REFLECTION ON HOW PLANNERS CAN SUPPORT CLIENTS FROM SWITCHING OUT OF INVESTMENTS IN TURBULANT TIMES

by

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Reflection on how Planners can support clients to mitigate Investor Behaviour Tax

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ABSTRACT

This paper explains the South African investor behaviour tax. Consequently, this will lead to the help of the investors regarding the actions to take to count what counts (Nixon, Barnard, Bornman, & Louw, 2019). The investors will be provided with guidelines through the lens of a financial planner and financial coach. The six steps of financial planning and ontological coaching philosophy will also act as the guiding principles. The role of financial planner as an active listener and the financial planner's own mindset and experiences in the advisory process are explained in detail in the paper. The concept of developing willpower in the client and the limitations of the advisory process are also discussed in the paper.

INTRODUCTION

The proposals and guidance extracted from the six steps of financial planning are created and implemented through continuous conversations. It is established that the basic job of the financial planner is to perform quality conversations with the client so that the financial planner can ascertain the needs of the client. Such high-quality conversations can be achieved by following the ontological coaching framework and certain other methodologies.

As a result, the basic questions arise: What is the role of quality conversations between the financial planner and the client during the investment process? How can the ontological coaching framework be integrated into these conversations as a part of the advisory process?

To create context, we will study the following:

- Key conclusions from South African investor behaviour tax and helping investors count what counts
- Summary of the principles of the six steps of financial planning process
- Summary of goal-based investment (Outcome-Based Investing)
- Summary of ontological coaching philosophy
- Applying the ontological financial coaching model to the breakdowns highlighted in the study and integrating it as part of the financial advice process

KEY CONCLUSIONS FROM THE SOUTH AFRICAN INVESTOR BEHAVIOUR TAX WHITE PAPER

By nature, human beings have heuristic biases and they are motivated by reward, loss, and fear. Because of this, the clients switch between funds. This switching is motivated and influenced by the past performance that caused substantial loss (behaviour tax) and comparison between the new funds' performance and the original funds if they were not withdrawn i.e., they had stayed invested (Nixon, Barnard, Bornman, & Louw, 2019, pp. 36-37).

The paper proposes the momentum outcome-based score as a tool for the planners. This tool can be used to compare, evaluate and create portfolios to link the client's portfolio performance to the outcomes that they expect. The recommendation from the OBI score can act as the initiation process of the initial conversations between the planners and the clients and also act as a reference point for future conversations (Nixon, Barnard, Bornman, & Louw, 2019, pp. 32-35).

As the conclusion, the paper makes the following assessment: "The next step in this study is to achieve a comprehensive and deep understanding of the investors' behaviour. This understanding should lead us to being able to propose a predictive model that enriches the engagement of practitioners and their clients. There remains a space where machine learning has a major role to play regarding the analysis of tremendous amount of data to extract the possible significant relationships between the endogenous client variables (personality traits, income levels, gender and the advices received by the client) and exogeneous variables that are related to market and to some extent the geopolitics. If each client along with their financial advisor receives a personalised and specifically tailored engagement strategy to enhance the advisory process and conversations, this can lead to huge boost to the clients' confidence and can positively affect their mindset. This process also demands that the information and recommendations are presented in such a way that they encourage effective and profitable investing decisions. This is quite practical because willpower can be developed and learned and even enhanced through practice and positive mindset. It can be thought of as a psychic muscle that can be made stronger through training. For an investor, it can be achieved by acknowledging how their biases affect the investing behaviour. The financial advisor has the central and most important role to play in this regard (Nixon, Barnard, Bornman, & Louw, 2019, p. 36).

It is important to note that the financial planner has the opportunity to get engaged with the client in the conversation. The quality and depth of the conversation will either enhance or detract as a result of the quality of advice presented by the planner to the client. Willpower can be developed by implementing the conversational and relational methodology.

