

Progress Reporting

USER GUIDE

Fundamental to Elements is the quarterly progress reporting process. It provides you with tools to systematically maintain client data, track client progress, and deliver value on an ongoing basis.





Progress Reporting

User Guide

Quick Summary

Elements automatically delivers a quarterly progress report to all of your clients.

There is nothing you need to do to enable this process or get started.

Reports will auto-generate and appear to both you and your clients on the 1st day of **every calendar quarter**.

As part of this report, one week prior, all clients will be prompted to verify basic information and to provide feedback to you on how they feel about their finances.

Timeline

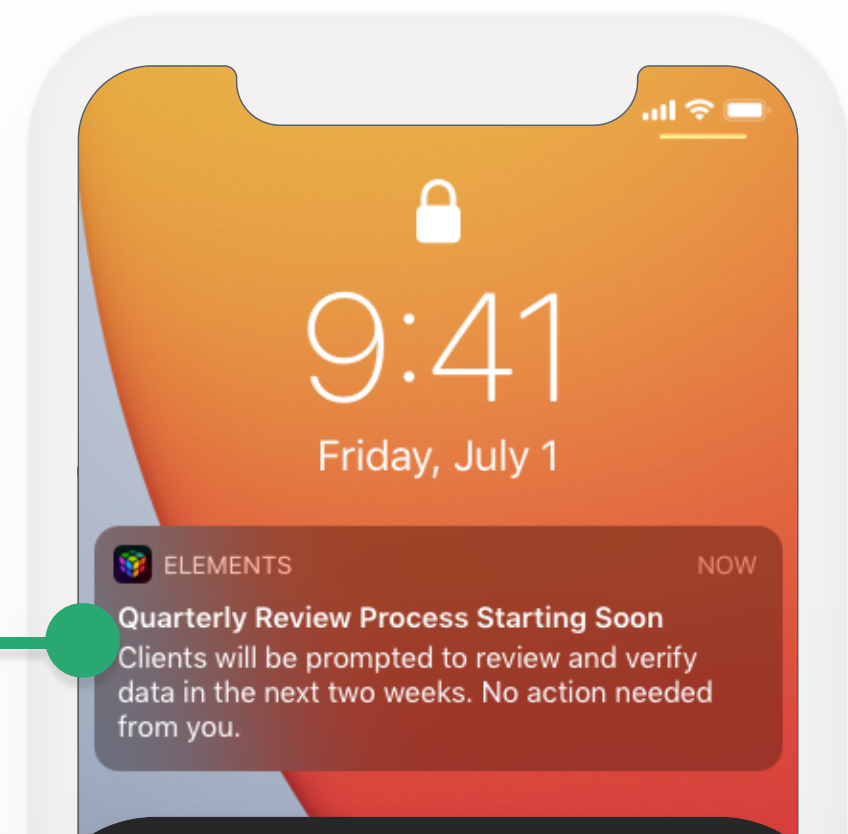
The process timeline is on a calendar day basis (not business day), working backwards from the 1st day of the next calendar quarter. This means:

- Q1 reports are delivered on April 1.
- Q2 reports are delivered on July 1.
- Q3 reports are delivered on October 1.
- Q4 reports are delivered on January 1.



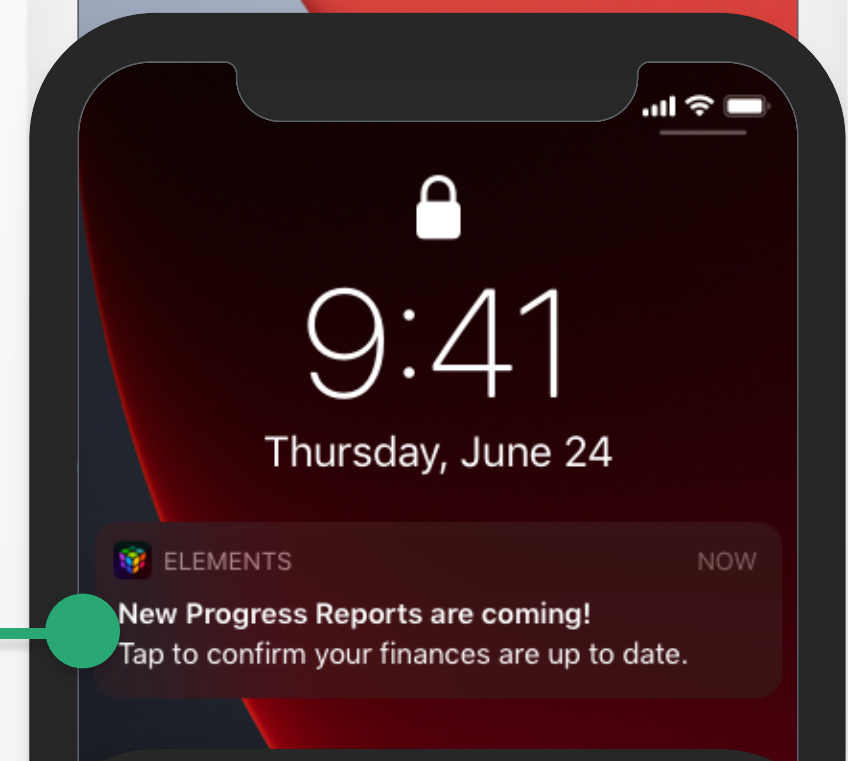
14 Days Before 1st of the Quarter

You'll receive a "heads up" notification that your clients will soon start their verification process. **No action is required from you.**



