



# Competency Profile

A Graphic Overview

# FINANCIAL PLANNING FUNCTIONS

**1**

**Collection**  
Gathers and prepares the client's information

**2**

**Analysis**  
Assesses the client's situation and identifies and evaluates appropriate strategies

**3**

**Recommendation**  
Develops recommendations to help optimize the client's situation

FUNDAMENTAL  
FINANCIAL  
PLANNING  
PRACTICES

- 1.001 Identifies client's objectives, needs, values, and expectations that have financial implications
- 1.002 Determines client's comfort with financial planning assumptions
- 1.003 Identifies information and documentation required to prepare the financial plan
- 1.004 Identifies client's legal issues that affect the financial plan
- 1.005 Determines client's level of financial sophistication
- 1.006 Identifies material changes in client's personal and financial situation
- 1.007 Determines completeness of information to enable analysis

- 2.001 Analyzes collected information to prioritize the financial planning areas
- 2.002 Considers interrelationships among financial planning areas
- 2.003 Assesses opportunities and constraints across financial planning areas
- 2.004 Considers impact of economic, political and regulatory environments
- 2.005 Assesses costs and benefits of competing alternatives across financial planning areas
- 2.006 Measures the progress toward achievement of objectives of the financial plan

- 3.001 Prioritizes recommendations from the financial planning areas to optimize the client's situation
- 3.002 Recommends steps to implement the financial plan
- 3.003 Determines other professionals required to assist in implementation of the financial plan
- 3.004 Determines necessity to revise the financial plan

## ELEMENTS OF COMPETENCY

**1.1** Gathers and prepares quantitative information

**1.2** Gathers qualitative information

**2.1** Assesses the client's situation

**2.2** Considers and evaluates strategies

**3.1** Develops recommendations to help optimize the client's situation

FINANCIAL  
MANAGEMENT

- 1.101 Collects information regarding client's assets and liabilities
- 1.102 Collects information regarding client's current and projected cash flow
- 1.103 Prepares statements of client's net worth and cash flow

- 1.201 Determines client's experience, attitudes, biases, and objectives regarding saving and spending
- 1.202 Determines client's experience, attitudes, biases, and objectives regarding credit and debt
- 1.203 Determines client's desired lifestyle

- 2.101 Determines characteristics of client's assets and liabilities
- 2.102 Determines whether client is living within financial means
- 2.103 Determines client's capacity to sustain an emergency situation
- 2.104 Calculates amount required to meet financial management objectives
- 2.105 Identifies conflicting demands on current and projected cash flow

- 2.201 Considers potential cash flow strategies
- 2.202 Considers potential credit and debt management strategies
- 2.203 Considers potential savings strategies
- 2.204 Assesses impact of potential changes in income and expenses
- 2.205 Evaluates advantages and disadvantages of each financial management strategy
- 2.206 Prioritizes client's financial management objectives and needs

- 3.101 Formulates financial management strategies
- 3.102 Recommends optimal financial management strategies
- 3.103 Prioritizes steps to assist client in implementing financial management recommendations

FINANCIAL PLANNING AREAS

INVESTMENT  
PLANNING

- 1.104 Collects information regarding client's assets and investment holdings
- 1.105 Prepares a detailed summary of assets and investment holdings
- 1.106 Determines client's current asset allocation
- 1.107 Identifies current and projected asset and investment cash flows
- 1.108 Identifies available contribution room

- 1.204 Determines client's investment experience, attitudes, biases, and objectives
- 1.205 Determines client's return expectations
- 1.206 Determines client's investment constraints
- 1.207 Determines client's capacity, tolerance, and composure related to investment risk
- 1.208 Determines client's desired degree of involvement in investment planning

- 2.106 Determines characteristics of assets and investment holdings
- 2.107 Determines the implications of acquiring or disposing of assets
- 2.108 Calculates required rate of return to reach client's objectives
- 2.109 Assesses whether investment return expectations are consistent with client's constraints, required rate of return, investment risk capacity, need, tolerance, and composure
- 2.110 Assesses whether asset allocation is consistent with client's constraints, required rate of return, investment risk capacity, need, tolerance, and composure

- 2.207 Considers potential investment planning strategies
- 2.208 Evaluates advantages and disadvantages of each investment planning strategy
- 2.209 Prioritizes client's investment planning objectives and needs

- 3.104 Formulates investment planning strategies
- 3.105 Recommends optimal investment planning strategies
- 3.106 Prioritizes steps to assist client in implementing investment planning recommendations

INSURANCE  
AND RISK  
MANAGEMENT

- 1.109 Collects information regarding client's existing insurance coverage
- 1.110 Prepares a detailed summary of existing insurance coverage
- 1.111 Determines resources available to manage risk
- 1.112 Identifies current and potential future financial obligations

- 1.209 Determines client's risk management experience, attitudes, biases, and objectives
- 1.210 Determines relevant lifestyle factors
- 1.211 Determines client's personal and family health history

- 2.111 Determines characteristics of existing insurance coverage
- 2.112 Calculates financial impact of exposure to risk
- 2.113 Assesses risk exposure against existing risk management strategies

- 2.210 Considers potential risk management strategies
- 2.211 Assesses the impact of changes to insurance coverage
- 2.212 Evaluates advantages and disadvantages of each risk management strategy
- 2.213 Prioritizes client's risk management objectives and needs

- 3.107 Formulates risk management strategies
- 3.108 Recommends optimal risk management strategies
- 3.109 Prioritizes steps to assist client in implementing risk management recommendations