Here a question arises: How can the financial planner be empowered to be aware of their own biases and those of the clients to enable them to support the client with right advices and recommendations during the process of investment?

SUMMARY OF THE PRINCIPLES OF THE SIX STEPS OF FINANCIAL PLANNING PROCESS

The six-step financial planning process is the most widely acknowledged standard for the International Financial Planning Standards Board. This is also used as the guiding principle by the Financial Planning Institute of South-Africa.

The process consists of the following steps:

1. Establish a professional relationship

The initial engagement with the client is to understand the client's needs. The financial planner makes it sure that the client understands the scope of the services that are offered. This engagement is crucial in establishing a trusted relationship.

2. Gather data

The financial planner engages in a conversation with the client to understand the client's expectations and goals. The financial planner gathers the data to understand the current financial condition of the client to be able to formulate an overview of the client's path in the future.

3. Analyse

Through the analysis of the client's data, the planner proposes a baseline plan in accordance with the client's needs, expectations and goals. Depending on the mandate from the client, the financial planner needs to analyse the client's current assets and labilities, cash flow, insurance and investment portfolio, tax and the impact of risk events such as death or disability and various other risk events.

4. Develop and present a financial plan

After the analysis of data, the financial planner formulates a financial plan. The plan comes with different recommendations based on certain scenarios and conditions with the focus on how the client can achieve certain goals and lessen the risks that are in the path to success.

The financial planner presents the financial plan to the client. The client and the financial planner then continue the conversation process on how to implement the financial plan.

5. Implementation

This step consists of the actual implementation of the financial plan and it ensures that the financial planner and the client in collaboration with each other implement the agreed plan as per the agreed tasks for which they are responsible.

6. Monitor and Review

Based on the service level agreement with the client, the financial planner engages with the client after certain agreed intervals for the necessary guidance of the client regarding the successful implementation of the financial plan. This step also consists of the amendments made to the financial plan according to the changes observed in the circumstances. (Financial Planning Standards Board, 2019).

Here the questions arise: In which way does the financial planner offer the advice? What is the role of financial planner in execution of the financial plan? What value does the financial planner acknowledges that is being offered as a part of the advice process?

This question is implicitly asked by (Nixon, Barnard, Bornman, & Louw, 2019, p. 36): "Are your clients paying you to "beat the market" or are they paying you to be their guide or mentor on the path to achieve financial goals?" Most important and the most valuable variable can be: What is the client fundamentally wanting the planner to take care of for them?".

In a study in 2016, Association for Financial Counselling and Planning Education Study cited a study from 2014 by the American Psychological Association Study (2015) which indicated that 72% of Americans experience stress related to financial problems. The same study also determined that 57% of adult Americans have personal financial issues. The Association for Financial Counselling and Planning Education performed a research to determine what were the biggest drivers in the Financial well-being i.e., clients who did not experience financial stress. In the study mentioned above, the only two dimensions that significantly impacted financial well-being in a positive manner were Initial appraisal, which can be described as the ability to define a possible problem and making an assessment for the possible action, which can also be defined as a positive locus of control and competency in managing personal finances. These concepts can be defined as the skills developed over time in anticipation of acquiring, maintaining and building financial resources that can be manifested as sound financial behaviours such as budgeting, saving, and obtaining appropriate insurance (Prawitz & Cohart, 2016).

The role of the financial planner is to work as a coach to support clients develop their locus of control and competency in managing their personal finances. It can be more beneficial and productive to not just consider the financial considerations but also other important issues such as the client's beliefs about themselves and most importantly how much the client believes in themselves. The client should also be guided and motivated to broaden their view and think about what they want to achieve in life and what is possible for them to do. This manner of financial coaching i.e., keeping in view the behaviour of investor is significantly important and rightfully comparable to the importance of the technical advices given to the client. For implementing this, the conversations between the client and the financial planner need to be executed according to the six steps of the financial planning process.