7 Days Before 1st of the Quarter

Clients are prompted (via email, push notifications to their mobile device, and a red badge on the Elements app icon) to verify their financial info.

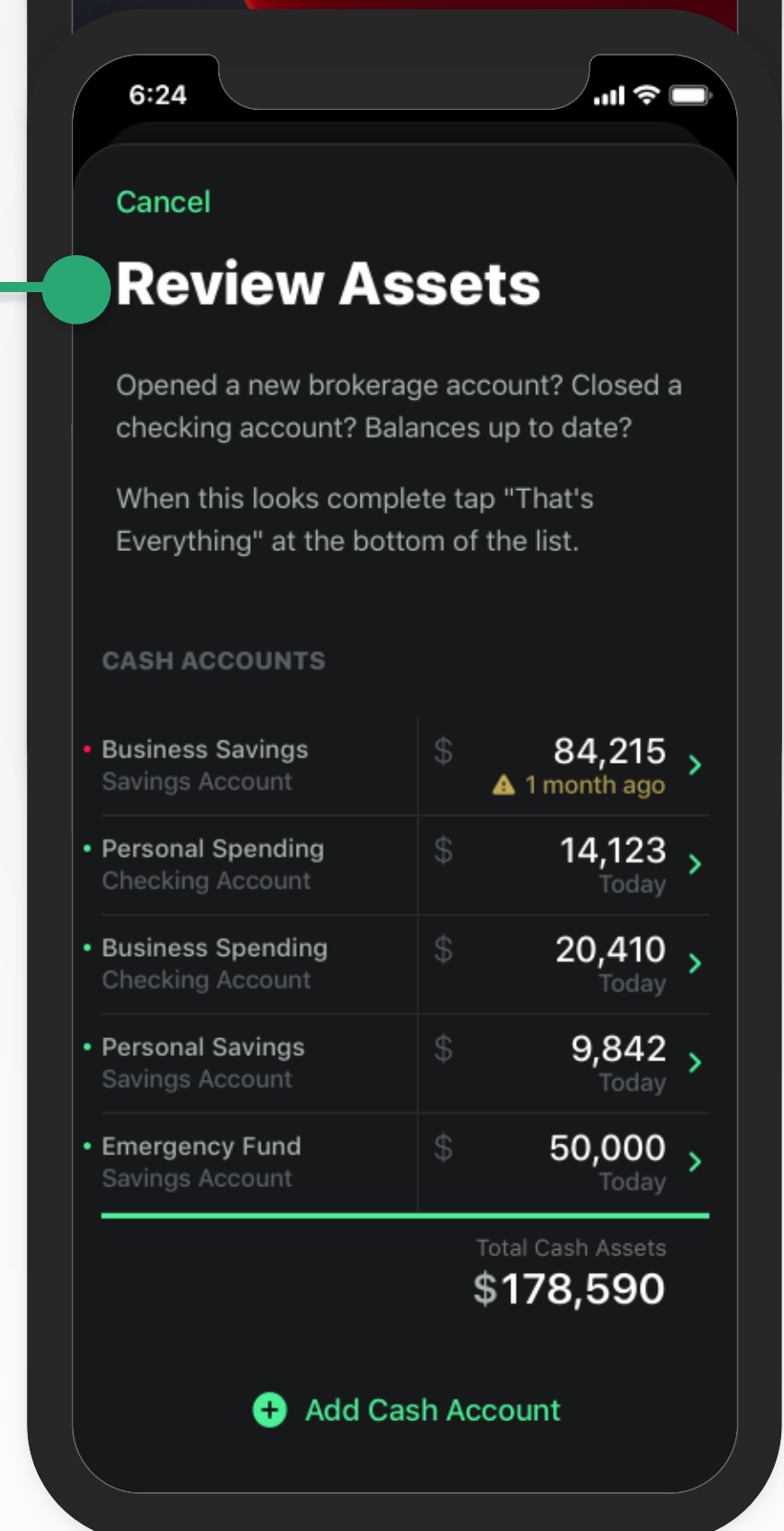


You'll similarly be notified that we've begun the verification period with all of your clients. **No action is required of you.**

The 7-day Verification Period

When the client opens the app, they will be guided through 4 separate prompts asking them to verify some data:

- 1. Review assets:** Elements will ask, "Is everything listed?" and "Are the balances up to date?" The system will highlight out of date balances to encourage clients to update them.



