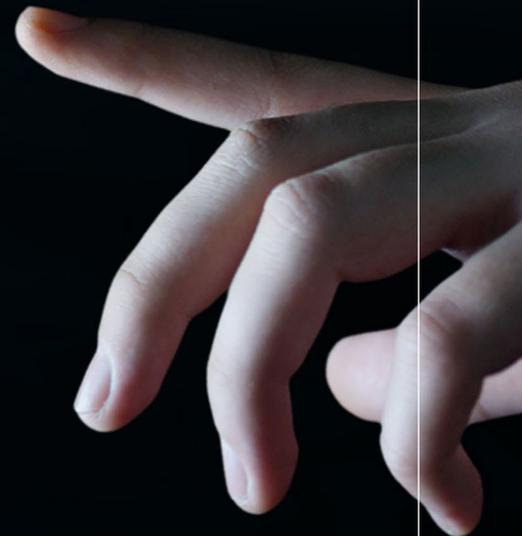


# **THE BUCKET PLAN BEST INTEREST PROCESS:**

**A NEW FRAMEWORK  
FOR TEACHING**



# A NEW FRAMEWORK FOR TEACHING THE BUCKET PLAN BEST INTEREST PROCESS

Recently, Clarity 2 Prosperity had the opportunity to host a Bucket Plan Best Interest Process Training course for a select group of top advisors on the campus of Texas Tech. After the training, Jason L Smith, CEO and Founder of Clarity 2 Prosperity, had a breakthrough realization: while different groups of Bucket Plan advisors execute what they learn to a greater or lesser extent, almost all advisors who complete the Bucket Plan training start using the concepts presented before they start using the tools.

What resulted from this realization was a new framework for not only teaching The Bucket Plan Best Interest Process, but also for helping advisors implement the entire process more easily when they're meeting with their clients.

In a new Bucket Plan Podcast episode, Jason L Smith and Dave Alison discuss more of the background around this innovative new framework and introduce the structure to their listeners.

## BACKGROUND

One of the things Jason and his team have come to realize from the experience of training advisors on the Bucket Plan Best Interest Process is that typically advisors complete the training, but most don't take everything they learned and go back and fully execute the entire process.

Jason elaborates, "If I had to guess, there's probably a third who fully execute, another third who slowly work their way into it – they start with some things and then they layer in more and more and then eventually they get there. And then there's another third, who pick the

low hanging fruit, the stuff that they can implement and use right away to improve their current existing process of how they do business. And that's really all they do. They just cherry pick the best practices, the tools, and the concepts."

Jason explains a little further that while it was that middle group – the group who starts executing some of what they learned and slowly fold in more – that sparked this breakthrough in thinking about the way advisors use the concepts versus the tools, it's really true across all the groups that people almost always utilize the process's concepts before fully using the tools.

## CONCEPTS VERSUS TOOLS

The difference between concepts and tools in The Bucket Plan Best Interest Process is that a concept is a way of positioning or thinking about something, while a tool is something you're going to use specifically to solve a problem or to accomplish a goal that



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**- Dave Alison, CFP®, EA**

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over their careers, as well as this newfound insight, Jason and Dave set out to illustrate the relationship between the foundational concepts of The Bucket Plan Best Interest Process and the tools that support implementing those concepts.

The following model illustrates the holistic nature of the process and the interconnectedness of its parts.

When advisors use only parts or pieces of the process, they're more likely to miss the connection between each step or they may miss a step entirely. In this framework, the tools are not only built around the concepts, the concepts all build off of each other as well.