To play the role of a financial planner as a coach demands a strong commitment to learn the techniques to skilfully apply a coaching model to effectively help, guide and support the clients. The Ontological Coaching Model is a good example of such a model.

SUMMARY OF GOAL BASED FINANCIAL PLANNING

It is important to define the basic approach of Goal-Based Financial Planning that acts as the basis of Outcome Based Investing as it is defined in the paper. "Goal-based investment management offers strategies aimed to create ideal financial outcomes for clients over their lifetime and the results that are not only tied to investors' real-world needs and objectives, but also help them overcome their biggest real-world risks (Cannon, 2016).

The research points out that the traditional way of linking portfolio design and selection based on risk/return questionnaire hinder clients from achieving their goals. As this approach do not focus on the goal, time horizon and secondly probability to accumulate the capital needed over the specific time horizon, rather the process focuses on risk/return that creates a benchmark of performance and focus is moved from achieving the goal (Cannon, 2016).

Goal-Based Financial Planning is, in fact, an integration of some of the key theories that underpin high quality financial planning. The underpinning theory is grounded on the Bodie Merton Samuelson theory of Life-Cycle Saving and Investing (LCSI). The key principle of LCSI is to focus on optimising earned income, matching investment risks to goals, and optimising the spending over a client's lifetime (Hogan, 2012).

Two key fundamentals of LCSI is that the process acknowledges that everyone has both financial capital and human capital, however, human capital forms the axis. Secondly clients care more about the standard of living for a lifetime, not portfolio wealth.

Life planning evolved from LCSI was the main focus, but later on, it moved from technical advice and portfolio performance to a new dawn of financial planning that can be defined as: "The lifelong process of integrating personal values (inevitably dealing with the strong correlation between money and emotions) with the management of both human and financial capital for the betterment of self and community (Hogan, 2012).

Keeping in mind the above described concepts as guidelines, financial planners need to develop the skills to be able to deal with the behavioural and emotional aspects of life or goal based financial planning. Another key aspect is how financial planners enhance their value proposition towards their clients. Not just advising the clients regarding their product and portfolio performance, the financial planners should facilitate the process for clients to positively affect their human and financial capital over their life cycle.

FRAMEWORK OF GOAL BASED FINANCIAL PLANNING

The following framework is documented as a good practice for goal-based financial planning process:

1. Define clients' goals, including their values and behaviours.
2. Identify what resources are available to fund the goals. This step will include prioritising goals if sufficient funding is not available to fund all the goals. Moreover, it is also possible to re-allocate funding from budget by sacrificing the unnecessary wants to fund a long or short-term goal.
3. Determine the ideal savings strategy using the term 'optimal portfolio' to achieve the goal. Determining the funding needed and matching it with a portfolio that gives the time horizon will have the highest probability to achieve the goal over the time period, taking into account the risks of the portfolio. In this step it is also important to mitigate risks, like disability, critical illness and death that can negatively affect the journey towards achieving the defined goals.
4. Implement the plan. This will include opening the appropriate savings vehicle. However, this can also include changing spending patterns and making lifestyle changes. It is critical that the plan supports the client's goals, values and buy-in, to ensure long-term success.
5. As individuals' circumstances can change over time, it is important to regularly review the implemented plan. This is the step in which the financial planner advices the client critically to make them aware of the behaviour that can negatively affect the financial plan. The financial planner reinforces a positive behaviour in the client's mind by taking an appreciative acquire approach to support the client. As client's circumstances and goals can change overtime (life-cycle hypothesis and unplanned life events), planner also needs to support the client to adjust their plans to support the new circumstances (Blanchett, 2015).

