



**MODULUS**  
FINANCIAL PLANNING

# The Insider's Guide To Finding The Right Financial Adviser

(If You're The Owner Of A Business)



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## (If You're The Owner Of A Business)

When you're searching for a financial adviser there are three main issues to overcome:

1. Working out who's good
  2. Finding a firm (or adviser) that is knowledgeable about your specific issues
  3. Dealing with points 1 & 2 quickly and easily
- This guide gives you a simple but effective process to finding your adviser.

## Are you looking for Financial Planning or Financial Advice? What even is the difference?

Financial Advice is often a single transactional piece of business, such as setting up a pension or insurance policy.

Financial Planners perform 3 job roles. First, they will often begin by finding out about you and what it is you want to achieve. Then they will use cashflow modelling software to build your life to ensure you have "enough" or plan a strategy to help you have enough. Finally, they will make recommendations and set up the financial products which you actually need.

Financial Planners will continue to work with you on an ongoing basis, regularly updating your financial plan to continue to help you achieve your goals as your life changes over time.

The terms Financial Adviser and Financial Planner are often used interchangeably, but they can often provide different services.



# You Already Have Some Knowledge

Think of the professional or industry environment that you work in. As an insider in that environment, you've probably got a good idea of who's who.

Yet when you speak with friends and family about your industry or profession they seem clueless, and left to their own devices they could end up choosing suppliers that you would never trust.

Here are some general principles that you've probably observed when you see others trying to decipher your industry:

- ↘ The high-profile big-branded players are not always "the best" (if there is such a thing).
- ↘ Some smaller players are great while other smaller players aren't very good (possibly even dangerous). As a result, we often revert to the big brands because they feel safer, if not always brilliant.
- ↘ Industry qualifications might narrow the field somewhat but they are NOT an iron-clad guarantee of quality.
- ↘ Industry awards might also identify some good firms, although nowadays awards are a dime a dozen. Let's call them helpful without being a perfect screening tool.
- ↘ If you can find a small to medium-sized boutique player that has a strong team, they are often punching well above their weight. The founders of these businesses have usually left a larger organisation to "**do it right**". This feels especially true in professional services firms, but perhaps not so much in businesses where scale is important.
- ↘ If you were choosing someone from your own industry or profession, what percentage of firms would be immediately excluded as just not good enough?

Often that figure could be as high as 90% or more (meaning there are only 5%-10% of the marketplace that you'd consider to be any good).

All of these principles hold true when you're selecting a financial adviser.

So let us give you the insider's view of how to choose an adviser.



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**Pro Tip:** One overriding principle that will hold in all situations is this: If anyone ever makes you feel stupid, they're probably a bad adviser. Good advisers can explain complex issues clearly and simply because it's their job and they want you to understand what they are telling you. It's the old adage: "*If you can't explain it clearly, you don't understand it well enough*"

# 1. Ask Around (Friends, Family, Colleagues)

We know this is far from bulletproof, but friends, family and colleagues are definitely worth asking. Build a shortlist of potential firms to speak with before making a decision.

Keep the list short. If you speak to too many advisers, you will confuse yourself and end up doing nothing.

It's unlikely you can rely on the firms recommended without further research, but it might get some trusted firms on your shortlist that would have been difficult to find or identify any other way.

# 2. Ask Your Accountant

Most business owners really trust their accountant. If that's true for you then asking them for a shortlist of 2 or 3 firms is another good starting point.

Accountants are usually well connected in the local business community and a valuable resource for business owners. Good financial planners should have good relationships with accountancy practices, but some accountants may not fully understand what financial planners can do (it should be more than an insurance policy or a pension contribution).

Choosing large, national firms with shiny marketing material and fancy days out may result in higher than necessary costs or sometimes, poor outcomes if they are tied to certain products and sales targets. A Day At The Races is paid for by one person - the client. So treat these names merely as names for now. We'll show you how to dig deeper in a minute.

# 3. What Not To Do

There's one thing to avoid in your initial search - Google.

Whilst good firms do appear on Google, the big brands and "all too sharp" SEO savvy marketers have hijacked the major search terms.

If you need to test our thinking, try a quick Google search now using whatever search terms you think best. I can assure you, it'll be like trying to find a needle in a haystack to identify anyone good.

Google is a really challenging place to start your search and is more likely to overwhelm and confuse you.