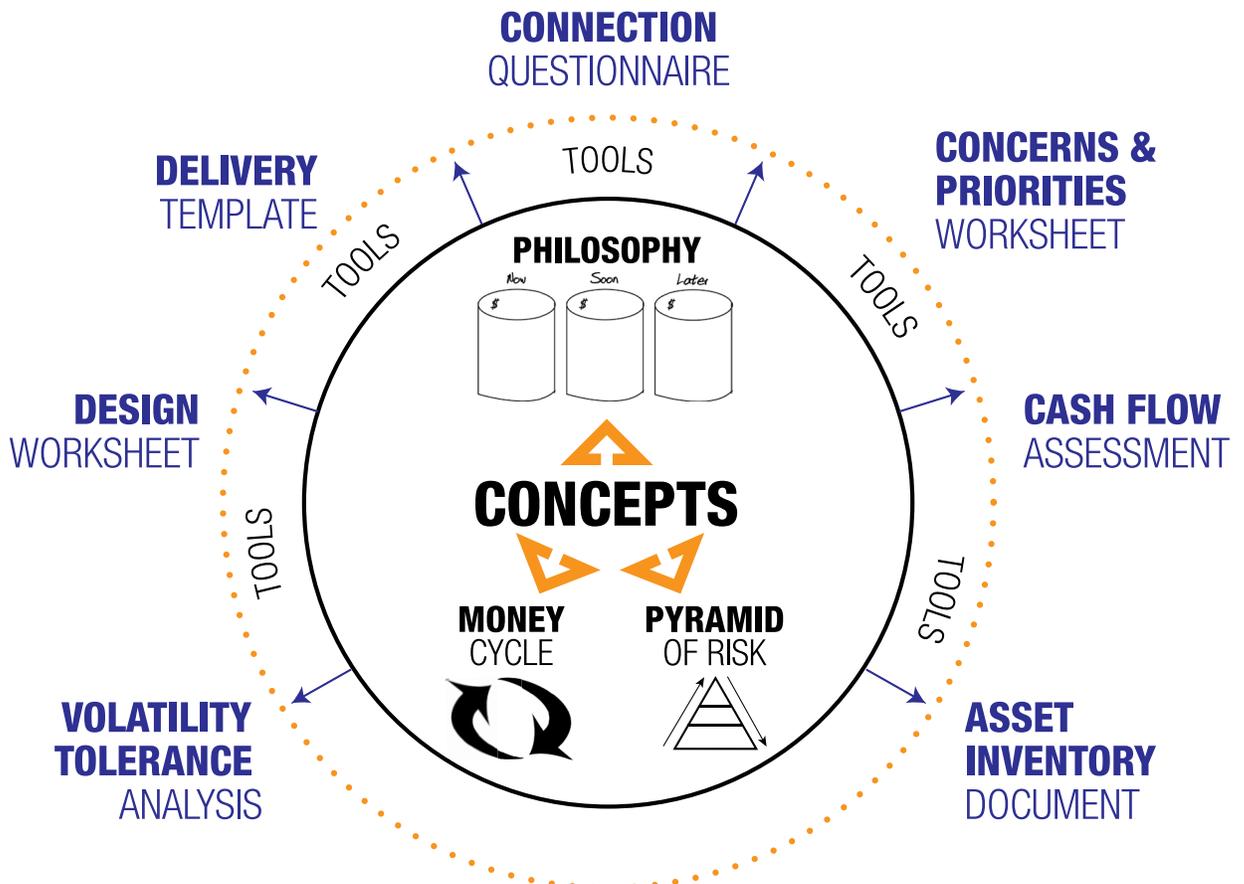
is necessary to complete an overall, comprehensive financial plan.