Research indicates that a different approach is required from the financial planners to successfully implement and support clients with a goal-based approach. Some of the key findings are described below:

- A goal-based approach requires a change in focus. This change in focus can range from constructing portfolios that outperform a benchmark, or is aligned to a certain risk profile, to focusing on accomplishing the client's goals.
- As most of the clients can have multiple goals, it takes a collective approach to achieve these goals. This requires taking the client's cashflow, assets, liabilities, tax and various other conditions into account to be able to allocate resources optimally to achieve client's goals. This will require the development of a total wealth perspective and building back-ups for risks like disability (temporary or permanent), critical illness and death. It is also important to take into consideration the principal client, as research indicates that up to three generations has an impact on the finances of a specific client that the financial planner is dealing with.
- Better understanding of the reasons that why clients make irrational choices when dealing with their money and how planners can "nudge" clients to make better decisions can help clients achieve their goals. This requires planners to have the required coaching skills to support and advice clients behaviourally.
- Smart investment portfolios that conceptualise risk correctly, aligning to term of goal and managing the risk is centrally important in supporting both financial planner (mitigating risk of not delivering according to client's expectations) and clients achieving their goals.
- Utilising technology to support financial planners shift to scenario building (also coined scenario selling, by Dr David Lazenby, How to Use Technology in Financial Planning). In this way, the planner can model how to optimally fund different goals and the probability to achieve goals, along with the risks involved, using different approaches. The financial planner also determines the impact of cost and tax on these different scenarios. Also, how to present this to clients in a simple and understandable manner and lastly to keep reporting on review date, keeping to the same story line (Blanchett, 2015).

It is clear that a new approach to support clients from becoming victims of behaviour tax is required. An effective and integrated financial planning and coaching approach is required to do so. Ideally this financial planning is supported by technology that will support more efficient planning, reporting, and giving clients control and decision power in the process so that they are empowered. Technology and way of reporting can also help the financial planners to stay objective and stop them from influencing the advisory process by their own biases and fear.

ONTOLOGICAL COACHING PHILOSOPHY

Ontological Coaching focuses on our way of being. Way of being refers to how we observe the world through our language, emotions and body. We do not see things how exactly they are. We see them according to how we are. So, if clients and/or the financial planner shift their way of being (perceptions and attitudes), they also shift how they observe the world. This will impact on how they view the financial circumstances, chances, opportunities and risks. This will again change how they view investments if we refer to behaviour tax as an example. This type of learning is known as 2nd order learning where learning happens internally (Sieler, Coaching for the Human Soul, Ontological Coaching and Deep Change, Volume 1, 2007, pp. 3-40).

When the focus is on tools and techniques then only changing communication and behaviour are being considered significant, this type of learning is also referred to as 1st order learning. In 1st order learning, change only happens by adopting new processes, strategies and procedures. Example would be only adapting Outcome Based Investment approach and focusing on philosophy and OBI Score and not changing the conversation. As a result, the behaviour will not necessarily change.

BUILDING BLOCKS OF ONTOLOGICAL COACHING

Financial planners and clients perform conversations as humans and simultaneously exist in all three domains of language, emotions and body. When they converse with each other (which includes indirect interactions such as phone, fax and email). They are always listening (depending on their own interpretations, and asking questions) and they are also speaking (in particular, using the basic language acts). Whether they are aware of this or not, various emotions and background moods become obvious. The way they have learned to hold their body postures reflects their embodied moods and orientation to life, and how they will speak and listen (Sieler, Coaching for the Human Soul, Ontological Coaching and Deep Change, Volume 1, 2007, p. 247). The content of the conversation can change their way of observing in a positive or negative manner. When financial planners develop the ability to be more open to continuously observe their own and their clients' conversations to enable themselves of learning and embracing change, they will be able to engage in much deeper, richer and productive conversations to support clients at optimal levels.

It is very useful for financial planners to have basic understanding of the distinctions that support listening, speaking, emotions/moods and body, to be able to skilfully observe and support themselves and their clients in investing and evaluating their investments.

