FPA FINANCIAL PLANNING ASSOCIATION

> IT'S ABOUT HOW YOU TREAT PEOPLE, NURTURE TALENT, LIVE YOUR VALUES, AND PREPARE THE PROFESSION FOR THE FUTURE.

THE FPA® COMPETENCY MODEL™

LEADERSHIP IN FINANCIAL PLANNING: BUILDING TRUST, TEAMS, AND THE FUTURE

The FPA® Competency Model™ is a practical, research-informed guide that defines the behavioral skills essential for success as a financial planner. It complements technical knowledge by focusing on how professionals communicate, lead, build trust, and advance the profession.

Its key elements include competencies, proficiency levels from entry-level to advanced practice, and behavioral indicators. Competencies focus on interpersonal impact, professionalism, leadership, critical thinking, client communication and care, and advancing the financial planning profession.

In this fifth of a six-part series that has thus far addressed why the Competency Model Matters, how to use it, skills that will define the next generation of planners, and advancing in the profession, two seasoned financial planners address the opportunity for leadership development.

Nicholas A. Nicolette, CFP® of the Sterling Financial Group in Sparta, New Jersey, says leadership isn't about titles, but behaviors.

"It's about how you treat people, nurture talent, live your values, and prepare the profession for the future," he says. "Cultivating trust, building diverse teams, mentoring colleagues, living authentically, stewarding client relationships, and innovating for the future define leadership."

Doing that effectively transcends technical knowledge and management skills to listen carefully, show empathy, and provide trust-based inspiration, he adds.

The Competency Model helps financial planners identify strengths and areas for growth.

Effective leaders don't dictate. They understand others, resolve conflicts constructively, and inspire confidence by building consensus and following through on their word, says Nicolette.

Building Diverse and Effective Teams

"No single person – no matter how talented – can provide the full range of perspectives needed to maximize effectiveness and outcomes," says Nicolette. "We cannot see our own blind spots."

A team with diverse views, life experiences, and demographics can anticipate potential challenges and roadblocks to creating optimal outcomes, he adds.

"Leaders have to be intentional in how we structure teams and encourage participation," Nicolette says. "Create a culture where people feel safe to share ideas – even if they seem unusual – because when you get it right, the result is better decision-making and a culture of trust, resilience, and innovation."

Nicolette notes that in his experiences as a founding member of a firm for more than 33 years and past FPA president, the best decisions come from hearing multiple perspectives – not demanding agreement but finding the best path forward.

Kimberly Bridges, Ph.D., CFP®, founder of Bright Women Financial in Mesa, Arizona, agrees. She built a centralized financial planning team, led FPA of Greater Phoenix in 2011 and 2018, and served on the FPA Board of Directors.

"We are better as a team when we bring in diversity in experience, in training, and in skills," which best serves clients, she says.

Developing Future Leaders

Bridges notes that the mark of a good leader is working themselves out of a job.

By training and empowering people, she says, leaders ensure continuity and long-term success. As she launches her own RIA, she's planning for the day her team can run the firm without her.

Mentoring is central to leadership. The Competency Model helps leaders evaluate areas of strength and areas for improvement, Nicolette says.

"Leadership at its most rewarding is watching someone grow in confidence and skill because you shared your perspective or encouraged them at the right time," he adds.

It's also reciprocal, says Nicolette, adding "younger and newer planners bring new ideas, challenge assumptions."

"I'm not a top-down kind of leader who just issues commands," says Bridges, noting with irony that she was in the military, based on top-down leadership.

Leaders can miss something if they surround themselves with mirror images of themselves, she says, adding that leadership is about listening, inviting input, and being willing to admit they don't have all the answers.

"I'm a huge proponent of building diverse teams and tapping into the differences, the areas of expertise, and the lived experiences people have that are different from yours," she says, adding that it helps produce the best ideas.

Creating a Value Proposition

Nicolette notes a financial planner's personal brand reflects value.