**A NEW FRAMEWORK**

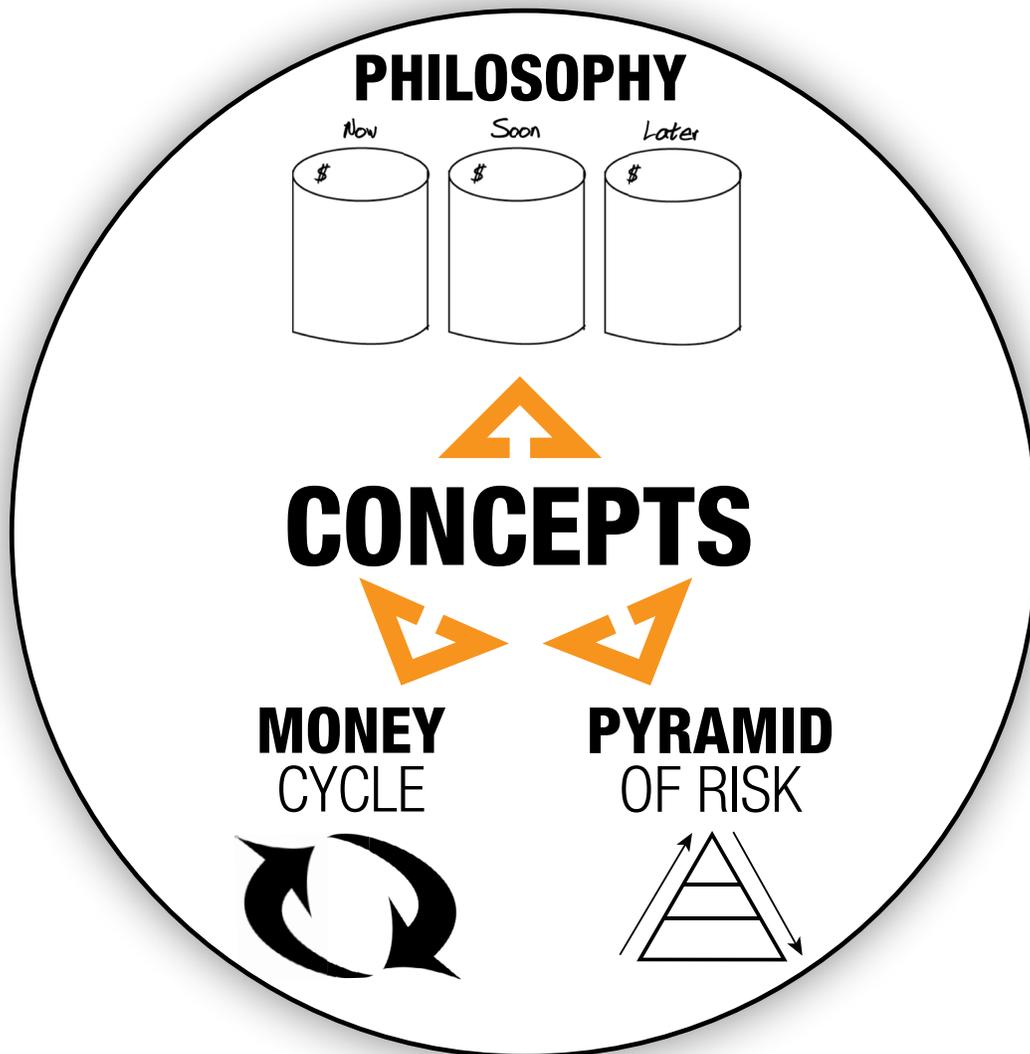
Working off what they've learned



# CONCEPTS & TOOLS

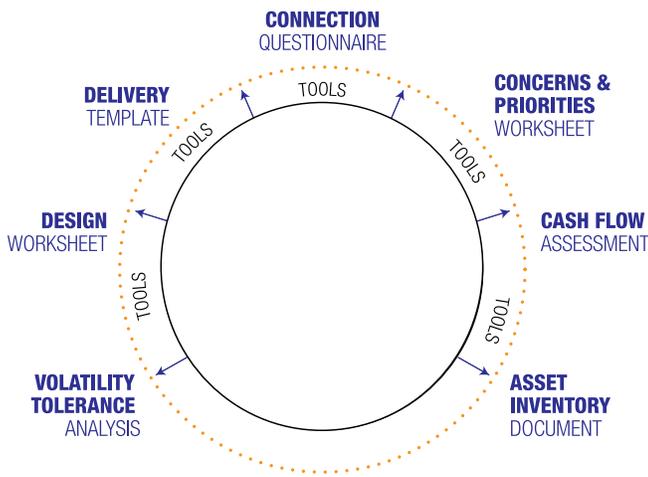


**1** **The Bucket Plan** – The Bucket Plan is the philosophy of time segmenting money based on the purpose and the time horizon of people’s assets. Bucketing is a concept that has been around a long time, but in our model, the concept is further simplified into the refined, three-bucket approach that includes the Now, the Soon, and the Later Bucket. The Bucket Plan is the backbone of this whole best interest process.



**2** **The Money Cycle** – The Money Cycle explains sequence of return risk in a very high-level, easy-to-understand way. There are three phases in The Money Cycle – accumulation, preservation, and distribution. The biggest mistake that people make is going right from accumulation into distribution. The Money Cycle concept creates the need for the clients to have a Bucket Plan as their solution to this big mistake.