**Pro Tip:** Google has got a lot of value later in the research process, but not as your first step.

## 4. Now It's Time To Google

Having created your shortlist now it's time to put Google to work.

Google each firm and take a look at their website. The aim of the initial website search is to rule firms "in" or "out" based on what you find there.

Some of this might be gut feel and that's ok for now.

As you look at each site, ask yourself:

- What's your first impression?
- Do they mention who they specialise in or work best with?
- Could I see myself working with these people?
- What age are the advisers? Will they be around for a long time, or are they likely to retire or sell soon? Very often, an experienced adviser will bring you on board and then pass you to a junior or trainee within a few months.
- Who owns the company? Will your adviser have a say in how they look after you, or is someone else pulling the strings in the background?

As we mentioned earlier, this isn't always a solid metric but it can certainly play a part in this initial screening phase.

- What can you learn about the team? Are they well qualified?

Qualifications and experience are important, but not the be all and end all. Look out for Chartered Financial Planner or Certified Financial Planner. On their own, qualifications are not reliable as a selection metric either. There are many advisers who have all the exams but couldn't explain anything to you. If you're loving other aspects of the firm, then a well-qualified team should help.

- Do they provide services that you think you might require?
- Are there any helpful videos or blogs that you can take a look at to get a better "feel" for the firm and the people in it, who you may be dealing with?

Personally, we believe this kind of material is really valuable. Reading or viewing it can let you ascertain a lot more information in your evaluation process:

- Do they communicate in your language?
- Is it free of jargon?
- Are they exploring issues where you think to yourself "That's me?"

As a result of your Googling and considering some of these questions, you'd expect to refine your possible firms to a much tighter selection.



## 5. Schedule An Initial Call

If you've narrowed your search down to say 2 or 3 likely candidates, it's time to speak to the adviser and have an initial conversation.

Do that in whatever way works best for you - e.g. drop them an email or give them a call or schedule an online meeting. Any good firm will have a link on their website to book a call.

And although you're speaking to them, this is still part of your initial evaluation and selection process. You've not yet decided to work with any of these firms.

Be aware that they'll probably want to set up an initial telephone call or online chat with you. Many firms will position this as the "Coffee catch up" or "Coffee chat". It's much easier than writing long emails back and forth.

This initial enquiry process is also full of useful information for you:

- How responsive was the firm?
- Were they polite and professional?
- Was it easy to set up an initial call?
- On the call, did they ask you any interesting questions that got you thinking differently about your situation?
- On the call were they able to impart any snippets of insight or knowledge that showed you "they know their stuff"?
- On the call did they answer your questions and address any concerns that you raised?
- On the call did you get the impression that they could do the job?
- Did they offer a follow up call/chat to clarify any questions you have after you have spoken to your list of advisers?

