

# Case Study: Westfield Financial Planning

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*Using Investment Policy Statement to Formalize Client Onboarding Process*

## About Westfield Financial Planning

Founded by Mark Swingle, a NJ Five Star Wealth Manager for eight years, Westfield Financial Planning (“WFP”) offers personalized, unbiased, and independent financial and investment advice, from estate and tax planning to investment management to retirement planning.

WFP is committed to excellence, with all three partners holding CFP or CFA designations.

## Searching for an Investment Policy Statement

Dan Song, CFA, partner and portfolio manager at WFP, had been trying to implement a formalized Investment Policy Statement (IPS) process. In the past, WFP had used Excel documents. It was a manual process, and not robust enough.

During their search for a formalized IPS solution, Song and his team came across the opposite problem: some IPS generators provide too much information that clients don’t care about.

Finally, a Bob Veres article led them to Andes Wealth Technologies, where they found an IPS with the right amount of the right information, and plenty of visuals to make it interesting and educational.

“ *When the markets are down, you come to us and perhaps looking to change your investment portfolio at the worst possible time. We will pull up your IPS, show you the questionnaires we went through, and remind you that you were comfortable with, say, the 60/40 portfolio.*

*To date, we haven't had to do it. But we let clients know ahead of time that if the market drops and they want to get out at a bad time, we will remind them we did this IPS when cooler heads prevailed.*

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## The “No-brainer” Every Firm Needs

WFP uses the Andes platform to formalize the onboarding process for new prospects, starting with risk profile analysis.

“The newly-patented Risk Tolerance Test is big on visuals, showing real model portfolios, so it maps directly to one of our models,” says Song. “We will have detailed conversations with clients about where they fall on the risk spectrum. If a 70-year-old client wants an aggressive 80/20 portfolio, we will question that.”

The Risk Tolerance Test is embedded in the IPS, giving Song the opportunity to explain the 80% confidence interval, and the returns that clients can expect on the high and low end, which they can refer to during market turmoil.

Song also appreciates how the IPS incorporates behavioral finance, creating great conversations that prepare clients for the inevitable emotions during market downturns.

This IPS provides just enough substance but not too much. Its quiet sophistication is presented in a way that is easy to understand. And clients love the visuals throughout.

While the IPS is currently not required by the SEC or FINRA, it is something that clients see as a value add, and it has been a point of differentiation for Westfield.

“ *Most successful practices have systems in place that create a repeatable process, almost like you are on auto pilot. Andes platform is one of these types of processes that every practice needs.*

*If you are looking to have a formalized process around creating and presenting an IPS, Andes is a no-brainer.*

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## Putting It to Test During Market Turmoil

The IPS explicitly states that when it comes to investing, time is an asset. It asks clients to stay true to their investment strategy through all market conditions, especially during times of volatility.

“We have done a superb job of educating clients using the IPS to not panic during downturns. During Q2 of 2022, only a small handful of clients reached out,” said Song. “And most of that group were retirees reaching out to discuss if it would be a good time to reduce their monthly withdrawal amounts, not to get out of the market.”

## A Smooth Implementation

Implementing a new software and adopting it firm-wide can be a big hurdle. However, working with the Andes team has been a great experience.

“This team is very hands-on,” Song said. “The entire process was very smooth, and our enhancement requests were addressed promptly.”

Now, all three partners at WFP are in the Andes Wealth platform “constantly,” according to Song.

## Black Diamond Integration

“*The Black Diamond integration was big for us. Black Diamond was one of the first software products that we purchased. It makes everything easy in terms of having data brought over from Black Diamond to Andes platform seamlessly. All existing clients and account information are pre-populated, making it easy to get it up and running.*

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## About Andes Wealth Technologies

Andes Wealth Technologies is the first company to combine behavioral finance with risk visualization to provide a new way to deliver wealth management. Helen Yang, CFA, Founder and CEO, is a winner of the prestigious Harry Markowitz Award in 2011.

Inspired by Dr. Andrew Lo from MIT and his Adaptive Markets Theory, Andes Wealth Platform has received numerous awards:

- Winner, 2022 Family Wealth Report Award
- Winner, 2022 WealthTech Americas Award
- Winner, 2021 WealthManagement.com Industry Award
- Finalist, 2021 MMI/Barron’s Industry Award