

[Preparing to interview a financial planner or investment advisor](#)

Category : [Selecting a Financial Planning Advisor or Investment Adviser](#)

Published by [The Skilled Investor](#) on Aug/2/2005

Preparing to interview a financial planner or investment advisor

When selecting an advisor, there are no absolutes about the evaluation of his services. The best approach is to talk to multiple candidates, check carefully their backgrounds and references, and always maintain your objectivity and a healthy skepticism. When selecting an advisor, you are the hiring manager. Even though the advisor presumably will have greater financial knowledge and should take leadership in planning and advisory tasks, you still have supervisory responsibility and should control the relationship. While screening several advisors might seem like a lot of effort, remember that you undoubtedly want to engage the services of a genuinely ethical, objective, and competent professional advisor. Your advisor could have either a very positive or a very negative impact upon your long-term welfare. Make certain you know whom you have chosen to advise you on something as important as your financial affairs. Most advisors will meet personally with you at no charge for between one-half to one hour. Be wary of any advisor who insists on payment at the outset. The primary purpose of an initial meeting is introduction and mutual assessment, and you should make the most of this meeting. You should not expect an initial meeting to result in any specific recommendations about your particular situation. A good advisor must do extensive investigation of your situation before making any specific recommendations. Prior to meeting with a prospective advisor, do your homework. If the advisor has a website, read it thoroughly beforehand. Also, when you make an appointment, ask that a packet of information be mailed to you for review prior to the meeting. The website and/or written packet should include: ->information on the advisory firm ->financial planning and investment approaches and philosophies ->the advisor's resume ->compensation methods and fee schedules ->registration Form ADV For some advisors, on-line registration information can be found, including Form ADV. (See: [Online information about registered securities broker-dealers and investment advisory firms](#); also see additional links below that will help you to understand the regulation of advisors.) You should expect that advisors with professional practices would have anticipated many of your questions. They will have already prepared written materials to answer them. Whether the advisor has such printed or online materials could indicate how efficiently the relationship will be conducted, if you were to hire this advisor. The Skilled Investor has prepared some potential screening questions that you could use in evaluating potential advisors. These questions are presented in three separate articles: -> [Questions to ask, when hiring an advisor – Part 1, Background and training](#) ->[Questions to ask, when hiring an advisor – Part 2, Fees and contracts](#) ->[Questions to ask, when hiring an advisor – Part 3, Services and references](#) You should decide which of these questions are most important to you. Since they are numerous, it will not be practical to obtain detailed answers to every question. You should have no hesitation in asking any question that is appropriate to understanding an advisor's background, philosophy, working practices, compensation, affiliations, firm, associates, etc. If an advisor resists providing any of this information, then be cautious and perhaps go elsewhere. An advisor's openness to your questions can be just as important as the answers themselves. His openness may be indicative of how the advisory relationship would be conducted. You need not to be in a hurry, and you should take the time you need before committing to an advisory contract. Selecting an advisor is an important decision and often leads to a professional relationship lasting many years. If the advisor tries to rush you, this is a

bad indication. In addition, if a prospective advisor is in a hurry to start working with you, this might indicate that there is nothing on this person's schedule, and there is a lack of demand for this person's services. Conversely, be wary of an advisor who is in great demand and has become overcommitted. Indications could be that he could not begin working with you for an extended period. This situation might make you question whether you will be given adequate attention, when your time on his calendar comes around. Finally, be considerate. Better financial advisors are in high demand, and they must be efficient with their time. As you evaluate them, realize that they also will be evaluating you to decide whether they believe they can work well with you. If you are focused on less important details, he may recommend that you seek advice elsewhere. Nevertheless, a good advisor should never rush you through something that he should know is important to you.

