

Advancing the Profession: The FPA Competency Model



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THE FINANCIAL PLANNING ASSOCIATION announced in April the release of the FPA Competency Model, a framework of six core competencies that helps professionals develop their skills beyond the technical financial planning competencies required to serve clients. We sat down with members of the task force that helped bring the competency model to life to learn more about how planners can use it and what it means for the profession.

This article will appear in the May issue of the *Journal*. Planners who join us at FPA Retreat will

have just learned about the competency model, but a lot of planners will be hearing about it for the first time. Let's start at the beginning; what is the competency model, and what are we talking about when we talk about this framework?

Dan Hiebert: When we're working with developing new planners in our profession, a lot of the focus is on the knowledge-based aspects—and it should be; it's important. You have to be competent in the technical aspects of financial planning. But at the same time, there's a set of intangible skills that new

planners need to be successful. What this competency model does is bring that intangible aspect to tangible. You've got key areas that make up the competency that a financial planner—not just new planners, but existing planners as well—need to increase their performance.

The nice thing about this competency model is the skill progression. When people learn skills, they learn them in a progression of stages. The competency model has the stages built out, starting with foundational all the way to intermediate and then to expert.

Hannah Moore: I can't tell you the number of conversations I was part of where people would ask, "How do I get better?" The answer was always designations and we know that's not true, but what are those [other] pieces? That's really what we were trying to identify within this competency model. I spent a lot of time studying other fields outside of financial planning, from the counseling, medical, and law fields, and all of them have this piece. That was one of the big drivers: other professions had a better roadmap of how to build competencies from the new planner all the way to the advanced planner. How can the folks with 30 years of experience get better? We're always on a journey to mastery, and I think that's one of the things that the competency model really helps highlight as well.

Nick Nicolette: As a practitioner, I was just so excited because if we're really trying to build—and we are—a true, recognized profession, and to build a track for greater success as a practitioner, this is absolutely necessary. To Hannah's point of what do we do as we go along our own journey, in the midst of [developing the model] I was in a master's program for advanced financial planning focused on financial life plans and generally trying to build on those skills to say, where's that taking place within the profession for everyone? How do



we help mentor newer planners to increase their ability to succeed and stay in the profession? I used to go to universities and colleges as president of FPA, and many times I asked, "What are you doing to help them build stronger communication skills? Critical thinking skills?"

Moore: One of the other pieces on this is the idea that if you can name it, you can train it. When I talked to folks before I started this work, it was like, "Well, you just kind of have it or you don't." No—we can build these skills. All of these skills in this competency model are things that can be developed. And I think that's what's so powerful about this. This is going to help share our blind spots as professionals and as a profession.

Hiebert: When I started as a financial planner, it was job shadowing—that's how you got trained. With this competency model, I think we're going to speed the clock up a lot. I've had leaders say, "Dan, this is great, but if this doesn't drive revenue for me or increase my profits, I'm not interested." I think we can demonstrate that this core competency list will help speed up the productivity of the planner because when that happens, everybody wins. The planner will have more economic benefit. The firm will win. The client will win.

This competency model has been years in the making, and a lot of work went into making sure it was a real instrument that will improve planners' competencies. Can you talk about some of the work that went into that?

Moore: Years, truly, years of work went into this. I was working with FPA for a while before this came out, and as we were looking at what it means to be a financial planner, we thought, who better to define that than FPA? FPA has a learning department that was driving us. The board signed off on this, and FPA hired a consulting firm to lead this process. We built a task force of eight different folks, and we went through several rounds [of brainstorming], level setting what makes a great financial planner and helping to define these broad competency areas. FPA staff and the consulting firm built out several drafts, and we kept going back to the task force. Within this process, there were many one-on-one interviews that the consulting firm did with planners to dive into defining what makes a great financial planner beyond the knowledge topics. We went through multiple rounds of focus groups. We went back to the task force multiple times and kept refining this. Finally, when we got to what we thought was a final draft, we started evaluation studies. We went through more focus groups and asked, “What’s missing? What are we not doing right?” This was not just a couple people sitting here figuring this out. It went back to the community and was really built out with the experts.

