

Cashflow as a Service, eBook series

# Engaging with Clients for the long-term



# Cashflow is the foundation of saving and investing

A professional financial adviser offering cashflow as a service and financial coaching services, can add a lot of value to their clients.

They can provide advice in many areas including saving and household expense budgeting, cashflow and debt management, insurance and mortgages. They can also identify poor financial behaviour; educate and guide clients to make smart financial decisions; help them set realistic goals; keep them on track; and act as a sounding board, ongoing.

Helping your clients understand the importance of cashflow, while empowering them to take control of their finances, will set you and your services apart. Not only that, it will allow both your clients and you to go on life's journey together.

A recent study commissioned by ING Direct, found that younger people overwhelmingly rank budgeting and cashflow management as the most valuable type of financial advice they can receive.

In the study of more than 1,000 Australians, Gen Y (66 per cent), Gen Z (60 per cent) and Gen X (40 per cent) all cited budgeting and cashflow management as more valuable than holistic advice and retirement planning advice.

Baby Boomers understandably rated retirement planning as their most valued advice service (more than 45%), however almost 30 per cent said budgeting and cashflow management services was the most valuable.

Moneysoft is complementary to the advice process. By using the platform to automatically collect data, sort information and report on your clients' complete personal financial lives, the ability to reach this huge potential market, profitably, is now a reality.

The content of this booklet has been put together with help from a number of advisers who are already successfully providing coaching around cashflow as a service proposition within their business, some of whom are quoted in the following pages.



Identify the right clients and engaging them in 'cashflow as a service'



Supporting and educating



Introducing clients to Moneysoft



Ongoing coaching and reviews to demonstrate benefit

# 1. Identifying and engaging

## a. First of all, you need to understand your client's appetite for cashflow.

It is not for everyone, however, if you start by introducing the idea of cashflow, it will enable you to understand how they will embrace the idea – after all, it is a joint process requiring a commitment from your client.

Use example scenarios where possible to determine how aware clients already are about their own financials and their cashflow situation.

**TIP: As a rule of thumb, given the general financial complexity for the average household, there will most likely be an opportunity for you to provide advice.**

## b. Help your clients to get an understanding of their own cashflow situation by asking a few key questions:

- Does a surplus or a shortfall currently exist? (Monthly, Annual)
- If there is a surplus, then where has it been going?
- Is the client willing to engage in a service to address this?

Identify areas of your clients' uncertainty and work through their financial objectives and financial goals with them to get a thorough understanding.

### Some questions you might ask in this initial engagement

- Do you have a good idea of where you spend your/ your household money each month?
- Can you tell me or demonstrate this so we can look at it on paper?
- How much of your income is available as disposable or discretionary spending, and how much is used on essentials, each month?
- Do you think that you are doing a good job with your finances and use your disposable income in the most beneficial way, for you and your family?
- If I could help you identify 5-10% of your income per month in additional savings, would you be willing to use this to double the size of your retirement/investment/property pot in the space of just 10 years?

Use these example questions, to encourage interest in building a structured approach to and align your approach and align your approach to the clients' goals.

## c. Understanding the client's current financial situation;

- Ask what banking structures already exist? (They are likely to be complex and/or inefficient).
- Are there regular payments made? If so, how often are they made?
- To whom or where are those payments made?
- Do the client move money between accounts on a regular basis?

**TIP: Try to define your client's understanding. This will allow you to create a service proposition to suit.**

Does the client actually already have an understanding, and is this basic or a medium appreciation and understanding, or is it an advanced appreciation of cashflow and its importance?

## d. Touch upon the benefits of strong cashflow management to them.

Explain the benefits of using a cashflow management tool like Moneysoft – reference a couple of short simple scenarios if you can.

**TIP: To reinforce the benefit, ask your client: 'Would you like to be more effective with your cashflow and reach your financial goals faster, with added peace of mind that you're on the right track?'**

**When you take a free account trial, Moneysoft will provide you with:**

- Support
- Free resources, and
- Free trial training

**All designed to get you started with your own service proposition in mind.**



## 2. How do you support them?

Once you have had an initial conversation and your client buys into the concept of cashflow management, you need to take the next step, by supporting and continuing to educate them. This is accomplished through ongoing articulation of goals and helping them to understand their expenses and banking structure. Assessing their goals, timeframes & existing level of savings will determine the minimum savings the client needs to find on a weekly (regular) basis, in order to achieve them.

**TIP:** Think about your opportunity as an adviser, in order to help the client identify cashflow goals and implement stronger cashflow management. Are there any clear gaps between their goals and their cashflow?