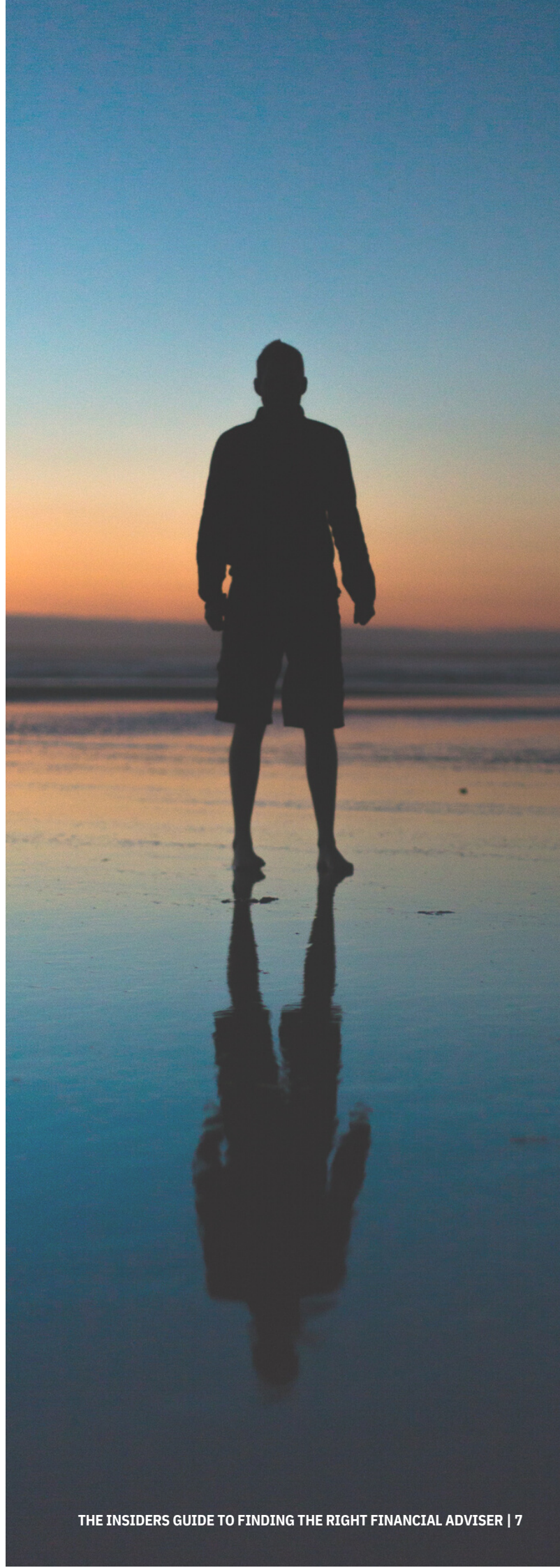


## 6. Reflect - What Have You Learned?

By now you've accumulated a lot of information, formally and intuitively.

Take a few moments to consider what you've learned.

- How was your experience thus far?
- Who stacked up well? Why?
- Who was not quite as you'd hoped? Why?
- Could you work with them? You're going to be entering a long working relationship (hopefully) so you don't want to be dreading every time you need to speak with them



## 7. The Next Step - Formal Initial Meeting

It's important to remember that in most cases your next step will be to agree to a more formal initial meeting with any prospective firm. For most firms, this meeting will be at no cost to you, although you will be giving up your time (around an hour and a half or so).

Typically it's held face-to-face or via a video call (like Teams or Zoom).

Go ahead and book a formal initial meeting with firms that you feel comfortable with.

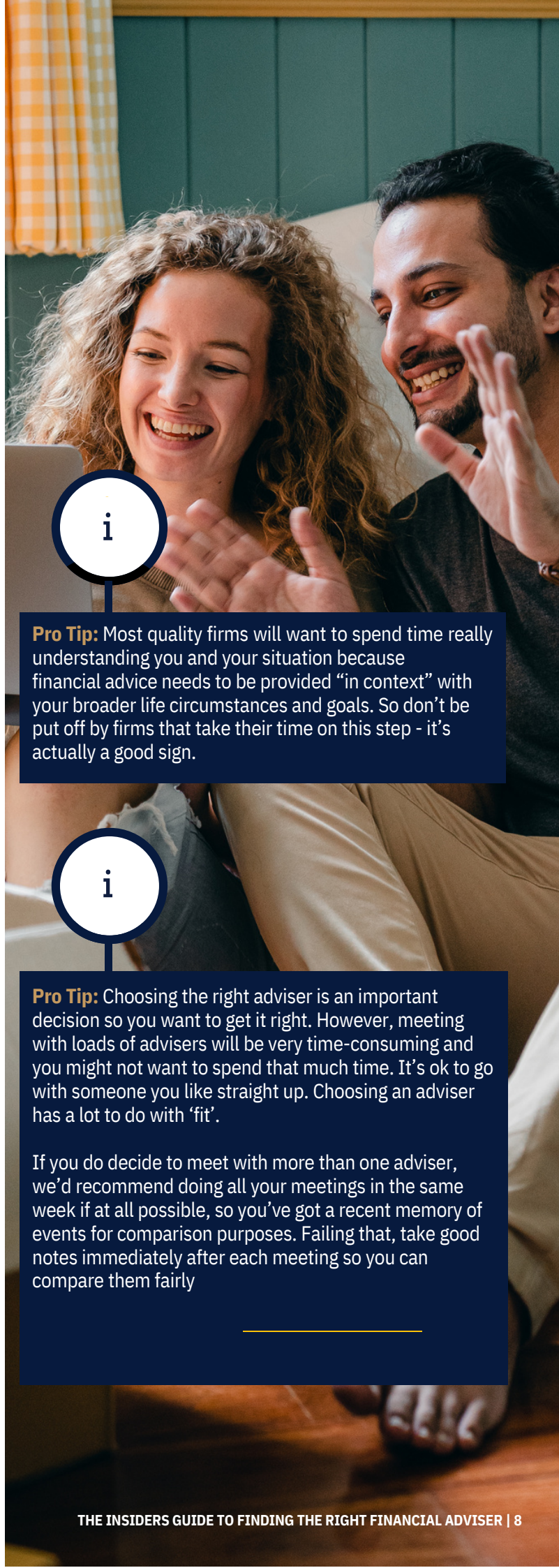
At the end of that initial meeting, you will typically be asked whether you'd like to engage the firm to obtain some advice for a fee. The fees should be totally transparent and understandable.