**3** **The Pyramid of Risk** – The Pyramid of Risk concept speaks to how clients are going to fill their buckets. It represents all the different types of investment classes and categories advisors need to educate their clients. This concept helps an advisor explain the investment options available to that client in order to achieve their bucket plan while taking into account past experiences and preconceived opinions that client may have on these particular investment types.



Getting to the tools around the perimeter, these are all the tools to actually execute and implement the concepts. Tools generally include simplified data gathering that you will need and the design work that will go into creating a client's customized Bucket Plan.

**1 Connection Questionnaire** – Curated over 25 years of Jason's own experiences and his work with the best financial planners and sales experts, this tool is all about making the right connection. It's the most important thing advisors need to do.

**2 Concerns & Priorities Worksheet** – This tool is used at the end of the first meeting, after making that initial connection. It's used to summarize everything that the client has learned – all the goals and objectives, all the pain points that were uncovered throughout the meeting, gaps clients have in their current planning, etc. This tool is used to summarize all of those things and then to have the client rank them in order of personal priority.

## ABOUT CLARITY 2 PROSPERITY



Clarity 2 Prosperity is a financial training, coaching and IP development organization that offers financial advisors turnkey financial planning, practice management and marketing processes. Its mission is to help advisors shift from a transactional mindset to holistic planners who offer best interest advice by coordinating all areas of their clients' financial lives including investments, insurance, tax, estate, Social Security, retirement income and healthcare planning. To achieve this mission, it provides live, on-demand, group and one-on-one training, along with tools, resources, mentoring and support to ensure successful implementation of its packaged proven processes, including The Bucket Plan® Best Interest Process. These services are available to all financial advisors, regardless of corporate affiliations, for a fee, as well as to institutions such as broker-dealers and RIAs to systematically equip their advisors to deliver best interest financial planning to American families nationwide. For more information, visit [www.Clarity2Prosperity.com](http://www.Clarity2Prosperity.com) or call (888) 240-1923.

**3 Cash Flow Assessment** – This tool has two components depending on who your client is. If you're sitting with somebody who is generally about 10 years or less from retirement, there's an income gap assessment to determine how much money the client needs to withdraw from their investment accounts to supplement their retirement income. For younger clients or clients with a more complex budget or cash flow situation, there's a component for helping analyze income and expenses to arrive at the client's cash flow assessment.

**4 Asset Inventory Document** – This tool does exactly what the name implies. It is used to inventory everything a client has – as we dive deeper into beneficiaries, cost basis, fees & expenses, as well as specific holdings.

**5 Volatility Tolerance Analysis** – This tool is essentially a traditional risk tolerance analysis, but the challenge with traditional risk tolerances is they don't usually account for a bucketing approach – they essentially lump all the client's money into one big bucket. This tool helps segment the soon bucket separately from the later bucket.

**6 Design Worksheet** – What's great about the Design Worksheet is it removes most of the guess work and thinking away from designing your client's custom bucket plan for you as the advisor. If you have staff or a para-planner, you're also

able to take all the conversation notes and the information that you've documented along with all the tools leading up to this point and have them build out the plan for you. It is a powerful self-realization tool that they need to hire you to help solve their concerns and priorities.

**7 Delivery Template** – The Delivery Template is how you'll deliver the client's final plan to him or her. The template is a spiral bound, graphical illustration with great colors and design, so all you have to do is take all of your data – all the different things that all the tools have helped you collect – and add it into the template.

## CONCLUSION

Following this simplified new framework, advisors have a guide to fully execute The Bucket Plan Best Interest Process right out of the gate. The concepts and the tools that make up this process are all interrelated. The concepts are how you educate and simplify and the tools are how you gather the data you need so you can provide the client all of their answers in the form of their customized Bucket Plan. What's also appealing about the way The Bucket Plan Best Interest Process is structured is that it takes all the sales out of selling. It allows financial advisors to practice a more consultative approach to selling.

Can't wait to find out how the Bucket Plan Concepts & Tools can help your sales process? Contact one of our Business Development Representatives today at 888-827-7280, or by clicking [here](#).