



## **FP CANADA RESEARCH FOUNDATION REQUEST FOR PROPOSALS -**

### **Optimizing Financial Planning Delivery by Leveraging Technology**

The FP Canada Research Foundation invites proposals (“RFPs”) from researchers interested in conducting research into how technology can be leveraged to optimize the delivery of financial planning. To the extent a proponent submits a response to this RFP, such proponent agrees to the terms and conditions of this RFP.

#### **BACKGROUND**

Covid-19 has required planners and clients to engage remotely. Though it is unclear how many will continue with this approach post-pandemic, there is opportunity to learn from this unexpected experience to enhance the way planning is delivered.

In a 2020 survey of U.S. advisors conducted by Broadridge Financial, 89% of advisors surveyed said that their desktop software and firm tools became more critical during the pandemic. 77% said they lost business as a result of not having the appropriate technology tools to interact with clients.

Research also shows that there has been an increased acceptance of digital tools, including among more hesitant adopters. More specifically, a 2019 EY Global Fintech Adoption survey indicated that fintech adoption had increased most significantly over the period 2015 to 2019 in the areas of money transfer and payments, and savings and investments. In the category of budgeting and financial planning, the increase in adoption was more moderate, though survey results show that fintech adoption increased from 8% to 34% in that area. Recent research into the values and priorities of Millennials reveals particularly high technology adoption by this cohort.

It stands to reason that technology is among the largest and fastest-growing expense item for Canadian financial institutions, and increasingly, financial institutions are making significant investments in fintech firms, including Power Corp, which owns Wealthsimple and has recently formalized a partnership with Conquest Planning and CI investment, which acquired Wealthbar, which recently acquired Snap Projections.

As Covid unfolded, physical meetings with clients became impractical or prohibited. Financial institutions and advisors moved to a remote business and advice model, and planners and clients were forced to become more digitally savvy. CIBC saw a 250% increase in adoption among senior clients. BMO’s weekly rate of sign-up for digital banking jumped by 300% in four weeks.

The J.D. Power 2020 Canada Retail Banking Satisfaction Study found that overall mobile banking usage increased to 63% in 2020 from 55% from a year earlier. However, customer

satisfaction with banks' mobile offerings declined year over year. The survey noted that while banking advice received via digital channels trended upward, it only met customer needs 51% of the time vs. branch-based advice at 67%.

## **PROBLEM**

There is a lack of clarity on the benefits and challenges of financial planning delivered remotely in terms of: 1) the effectiveness of remote channels and tools for engaging clients in financial planning; 2) the ability for financial planners to hold meaningful discovery meetings and build sufficient trust over remote channels and 3) the effectiveness and efficiency of plan delivery at the implementation stage of financial planning to effect positive client outcomes.

There is also a lack of clarity on the technology and tools that planners are and have been using to engage with their clients over remote channels and how much these technologies and tools have enabled the financial planning process versus hindered it.

In some cases, legislative and privacy barriers may be impacting the degree of planning that can be done remotely. As an example, the use of eSign capabilities enabled planners to open accounts and establish terms of engagement. However, due to legislative requirements, some documents still require a 'wet' signature. It is unclear whether there are other systematic barriers to remote planning and account management.

Research on this topic, mapping the planner-client engagement from beginning to end, would be valuable in understanding what technology and tools were used at each stage of the financial planning process and which of these were effective and ineffective at each stage, according to both planners and clients. Technology and tools to be considered should include tools for client interaction, planning software and templates and tools to gain client agreement. It would also be valuable to understand whether there are some areas of financial planning that lend themselves better to remote planning or in which technology and tools are more advanced, such as investments and banking, and others that may not lend themselves as well. It would also be interesting to understand where time could be freed up by leveraging technology, including for more transactional elements of the planning process, to allow greater time spent in-person where an in-person model may be more effective.

## **PURPOSE OF RESEARCH**

The purpose of this research is to understand how industry firms and financial planners can optimize the delivery of financial planning by effectively leveraging technology and tools and where in-person planning is most valuable or critical.

The research should answer the following questions:

- What have been the outcomes of remote planning, in terms of planner and consumer experiences, levels of satisfaction, client engagement and client outcomes?

- What stages or areas of financial planning have been most efficiently and effectively delivered remotely, according to planners and clients? What stages or areas were not efficient or effective? What systemic barriers may exist?
- What technology and tools were seen as enablers along the planning journey? Which were seen as hampering the process? Is the solution to the pain points better technology, better use of technology, or is the in-person connection paramount at key stages in the process or when undertaking planning in certain areas?
- Where are the major gaps in technology solutions to effectively and efficiently deliver financial planning?
- What emerging technologies could benefit financial planners?
- What are the phases or areas of financial planning where in-person planning becomes most paramount from the perspective of planners and client? Why?
- What can we learn from virtual planning during the pandemic that can enhance the way planners deliver planning post-pandemic (i.e., which elements can be most efficiently delivered remotely and how can technology and technology-based tools best be leveraged to optimize client-planner relationships)?

With this research, industry firms and financial planners will have a roadmap for how and where technology can best be leveraged throughout the financial planning process, possible enhancements in or new technology solutions that could enhance the effectiveness and efficiency of the financial planning experience for planners and clients, and what hybrid-model(s) of remote and in-person financial planning may be optimum for best client outcomes.

## **APPLICATION PROCESS & DEADLINE**

This Request for Proposal does not constitute an agreement with the FP Canada Research Foundation to conduct research or eligibility for a research grant. The FP Canada Research Foundation reserves the right to approve or decline any requested research proposals. The FP Canada Research Foundation also reserves the right to ask any applicant for additional information regarding their research proposal or for relevant references.

Please email your completed [FP Foundation Research Grant Application](#) in PDF format to the Executive Director, FP Canada Research Foundation at [researchfoundation@fpcanada.ca](mailto:researchfoundation@fpcanada.ca).

**For consideration, your proposal must be received by October 18, 2021, at 4:00 p.m. ET**

This is an invitation for RFPs and not a tender call. FP Canada Research Foundation does not intend to and does not assume or owe any contractual or other duties or obligations as a result of the issuance of this RFP, the preparation or submission of a proposal by a proponent, the receipt, opening and consideration of a proposal, the evaluation of proposals, provision of additional information or conduct of presentations, the proponent's participation in any discussions or negotiations, or on any other basis whatsoever arising out of this RFP. Without limiting the generality of the foregoing and for certainty, no contract is formed by the submission of a proposal in response to this RFP.



## **About the FP Canada Research Foundation**

The FP Canada Research Foundation is an independent registered charity dedicated to funding financial planning research for the benefit of the public. The FP Canada Research Foundation is committed to technical research that examines and challenges current practices in financial planning decision-making, behavioural research that examines the impact of human behaviour on effective financial planning and societal research that examines the benefits of financial planning on society as a whole. This research helps professional financial planners meet the increasingly complex needs of today's clients. More information is available at [FPcanadaresearchfoundation.ca](http://FPcanadaresearchfoundation.ca).