## 3. Introduce Moneysoft

**Reinforce the main benefits of Moneysoft for your clients. Here are some of the key ones:**

1. Moneysoft empowers your client via shared responsibility for outcomes.
2. Both you and your clients can view all of their transactions and accounts across all providers, in real time and in one place.
3. It is easy to set-up and to use ongoing and allows your/ your client to view and manage their budget through a simple but very powerful budget tool.
4. The Moneysoft platform contains a wide variety of reports, many of which are only available to you as an adviser, to support your advice. For example, Benchmarking reports give advisers unique insight into the spending habits of their client base, as well as the ability to compare the financial behaviour and performance of individuals, against their peers.
5. It includes other benefits such as the capability to link all of your client's assets and investments including their home, investment property, or other investments. There is even a free property valuation tool for your clients.
6. Moneysoft also facilitates your client conversation ongoing. For example, you can link their financial goals within the service then check in with them at periodic intervals, to make sure that they are on track. Your clients are also able to monitor how they are doing against these goals.

Ultimately, with your financial coaching and expert advice wrapped around Moneysoft, your clients are empowered to make smarter day-to-day financial decisions, which helps them take control of their money management and achieve financial independence sooner.

Moneysoft provides a relevant and valuable service that is enjoyable to use and complementary to the advice process, reinforcing your own service proposition.

**TIP: Gain the clients commitment and get them started and using Moneysoft to create their initial account ASAP. Encourage them and make sure they link all of their financial accounts, assets and their liabilities.**

“Contrary to the familiar scenario, where a client will use their best guess to provide budgetary information, resulting in ‘gaps’ or missed expenses, Moneysoft uses real figures and data. It is profoundly much more effective than the processes most advisers are currently therefore using.”

**Jason Andrew, Director,  
Empowered Financial Partners Pty Ltd, Victoria**

### Getting started with the basics

- a. Moneysoft offers you 2 different ways to invite your client to participate in this service:
  - You can invite clients manually via the invitation page within your account.
  - You can automate the sign-up process via the Client Login Page. This is a valuable tool included within the platform designed to facilitate easy engagement and sign-up by new clients through your own website. This can be set up with very little effort and is found in the Resources section of a Moneysoft Business account.
- b. Generate their baseline cashflow position;
  - Moneysoft will automatically categorise a client's last 90 days of transactions. The client can change/ edit these auto-categorisations to their preferred income and expense categories.
  - The client can establish 'rules' to ensure similar, future transactions will be categorised automatically.
  - Discuss uncategorised expenses with the client. Establish rules where the expense type is to be replicated.
- c. Take a snapshot of their current savings to benchmark the client's progress at their next review.
- d. Discuss and establish budgets across discretionary expense categories to achieve goals.
- e. This will be the client's point of reference for tracking success i.e. If they over-spend one week, they will need to find additional cashflow the following week.

## 4. Coach clients into the correct behaviours

Moneysoft has in-built smarts such as automated alerts, which help the Client stay on top of things, and notify you as their Adviser, when there's something amiss. This allows for prompts for you to call the client to fit in with your own processes, while reinforcing the value you are able to add, ongoing.

When you do contact your client, there are some key things to watch out for such as:

- a. Transfers between accounts and "Uncategorised" transactions – should be reviewed on a regular basis and your clients should be encouraged to adjust these in the system. Some of our clients have a team member who is tasked to prompt the client on your behalf, via telephone calls, or email.
- b. By using Moneysoft's automation capabilities to their full capability, all information is kept up to date, making half-yearly or annual reviews pain-free and extremely productive.

### The longer-term relationship

In conclusion, we believe that cashflow management is the foundation for savings and investment and should form the backbone of any comprehensive financial advice plan.

Many advisers have sharpened their focus on this area and we are seeing many more turn their attention to providing advice in this area, as they aim to help their clients take greater control of their financial lives, while actively engaging and sharing in the responsibility and satisfaction of achieving their goals.

Our own research tells us that these advisers also understand the increased benefits that this can have both in terms of the earlier engagement that it enables (especially with the likes of the Gen X, Y and Zs) as well as the increased longevity of these relationships.

"While a budgeting tool on its own can only collate information and give clients the ability to see what's coming in and going out every month, when it is combined with professional advice it becomes an invaluable, powerful way for advisers to gain insight into a person's priorities, goals and increases their capacity to save and invest."

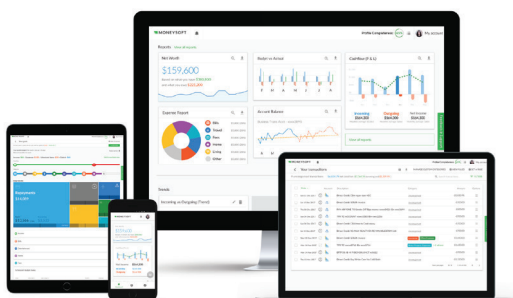
Jason Andrew, Director,  
Empowered Financial Partners Pty Ltd, Victoria

Here at Moneysoft we are committed to helping you and sharing this journey with you, by providing you with full support services, as well as a large number of tools to help you grow your business. Many of these tools are available for free within the resources section of your Business Account.

If you have not already taken a free 30 day trial Business Account yet, then we strongly recommend that you do so simply by visiting us at [www.moneysoft.com.au](http://www.moneysoft.com.au)

Register for a trial and access your free workflow eBook 'How to effectively offer cashflow as a service' within your Business Account resources.

## Register for your free business trial



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