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Why Leading with Planning Promotes Long-Term Success

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KESTRA FINANCIAL

In today's evolving wealth management landscape, financial advisors can no longer rely solely on investment management to define their value. Leading with financial planning is becoming the most responsible, ethical, and effective way to serve clients at every stage of life. By shifting focus to comprehensive financial planning, advisors not only meet growing client demands but also ensure long-term success for their own businesses—namely as financial planning goes beyond a one-time consultation or an annual review.

Instead, planning involves actively guiding clients through life's financial milestones like planning for a new home, managing debt, or preparing for retirement. And that's what today's clients are looking for. They seek ongoing, holistic financial advice that adapts to their changing life circumstances. Whether it's tax planning, retirement readiness, debt management, or legacy planning, clients need continuous, proactive support.

Following are several examples to illustrate why leading with a comprehensive financial plan provides far more value for both advisors and clients.

Why Advisors Should Lead with Planning

- 1. Attracting Younger Generations:** As younger generations (Gen X, millennials, and Gen Z) become a larger portion of the client base, the demand for financial planning is increasing. These clients are looking for a more interactive and ongoing relationship with their advisors, not just investment advice. Leading with financial planning positions advisors to engage with these clients more deeply and provide personalized advice that helps them meet both short- and long-term financial goals.
- 2. Building Sustainable Client Relationships:** Financial planning fosters long-term relationships. Advisors who lead with planning create consistent, proactive touchpoints with clients, which helps to maintain strong relationships over time. Subscription-based models, for example, allow for regular meetings, offering clients the peace of mind that their financial strategy is continually evolving with their needs. This sustained engagement builds trust and loyalty, ensuring that clients remain with their advisor through life's changes.
- 3. Differentiating Your Practice:** With so many financial firms and advisors offering similar services, financial



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planning can help differentiate an advisor's practice. It shows clients that their advisor is focused on their complete financial well-being, not just their portfolio. By leading with planning, advisors position themselves as trusted partners in clients' financial journeys, rather than just someone who handles investments.

How to Implement Financial Planning

Advisors should develop a structured approach to financial planning. Start by identifying clients who would benefit from a comprehensive, ongoing plan. Set clear expectations for the engagement and map out a seasonal planning calendar to keep clients on track with timely goals (tax planning, retirement readiness, debt reduction, etc.).

For example, clients may need quarterly reviews of their financial situation to address changes in tax law, retirement plan updates, or other evolving financial needs. This consistent engagement builds a more dynamic relationship, ensuring clients see the ongoing value of their advisory services.

The Business Benefits of Leading with Planning

Advisors who lead with financial planning, and charge a distinct financial planning fee, also create more sustainable businesses. By offering continuous, fee-based financial advice, advisors build a predictable revenue stream, rather than relying solely on AUM fees or commissions. This can increase client retention and create new opportunities for growth, especially as younger clients demand more frequent and holistic engagement.

Additionally, financial planning helps future-proof an advisor's practice by fostering deeper relationships with clients and attracting younger generations of investors. As the industry continues to shift, advisors who lead with planning will be better positioned to stay relevant and continue to grow. ■

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