FOUNDATION OF ONTOLOGICAL COACHING

It is useful for a financial planner to be aware of his/her own pre-judgements that may distort, delete and generalise what they are hearing and observing during the listening process. This has a strong relation with the past experiences of the financial planners or the way they grew up, their own cultural narratives, social practices and emotional contexts. When listening to the client as a financial planner it is important to not only hear the language, pitch and tone of what is being shared, they also need to observe the mood and emotions and the body posture of the person who is speaking. While observing all these components the financial planner has to be mindfully present and observing/listening to the person speaking.

While observing the language that the client speaks, the financial planner should be aware of six different speech acts. These speech acts are fundamental language patterns that all humans use, regardless of the situation. Each act plays a significant role in creating the concept of what things and events are real and possible in the speaker's mind. Thus, understanding them and how they function provides a powerful map for the financial planners so that they can distinguish, comprehend and explore what they are hearing. The six speech acts are briefly described below:

1. ASSERTIONS

They are related to facts – statement about what is factual and what is not. They also include what might be factual, such as predictions and forecasts. These are statement one makes, where one wants to create shared understanding of reality, and hence it acts as a basis for co-ordinating action.

2. DECLARATIONS

Declarations are the statements through which the speaker announces that something exists that did not exist before and they have the authority to do so. Declarations are used to bring about change or commit oneself to others.

3. ASSESMENTS

They are the judgments that one makes about something in the interest of acting.

4. PROMISES

It is where one commits to a request, indicating what they will fulfil some specific demand.

5. REQUESTS

These are the actions that one takes to ask for assistance of somebody or a group of people to help one to address an underlying concern.

6. OFFERS

It is where one observes something that may be a concern, breakdown or something missing for someone else. One puts oneself forward as a possibility to address the need. Offers are a fundamental way to take care of each other, build relationships and develop their identity.

When the listening one also observes the emotion and mood being shared during the conversation, these distinctions enable one to make assessments of how current moods affect the financial planners and their clients, and how this influences the way the financial planner and the client see the circumstances and act on it by using the some Basic Moods Model as adapted by Alan Sieler and Newfield Australia (Sieler, Coaching for the Human Soul, Ontological Coaching and Deep Change, Volume 2, 2007).

According to the Basic Moods Model, one assesses the world through a three-by-two matrix, and based on one's assessment one generates certain moods and a certain way of being, that can be shifted and changed through the right questions and coaching sessions.

Assessment: When making an assessment one is either accepting or not the three basic fundamental assessments namely Facticity, Possibility and Uncertainty.

1. Facticity: Is defined from an ontological perspective as what is assessed not to be open to change. Does one assess that something can change or not? Does one accept one's assessment or not? "God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference" Reinhold Niebuhr.
2. Possibility: In contrast to facticity, possibility is an assessment that is open to change. Possibility creates energy for change as a more useful mood as the way of being unfolds.
3. Uncertainty: Is where one is unable to accurately predict the future and the way things will unfold. Does one accept uncertainty or not?

The following framework which is based on The Basic Moods Model can be used to distinguish between the moods that will be observed based on the assessments made:

Assessment	Facticity	Possibility	Uncertainty
Not Accepting	Resentment to Grieving	Resignation	Anxiety
Accepting	Sadness to Accepting	Ambition	Wonder

Figure 1: Fundamental Assessments

Coming towards a conclusion, one will explore how one's response to the world, have a place in one's own body and mind. In this way one feels, links and understands the way one responds to certain stimuli through one's body and mind and finally takes an action.

A Harvard research indicates that 95% of one's actions happen subconsciously. One reacts according to one's body and engrained patterns of emotions and language, which have been developed in the form of habits over years. Some of these patterns are those which one inherited from one's parents and predecessors (being inclined to be pessimistic). The society in which one grows and lives also shapes one's mindset, concepts of morality and understanding of acts that are to be considered normal or different. Imagine growing up in an entrepreneurial family and society where one project could bring in a lot of money and subsequent lavish lifestyle, followed by periods of intense struggle and neediness. This type of cyclic change has the ability to develop into client's frugality and the fear of experiencing the same humiliation and time of struggle to make ends meet.