"When you are clear about who you are, what you stand for, and the value you bring, clients will feel that," he says. "Authenticity builds credibility and allows a financial planner to attract and retain clients and receive referrals."

Nicolette recalls declining a prospect whose values didn't align with the firm's and referring them to another firm.

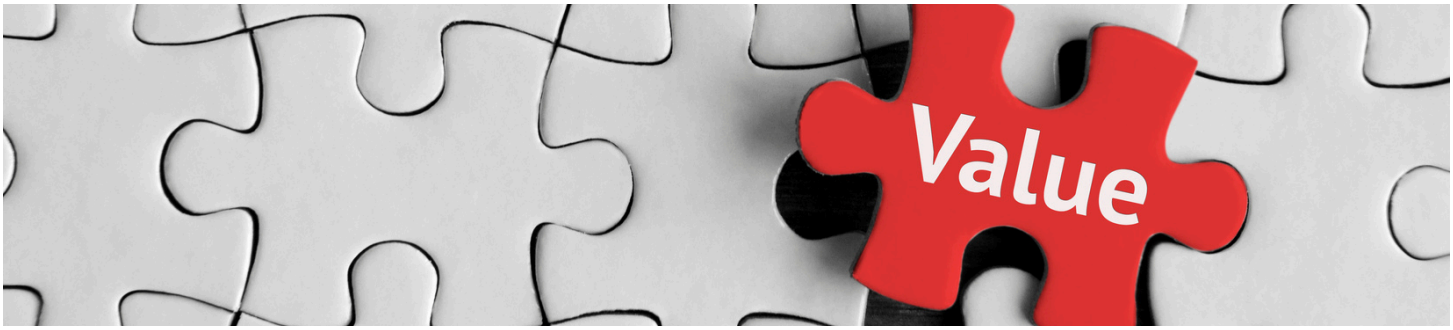
"That moment taught our newer planners business development isn't about chasing revenue – it's about delivering a message of who we are and how we can serve clients that align with what we can provide," he says.

Leaving a Legacy

Nicolette's message to seasoned planners: don't underestimate your influence.

By mentoring a colleague, fostering diverse teams, articulating your authentic brand, and innovating with foresight, you not only strengthen your firm but also leave a legacy that elevates the entire profession.

"Our clients, firms, and profession need us to step into that role with humility and purpose to ensure financial planning continues to thrive for generations," added Nicolette.



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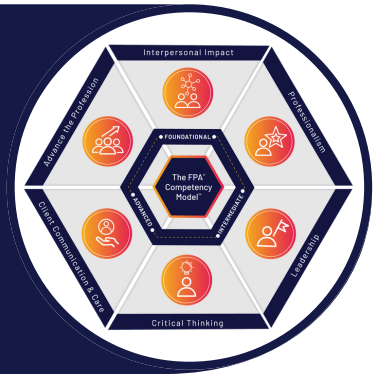
ABOUT THE FPA® COMPETENCY MODEL™



The FPA Competency Model is a groundbreaking framework that defines the behavioral skills essential for success in financial planning and provides a structured path for lifelong professional development. Designed for financial planning professionals of all backgrounds and career stages, the FPA Competency Model is built around six key domains essential to modern financial planners: Interpersonal Impact, Client Communication and Care, Critical Thinking, Leadership, Professionalism, and Advancing the Profession.

Each domain includes specific, observable behaviors—not abstract ideals—and is further built out across three levels of proficiency: foundational, intermediate, and advanced. This tiered structure enables planners to identify where they are today and map their development over time and experience.

Start your learning journey today with the FPA Competency Model

The Financial Planning Association® (FPA®) is the leading membership organization and trade association for CERTIFIED FINANCIAL PLANNER® professionals and those engaged in the financial planning process. FPA is the CFP® professional's partner in planning by helping them realize their vision of professional fulfillment through practice support, learning, advocacy, and networking. Learn more about FPA at financialplanningassociation.org.