Hiebert: This was a very comprehensive process. We got feedback from all areas: academics, practitioners, firm leaders, just people who are passionate in that space about developing the next level of planners.

Nicolette: I think the most impressive dynamic that I saw was having academics add where evidence-based research validates what we were talking about as practitioners. Otherwise, people could look at it and say it was planners who were talking about *their* best practices.

[The model says] here are the beginnings of other skills that will help you to not only start in this pro-

fession, but stay in this profession. How many great potential planners never become great financial planners because they weren’t able to have these skills early, and what a detriment to the public?

What would you say to seasoned planners who feel confident about their financial planning and professional competencies? How would they start using this competency model?

Hiebert: I read a story about [New Orleans Saints quarterback] Drew Brees, who was a first-ballot Hall of Famer. When you watch him play, it’s almost effortless, and he was always able to find the open receiver. It turns out that Drew Brees actually had three coaches to help him. He had a cognitive coach to help him think through the strategy. He had his regular team coach, and he also had a personal trainer to help him with his physical fitness. When I think about coaching, I think about performance improvement. Maybe we’re progressing to the point we feel we’re a master of those skills, but we’re never totally at the pinnacle. We’ve got to make sure that we’re always improving.

Nicolette: If I want to help mentor and lead [new] planners, what skills do I need to master to be able to be a good mentor, leader, coach? [The competency model] goes through all aspects of this process. To Dan’s point, I call this the mental muscle memory. When you practice and learn and expand into [these competencies], they become part of who you are.

Can you talk more about how this helps that new planner and the mid-career planner, and what they should be looking for in the model?

Moore: This is going to help them answer that question, how do [you] become a better planner?

You have to have the foundational knowledge, you need a CFP® designation, you need that baseline information, but what do you do to become better? This is going to give people a roadmap for skills that we need to develop in order to be on that path toward becoming a master of our craft.

It's going to help with confidence. It's going to help training programs. It's going to help those new and career-changer folks figure out, "What is it that I need to do if I want to become an owner in my firm?" There's a pathway for that and a competency level, and those are skills that you develop. It's not something that just experience gets you.

We talked a lot to folks who are mentors within their firms to the new talent coming in. This is going to give them a framework for giving feedback as well.

Hiebert: One of the big questions I get from my students is, "I'm 21 years old, and I'm talking to a 65-year-old who's retiring. How are they going to take me seriously?" [The competency model gives] that confidence that you not only have the technical knowledge but also have those other core competencies to be able to deliver value.

With AI looming, some people think it's a threat, and it certainly could be to some. I'm more optimistic, but I would say, if you don't have these core competencies, AI is going to take over. Having that suit of armor, so to speak, putting on that uniform, I think is going to be helpful.

I wanted to ask about the academic community, people who aren't necessarily practitioners; what does this model mean for them?

Hiebert: Gen Z is really searching for this. Gen Zers are much more career focused, and they want to make sure that they go into a profession fully armed. They want to make sure that they've got all the skills and knowledge to be as successful as

possible. This is really going to sing to the Gen Zers. For universities that have the CFP® program, or just financial planning universities, being able to develop this somewhere in your curriculum is going to be really important. The psychology of financial planning curriculum is easy for students to plug into. They can start and stop it. They watch a video, take a quiz. I can see this as being somewhat similar to that approach. I've been in higher ed for six years, and I can tell you that it's hard to put new curriculum into the system, so having something that's a little outside of that [could be helpful].

Is there anything you want to add before we end today?

Hiebert: I would just underscore how important this is for the profession. This is the blue ocean that I think is missing in our profession, and I can see a lot of possibilities for ways of delivering this.

Moore: One point within the competency model that's important to make is not everyone is going to master all these competencies. That's not the point. Different people are going to have different pathways, different roles, even within a firm.

Nicolette: A profession has an expanded body of knowledge, and they have these critical areas. This is one of those critical areas that gets you on the map. I believe, and we all do in our hearts, [financial planning is] a profession, but what that means moving forward, this is a critical part of it.

Moore: The other piece that I think is important is that this is evolving. This is something that is going to be revisited on a regular basis, and it's going to evolve as this field evolves.

Nicolette: You're probably going to find a number of Ph.D. dissertations that got peeled off of one of these areas to expand and write upon. ■