Utilising the ontological approach, financial planners can work with language, moods and body to stimulate second order learning, improve the quality of conversations, and support clients better to limit behaviour tax.

APPLYING THE ONTOLOGICAL FINANCIAL COACHING MODEL TO BREAKDOWNS

The study makes the assessment that investor behaviour tax is caused by underlying reluctance to invest (trying to time the market) and suboptimal behaviour during the investment process (switching between funds) (Nixon, Barnard, Bornman, & Louw, 2019, p. 4). From an ontological view, we can reach to the conclusion that behaviour tax is a breakdown that is causing the clients to suffer from significant decrease in potential returns from their investments.

It is useful to observe the possible role of the financial planner and client's way of looking at the grounds of investments in the breakdowns. To illustrate this, let's apply the ontological coaching model to analyse the breakdown on a meta level:

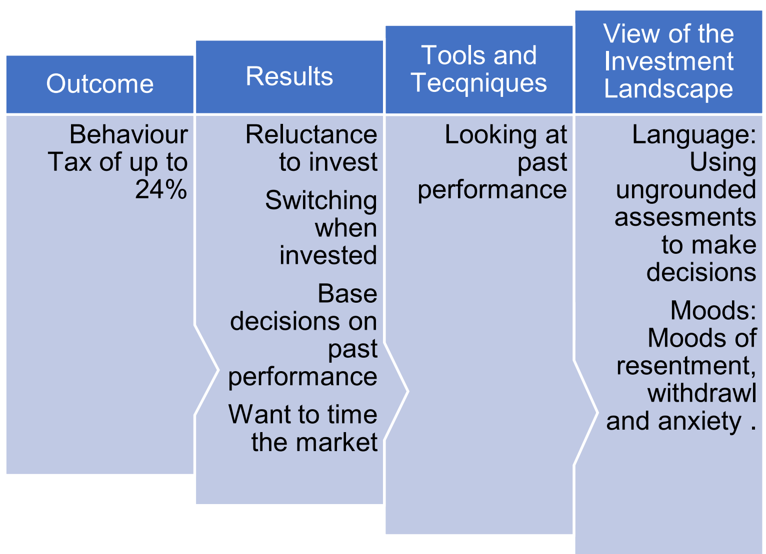


Figure 2: Breakdown of Ontological Coaching Method

From an ontological view point, the diagram above shows that a large percentage of investment clients are experiencing behaviour tax losses of up to 24% over a 10-year period. This is primarily caused by actions of either being reluctant to invest (want to time the market or fear of investing) or suboptimal behaviour by switching from investments that are seemingly underperforming (driven by either greed or fear).

Question then arises regarding what drives the behaviour that leads to certain results and outcomes? As mood is a predisposition for action, the question can be asked that what kind mood generates which type of behaviour?

The behaviour can be predicted and mapped by analysing past performance data. "New business allocation is driven by a combination of factors, which includes the current allocation; a function of relative past returns; and secondary factors. These include how long the outperformance persisted and if any outperformance has been shared (Nixon, Barnard, Bornman, & Louw, 2019, p. 16.). Funds can be analysed by using different metrics like volatility, Sharpe ratio and Sortino ratio which should be combined with a cash flow profile and the client's risk profile. The question can be asked that how much influence do these analyses have on whether the clients desired objectives will be met or not? (Nixon, Barnard, Bornman, & Louw, 2019, p. 31).

Another question that arises; How much do the above tools and techniques influence the financial planners and clients to drive their decisions towards doing investments or to switch between funds?

However, the fundamental factors that influence the behaviour and decisions of both the financial planners and clients, from an ontological perspective, are their moods, languages and mindsets. This also corresponds to the study and summaries brilliantly mentioned by Greg B. Davies: "Humans are great. But they make systematic mistakes. Financial advisers are skilled technicians, but they are also human…' (Nixon, Barnard, Bornman, & Louw, 2019, p. 36).