You'll be under no obligation or pressure to make a decision on engaging at the immediate conclusion of the initial meeting (although if you're happy to make that commitment, then go right ahead). If you need more time to decide or wish to have an initial meeting with any other firms on your shortlist, do so.

So even the initial meeting can be considered the next phase of your research.

### More Resources

You can access our guide, [Questions To Ask Prospective Advisers](#). It's recommended these questions be used at the formal initial meeting.



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**Pro Tip:** Most quality firms will want to spend time really understanding you and your situation because financial advice needs to be provided “in context” with your broader life circumstances and goals. So don't be put off by firms that take their time on this step - it's actually a good sign.

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**Pro Tip:** Choosing the right adviser is an important decision so you want to get it right. However, meeting with loads of advisers will be very time-consuming and you might not want to spend that much time. It's ok to go with someone you like straight up. Choosing an adviser has a lot to do with ‘fit’.

If you do decide to meet with more than one adviser, we'd recommend doing all your meetings in the same week if at all possible, so you've got a recent memory of events for comparison purposes. Failing that, take good notes immediately after each meeting so you can compare them fairly



## 8. Decision Time

Having attended the first meeting(s) and done your research, you're now in a position to decide whom you want to engage and obtain some initial advice from.

Yes, there'll be a cost and you should be prepared to pay reasonable professional fees for a good quality adviser.

According to the FCA (Financial Conduct Authority) they have suggested average fees\* of around 2.4% initial (subject to minimums) and approximately a total fee of 1.9% of assets under management on an ongoing basis. At Modulus FP, our initial fees are generally lower than the average fee (subject to minimums) and lower than the average total ongoing fee.

After you've got the feel for the adviser and their firm you can decide if you want to take things any further and implement any recommendations made.

If things have gone well and you're happy with the advice, then you may well decide to go ahead with the recommendations made and become an ongoing client.

Becoming a client means you will have regular review meetings (usually at least annually) to make any tweaks or changes to your plan and to ensure everything is on track as you work toward your goals.

Let the adviser know either way if you would like to work with them or not.

\*<https://www.fca.org.uk/publication/corporate/evaluation-of-the-impact-of-the-rdr-and-famr.pdf> - it's quite long so skip to section 3.24



**Pro Tip:** Let each adviser you have met with, whether you are going to work with them or not, know if you wish to proceed. If you have decided against working with them, but don't tell them, most advisers will continue trying to get in touch to get a decision. This will become very annoying for you.

## Things We've Excluded (Deliberately)

There are a range of search engines that purport to help you choose a financial adviser. The two most commonly used ones are [Vouched For](#) and [Unbiased](#). Many of the others listed on Google we would avoid.

The challenge with these sites is similar to the Google search problem we outlined earlier. There are good advisers listed on these sites, but identifying them is almost impossible for an outsider to the profession.

In our opinion the Vouched For 5 star ratings are a useful additional research factor, so treat them like industry awards; that is, they're useful in addition to other positive information, but on their own not an iron-clad guarantee that you'll be choosing a great adviser.

There are just too many good advisers who are not featured in both of these listings because the listings agencies can be difficult organisations to work with.

## The Final Word

We created this guide to help business owners like you feel more certain as you search for a great financial adviser.

As you work through your research process we hope we'll make it onto your shortlist of possible advice firms and then it's up to us to earn the right to take things further.

We also understand that choosing an adviser is about 'fit', so if for any reason you choose another financial adviser to work with, we wish you all the best.

## A Little Gift From Us

To help you get started thinking about your financial planning, here's a little starter



Click or Scan