		1.1 Gathers and prepares quantitative information	1.2 Gathers qualitative information	2.1 Assesses the client situation	2.2 Considers and evaluates strategies	3.1 Develops recommendations to help optimize the client's situation
FINANCIAL PLANNING AREAS	TAX PLANNING	1.113 Collects information to establish client's current and projected tax position	1.212 Determines client's taxation experience, attitudes, biases, and objectives	2.114 Determines tax impact of relevant transactions and events	2.214 Considers potential tax planning strategies	3.110 Formulates tax planning strategies
		1.114 Identifies tax implications of assets and liabilities	1.213 Determines client's tax knowledge	2.115 Calculates current and projected tax liabilities	2.215 Assesses impact of tax planning alternatives	3.111 Recommends optimal tax planning strategies
		1.115 Identifies parties relevant to client's tax situation		2.116 Assesses existing tax strategies	2.216 Evaluates advantages and disadvantages of each tax planning strategy	3.112 Prioritizes steps to assist client in implementing tax planning recommendations
	RETIREMENT PLANNING	1.116 Collects information regarding client's potential sources of retirement income	1.214 Determines client's attitudes and biases toward retirement	2.117 Calculates financial projections based on current position	2.218 Assesses financial requirements in retirement	3.113 Formulates retirement planning strategies
		1.117 Prepares a detailed summary of potential sources of retirement income	1.215 Determines client's retirement objectives	2.118 Determines if client's retirement objectives are attainable	2.219 Considers potential retirement planning strategies	3.114 Recommends optimal retirement planning strategies
		1.118 Collects details of projected retirement expenses	1.216 Determines client's comfort with retirement planning assumptions		2.220 Assesses impact of retirement planning alternatives	3.115 Prioritizes steps to assist client in implementing retirement planning recommendations
	ESTATE PLANNING AND LEGAL ASPECTS	1.119 Collects information and documents that impact estate planning strategies	1.217 Determines client's estate planning experience, attitudes, biases, and objectives	2.119 Calculates financial projections in the event of death	2.221 Assesses trade-offs necessary to meet retirement objectives	3.115 Prioritizes steps to assist client in implementing retirement planning recommendations
		1.120 Identifies parties relevant to client's estate planning	1.218 Identifies family dynamics and business relationships that could impact estate planning strategies and objectives	2.120 Determines constraints to meeting client's estate planning objectives	2.222 Evaluates advantages and disadvantages of each retirement planning strategy	3.116 Formulates estate planning strategies
		1.121 Collects legal documents and relevant information	1.219 Determines client's circumstances and objectives that may require legal measures	2.121 Assesses the financial planning implications of the legal measures the client has in place	2.223 Prioritizes client's retirement planning objectives and needs	3.117 Recommends optimal estate planning strategies
		1.122 Identifies parties relevant to client's legal agreements			2.224 Considers potential estate planning strategies	3.118 Prioritizes steps to assist client in implementing estate planning recommendations
					2.225 Assesses impact of estate planning alternatives	3.119 Recommends optimal legal measures
					2.226 Evaluates advantages and disadvantages of each estate planning strategy	3.120 Prioritizes steps to assist client in implementing legal measures
				2.227 Prioritizes client's estate planning objectives and needs		
				2.228 Considers financial planning implications of potential legal measures		
				2.229 Evaluates advantages and disadvantages of alternative legal measures		
				2.230 Prioritizes client's objectives and needs that may require legal measures		

## PROFESSIONAL SKILLS

Critical Thinking Skills		Interpersonal and Relationship Skills		Communication Skills		Teamwork and Collaboration Skills	
PS 101	Identifies and diagnoses concerns and/or issues	PS 201	Demonstrates genuine interest in clients and others	PS 301	Actively listens	PS 401	Works with clients to establish clear planner-client roles and responsibilities and empowers clients to manage their finances
PS 102	Determines relevant information	PS 202	Creates a comfortable environment for clients and others	PS 302	Probes and confirms understanding of issues and recommendations	PS 402	Recognizes when to involve clients' family and/or business partners
PS 103	Makes reasonable assumptions and undertakes research as appropriate	PS 203	Adapts methods and manner to the unique needs and preferences of clients and others	PS 303	Demonstrates awareness of non-verbal communications to develop rapport and personal connections	PS 403	Recognizes when to refer to qualified professionals to provide the necessary expertise
PS 104	Uses applicable methods or tools to analyze data and uses judgment to evaluate results and develop strategies	PS 204	Respects differences of opinion and the decisions of others	PS 304	Effectively distills complex information and strategies and communicates in a simple, understandable manner	PS 404	Works with other professionals, as appropriate, to help implement the financial plan
PS 105	Assesses and compares options to arrive at a recommendation	PS 205	Recognizes when the values, biases or perspectives of clients may impact their actions	PS 305	Determines the preferred communication styles of clients and others and effectively adapts communication methods, format, style and tone to suit them	PS 405	Co-ordinates and manages client interactions with other qualified professionals as needed
PS 106	Integrates information and/or analyses into a coherent response or recommendation	PS 206	Recognizes when personal values, biases or perspectives may impact recommendations to clients and others and demonstrates the ability to set them aside	PS 306	Presents recommendations and strategies in a clear, concise, complete, correct and concrete manner		
PS 107	Demonstrates the capacity to adapt thinking	PS 207	Deals empathetically with concerns, objections and complaints	PS 307	Continually evaluates the effectiveness of communications and adapts as necessary		
		PS 208	Manages disagreements and emotionally charged conversations	PS 308	Responds respectfully in all situations		
		PS 209	Motivates appropriate actions by clients and others	PS 309	Demonstrates diplomacy and professionalism in all communications		
		PS 210	Facilitates own and others' success with support, coaching, education and encouragement				
		PS 211	Manages a professional practice to meet commitments to clients and others in an efficient and effective manner				