The question arises from a financial coaching perspective and analysing the content of the study that how do moods and language influence behaviour?

For further understanding we analyse the theory of behaviour biases which is called the dual-process theory of thought, heuristics and biases (Availability heuristics, representative heuristics and anchoring and adjustments) (Nixon, Barnard, Bornman, & Louw, 2019, pp. 7-14). It is clear that clients and advisers make assessments that are not grounded. Therefore, it is crucial for both clients and advisers to ground their assessments before making any investment decisions.

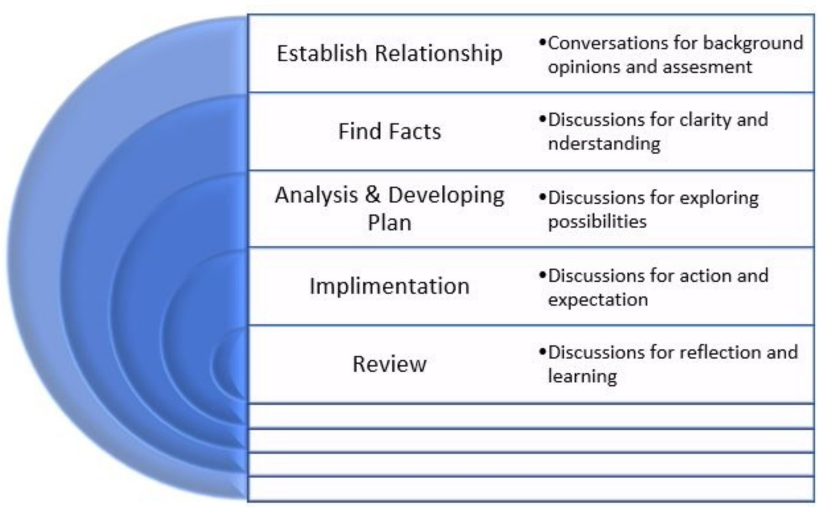
Secondly, the study states the following: "As a result, these investors are more likely to make decisions that provide emotional comfort rather than focusing on achieving their investment goals, resulting in a behaviour tax", (Nixon, Barnard, Bornman, & Louw, 2019, p. 7). From an ontological perspective, one can explore the client's mood that can dominate their views and ultimate decision to either not make the investment or switch. It is crucial for the financial planner to explore their own mood and their client's mood. The overarching mood can range from resentment to accepting, resignation to seeking possibility and from anxiety to wonder. The moods will the become the dominant factor which will influence the subsequent decisions and consequently, the results.

Briefly, we can conclude that, for improving the quality of advisory process and the conversations, utilising grounded assessments and proper understanding of moods is very important.

ENHANCING THE ADVICE PROCESS THROUGH FINANCIAL COACHING

Financial planners engage with their clients through conversations. The conversations are constructed using language, moods and body languages. These conversations are two-dimensional and are imprinted on the minds of both the client and the financial planner in the form of ideas shared verbally and in the form of the moods and body language of the other party.

The following model can be used to develop a concept of the six-step financial planning process as a conversational model and can be depicted in the following diagram:



The following brief description of the six-step financial planning process is done by keeping in mind the importance and use of quality conversations between financial planner and the client and hence this description should be read and understood through the lens of financial coaching perspective.

Step 1: Establish a relationship

A quality relationship can be built by treating clients as unique human beings who have their own personalities, perspectives, mindsets, and past experiences. The financial planner should be aware of the client's preferences, opinions, way of dealing with problems and people. The financial planner should be aware of the fact that they are there to help the client by developing awareness through advisory process, however, it is up to the client to take the decision regarding the financial matters. It is also important to consider that the trust in the relationship with the client will develop over time and will deepen as the financial planner and client go through continuous conversations. The financial planner should be aware of the state of their own mind so that they know what part of their own personality and past experiences are influencing the advisory process.

