflation-adjusted basis.

Families we work with typically have six to eight accounts, so for larger sums, we gravitate toward unified managed accounts using the BMO Nesbitt Burns Architect Program®. The approach affords me the flexibility to select the best money managers, like a Guardian Capital or Walter Scott, and customize a portfolio to each family’s goals – all within a single, tax-efficient structure. This is also advantageous, for example, if pre-existing assets are jointly held, and we need to separate the assets, for instance to make a spousal trust work for estate-planning purposes.

A lot of us got into this business because we loved the sizzle of the stock market and the thrill of buying and selling stocks. I started out as a typical stockbroker, and over time began delegating more of that responsibility to professional money managers – leveraging an investment approach that allows me to focus on what’s most important to clients: **the impact of their wealth on their future and future generations**. As an Advisor, you can’t be everything to everybody. It takes an enormous amount of time, energy, and resources to do the kind of work I now do. In my mind, pure investment management is a commodity, and with the fee pressure this industry is experiencing, you’ve got to be doing more for clients. You’ve got to add value to their lives.

## My team’s discussions lately are about what’s next...where our clients will drive us with their needs.

## The evolution of planning

Our industry is evolving, and so the planning process *has* to evolve. To me, the only certainty about the future is that, as Advisors, we've got to continually get better.

My team's discussions lately are about what's next... where our clients will drive us with their most pressing needs. I foresee a greater focus on inter-generational wealth – with even more emphasis on family meetings, given that the “kids” are now often in their 40s and 50s, and need to appreciate and accept why some family money will be diverted to a charitable trust, or other outside beneficiaries. It's essential to help families better navigate dynamics – recently we worked through a situation where a mother was giving away so much money to her adult children she was going to run out herself. An intergenerational family meeting helped educate everyone on the situation and allowed for change.

Although my team is very successful and our clients are extremely satisfied, I'm committed to continuous improvement. What we're doing today is different than what we'll be doing five years from now. Evolution is an important message. In this business you've got to be continually looking ahead.



### Susan O'Brien

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Susan has a double major in Finance and Economics. She has completed the Canadian Securities Course, Personal Financial Planning (PFP®), the Conduct and Practices Handbook Course, and Portfolio Management Techniques. She completed the Senior Officers, Directors and Partners course with the Canadian Securities Institute.

Susan is designated as a Chartered Investment Manager (CIM®) and holds the highest honour in the securities industry as a Fellowship of the Canadian Securities Institute (FCSI). Susan is an Insurance Advisor with BMO Nesbitt Burns Financial Services Inc. Susan has completed the BMO Nesbitt Burns Inc. 18-month Wealth Advisory program and is officially recognized as a Senior Wealth Advisor. Susan is certified as a Wealth Management Services Specialist for high net worth clients.

Susan is committed to her community. She has sat on the Advisory Committee for the Entrepreneurship Degree Program at Mount Royal College and has been a mentor through the Alberta Women's Enterprise Initiative. She has been a guest speaker at the Investor Learning Centre and an industry columnist. She has held numerous volunteer positions in her community.

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- 2008 BMO Harris Private Banking, Platinum Award Winner
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- 2012 Chairman's Council Member
- 2013 Presidents Council Member, Director Level
- 2014-2016 Chairman's Council Member

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