These articles about financial planners and investment advisors may also be useful to you:[Selecting a Financial Advisor](#): ->[Preparing to interview a financial planner or investment advisor](#) ->[Questions to ask, when hiring an advisor – Part 1, Background and training](#) ->[Questions to ask, when hiring an advisor – Part 2, Fees and contracts](#) ->[Questions to ask, when hiring an advisor – Part 3, Services and references](#) [Payment of Financial Advisors](#): ->[Does it matter how financial planners and investment advisors are paid?](#) ->[Financial planner and investment advisor compensation paid by third parties](#) ->[Financial planner and investment advisor compensation paid by clients](#) ->[Fee-only compensation aligns the interests of clients and their financial advisors](#) ->[Fee-only financial planner and investment advisory groups](#) ->[The securities industry calls marketing and selling “advising”](#) ->[Many investors are not fooled by an ethically challenged securities industry](#) [Regulation of Financial Advisors](#): ->[Regulation of financial planners and investment advisors -- Introduction](#) ->[Checking the backgrounds of individual securities brokers and advisors who sell investments](#) ->[On-line information explaining the licenses of financial planners, investment advisors, and insurance representatives](#) ->[Online information about registered securities broker-dealers and investment advisory firms](#) ->[Finding state regulators of securities brokers, investment advisors, insurance agents, and insurance brokers](#) ->[Private certifications of financial planners and investment advisors](#) ->[Widely recognized private financial and investment advisor certifications](#) ->[Governmental and self-regulation of the securities industry](#) [Advisor Fraud](#)->[Avoiding financial planning and investment advisor frauds and scams – Overview](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 1](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 2](#) ->[Avoiding advisor frauds and scams – The “Never-do” list, Part 3](#)

A completely independent, fee only financial planner, investment advisor, and guide providing personal financial, investment, money, and retirement planning advice and consultant services. Serving Financial Planning and Investment Management Clients in the Los Angeles, California Area, including:Alhambra, Altadena, Baldwin Hills, Baldwin Park, Beverly Hills, Brentwood, Burbank, Canoga Park, Century City, Chatsworth, Culver City, Duarte, Eagle Rock, El Monte, El Segundo, Encino, Farmers Market, Flintridge, Glendale, Granada Hills, Hermosa Beach, Hollywood, Irwindale, La Canada, La Canada Flintridge, La Crescenta, La Tuna Canyon, Long Beach, Los Angeles, Los Feliz, Manhattan Beach, Mar Vista, Marina Del Rey, Miracle Mile, Monrovia, Montebello, Monterey Park, Montrose, North Hills, North Hollywood, Northridge, Pacific Palisades, Palms, Palos Verdes Estates, Palos Verdes Peninsula, Pasadena, Playa Del Rey, Playa Vista, Porter Ranch, Rancho Dominguez, Rancho La Tuna Canyon, Rancho Palos Verdes, Redondo Beach, Reseda, Rolling Hills, Rolling Hills Estates, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Monica, Sherman Oaks, Sierra Madre, Silver Lake, South El Monte, South Pasadena, South San Gabriel, Studio City, Sun Valley, Sunland, Sylmar, Tarzana, Temple City, Toluca Lake, Topanga, Torrance, Tujunga, Universal City, Van Nuys, West Adams, West Hills, West Hollywood, West Los Angeles, West Toluca Lake, Westchester, Windsor Hills, Woodland Hills, and other cities around Los Angeles.Serving Financial Planning and Investment Management Clients in the San Bernardino, Riverside, and Palm Springs, California Area, including:Apple Valley, Arrowbear Lake, Arrowhead Farms, Bagdad, Barona Rancheria, Big Bear, Big Bear Lake, Big River, Bryn Mawr, Cedarpines Park, Colton, Crestline, Corona, Cucamonga, Desert Hot Springs, El Mirage, Essex, Fawnskin, Fontana, Green Valley Lake, Lake Arrowhead, Lake Elsinore, Lake Gregory, Loma Linda, Lucerne Valley, Moreno Valley, Morongo Valley, Mountain Home Village, Murrieta, Newberry Springs, North Loma Linda, North Palm Springs, Oak Hills, Ontario, Palm Desert, Palm Springs, Quail Valley, Rancho Cucamonga, Rancho Mirage, Redlands, Rialto, San Bernardino, Silver Lakes, Spring Valley Lake, Sun City, Temecula, Thousand Palms, Valley of Enchantment, West Palm Springs, Winchester, Yucca Valley, and other cities around San Bernardino and Palm Springs.