Step 2: Fact Finding

The financial coaching process actually starts from the process of understanding the goals and aims of the client. This tends to evolve the financial planning process into heavily customised and personalised life planning process. George Kinder started the life planning institute and the registered life planning designation for registered life planning coaches. He has trademarked his life planning coaching as 'Lighting the Torch'. It is important to look at the process for designing a life plan for a client that it covers the following steps: Exploration, Vision, Obstacles, Knowledge and Execution, (*EVOKE*) (Kinder & Rowland, 2014). It is very important for the financial planner to work on the process of 'fact finding' by exploration, vision and clearing obstacles and then go for the process of planning and advising by knowledge and execution.

From an investment perspective, the importance to stand still with a client who is exploring his/her real goals has been highlighted by a recent Morningstar study. In this study, the clients were asked to write their top 3 goals. After this, the clients were shown a list of 17 potential goals. The final result was that 26% of the respondents changed their top goal, 50% changed any of their top two goals and 73% changed any of their top three goals (Sin, O'Murphy, & Lamas, 2019).

From an ontological perspective, while listening and exploring client's needs and goals, the financial planner also understands what matters to the client the most and what they want to take care of. Listening the client's concerns and the breakdowns they possibly experience and are either aware of or not, is also done in the same process.

This can take us to the conclusion that the financial planner needs to spend a considerable amount of time with the client to understand the client's actual goals and expectations. The financial planners should also help their clients to have a clear and doubtless image of their goals in their minds and they are not carrying any doubts with them regarding their goals and aims.

Step 3 & 4: Analysing and Developing a plan

After the step 1 and 2, the financial planner and client have a clear concept regarding the execution of the financial plan. Therefore, they can spend their energies in conversation and advisory process. In this process, the financial planner will create the actual plan to execute the plan and the actual steps needed to be taken for this.

Step 5: Implementation

When the client is comfortable with the plan and the decisions to be taken, a conversation for action and expectations is very important. So that the financial planner and the client understand what is expected from different parties and against which milestones and assessment criteria the plan will be evaluated.

Step 6: Review

As a team, the client and the financial planner now need to have a conversation for reflection and learning. They should reflect on the achievement of the plan at agreed intervals. It is crucial that both the client and the financial planner are held accountable to ensure that they learn from successes and failures. They should make it sure that adjustments are made on the basis of grounded assessments. Both the parties should also be comfortable with the changes in the plans and behaviours that are necessary according to the results and the conditions.

CONCLUSION

After all the discussion we go back to the basic question:

What is role of quality conversations of both the planner and client during the investment process? From our exploration, we can also add the question: What is involved in having these quality conversations?

In the review, the importance of quality and interactive conversations between the clients and the financial planners is described and explained in detail. The role of these quality conversations in advisory process is also emphasised. According to the review, quality conversations prevent the clients from talking ungrounded decisions and they do not fall prey of breakdowns due to misunderstandings and doubts. From an ontological perspective, it is important to note that a decision is a declaration and is based on assessments. The planner should support the client to make wise and effective decisions on the basis of quality assessments during the process of investments and reviewing their investments. This kind of support enhances the behavioural component of the financial planning process and leads the clients towards financial well-being and satisfaction.

What should the format and/or framework of the conversation be?

As the explanation of the ontological coaching framework in done in the review, this is evident that the ontological coaching framework will act as the guiding principle in formulating the format and/or the framework of the quality and productive conversations between the client and the financial planner.

PROPOSED FURTHER RESEARCH:

- Further research can be done to determine the influence of the grounded assessments and moods on the client's decisions that eventually leads to behaviour tax. Similarly, during the process of switching the processes, the role of the grounded assessments and moods of the financial planner in the conversations should also be studied further.
- Design specific coaching conversations as part of the advice process to support planners.
- Further research in which a group of planners use the mapped methodology and a control group measures the client's outcomes.

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