



## Article Archive

### **The Big Question**

by *Alan Cranfield*

What should you expect from your financial advisor? When you hire someone to help you take care of your financial matters and meet your financial goals, what exactly will that person do for you? Those are the kinds of questions I get from people when they find out what I do for a living. Sometimes even people who already have someone managing their investments for them ask me those questions. It's important to know what you have a right to expect from someone in my position.

First of all, I think people need to understand why a financial advisor becomes more important to them as their wealth grows. It's not just that dealing with your investments and your overall financial picture becomes more complex at this time, but your entire life is getting more complicated. At the same time that your finances require ever more attention, you've gotten too busy to really deal with them, or you may feel that your relationships, your health and your leisure pursuits are a better use of your time.

So how can you devote less time to taking care of your money while still making sure your financial matters receive all the attention they need? You find the financial advisor with the best resources available, and hire him or her.

### FINANCIAL HARMONY

A best-practices financial advisor--or a wealth manager, which is the term for an advisor who takes the big-picture role in handling your finances--will oversee literally every facet of your financial life. Many people simply hire a money manager thinking that person will take care of their investments, but these days a wealth manager can do much more than that. The job of a top-of-the-line wealth manager is to connect all the dots, overseeing the experts who handle everything from investments to insurance, from this year's tax plan to your overall estate plan.

The role of a wealth manager is analogous to that of an orchestra conductor. Each individual member of an orchestra brings his or her own expertise to the performance and is integral to the quality of the music. But it is the conductor who ensures that all the musicians are working in harmony. Similarly, a wealth manager not only makes sure that your portfolio is managed at your risk-tolerance level, but also that your investment strategy works in concert with your tax concerns. And that your tax planning coheres with your estate plan. None of the individual experts can bring that kind of big-picture planning to your financial matters the way a wealth manager can.

### IN THE HANDS OF THE EXPERT

In addition to your financial goals, your financial advisor should also understand your most important relationships, your values--what is most important to you other than money, who your other professional advisors are and how much you want to be involved in the process of realizing your goals. After gaining a real understanding of what it is you want to accomplish, the advisor then works with a team of experts to develop your plan. Once you are in agreement with the plan and fully committed to it, it is the advisor's responsibility to monitor its implementation. He or she will ensure that your other professionals have as great an understanding of what you want to accomplish as the two of you gained through the discovery process. Once the plan is implemented, the advisor must review it with you

periodically and make sure your objectives and circumstances have not changed. You still have control, but now someone else is responsible for the details.

Of course, there will be regular meetings to review the progress being made toward your goals. While changes in your risk tolerance will be monitored during those meetings, there won't be changes made to your portfolio based on predictions about future market conditions. If a plan has been well-constructed in the first place, there isn't the need for those kinds of changes, which border on market timing.