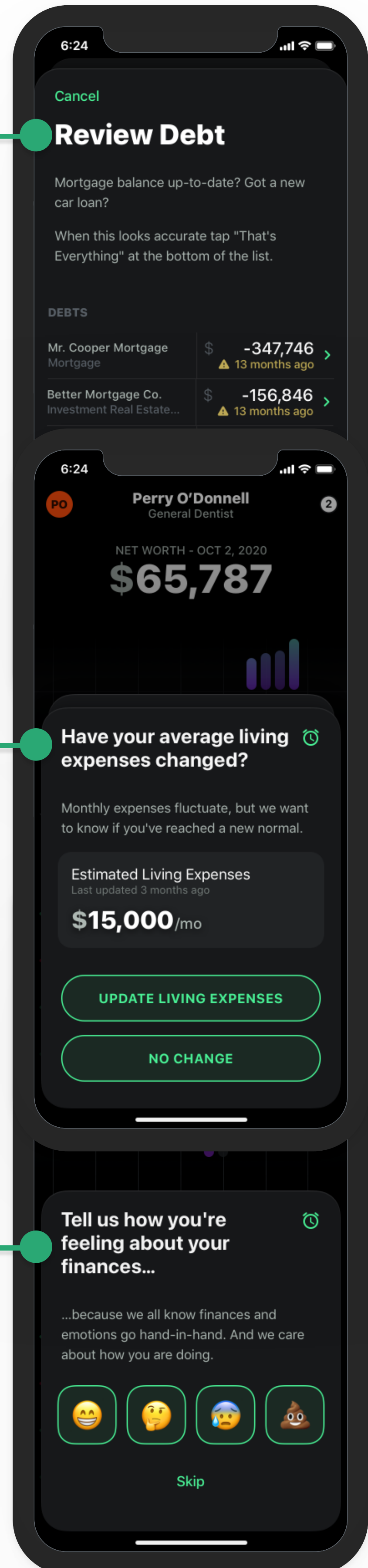


- 2. Review debts:** Elements will deliver the same prompts as for Assets. “Is everything listed?” and “Are the balances up to date?”
- 3. Spending:** Your clients will be asked if their average living expenses have changed or if they’ve reached a new normal in spending.
- 4. How are you feeling?** Your clients will be asked how they’re feeling about their finances by selecting an emoji as well as a place to enter additional comments. This info is included in the final progress report.

Clients should be able to complete these prompts on their own in just a few minutes.

Clients can start and stop the verification process as much as they’d like, but the prompts will continue to appear during this period until they’ve been completed.

Everything is client-facing and automatic. **There’s no action required from you during this process.**





3 Days Before 1st of the Quarter

Clients are notified that they'll soon be receiving a quarterly progress report. This is intended to serve as an additional prompt to verify their info.

1st Day of the New Quarter

You and your clients will receive a notification that new progress reports are now available.

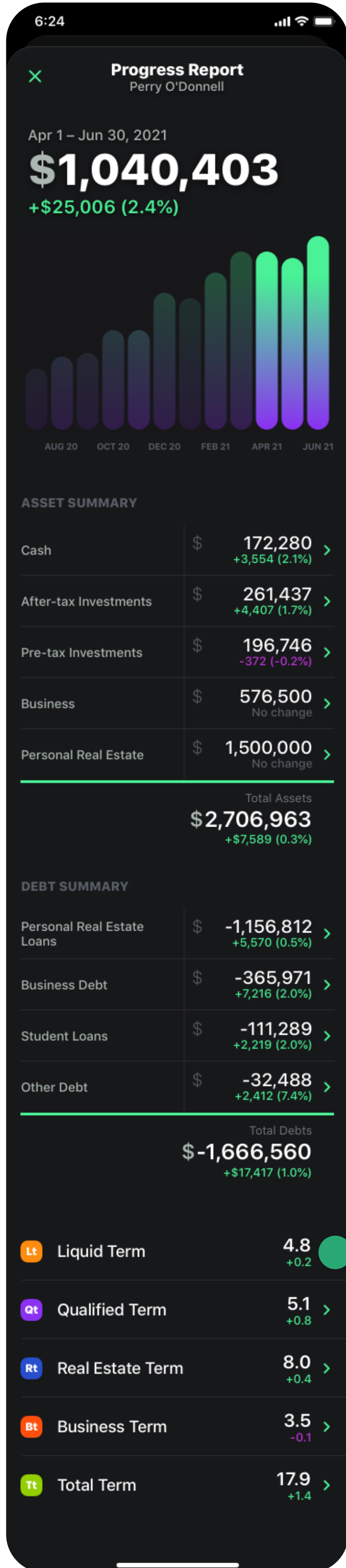




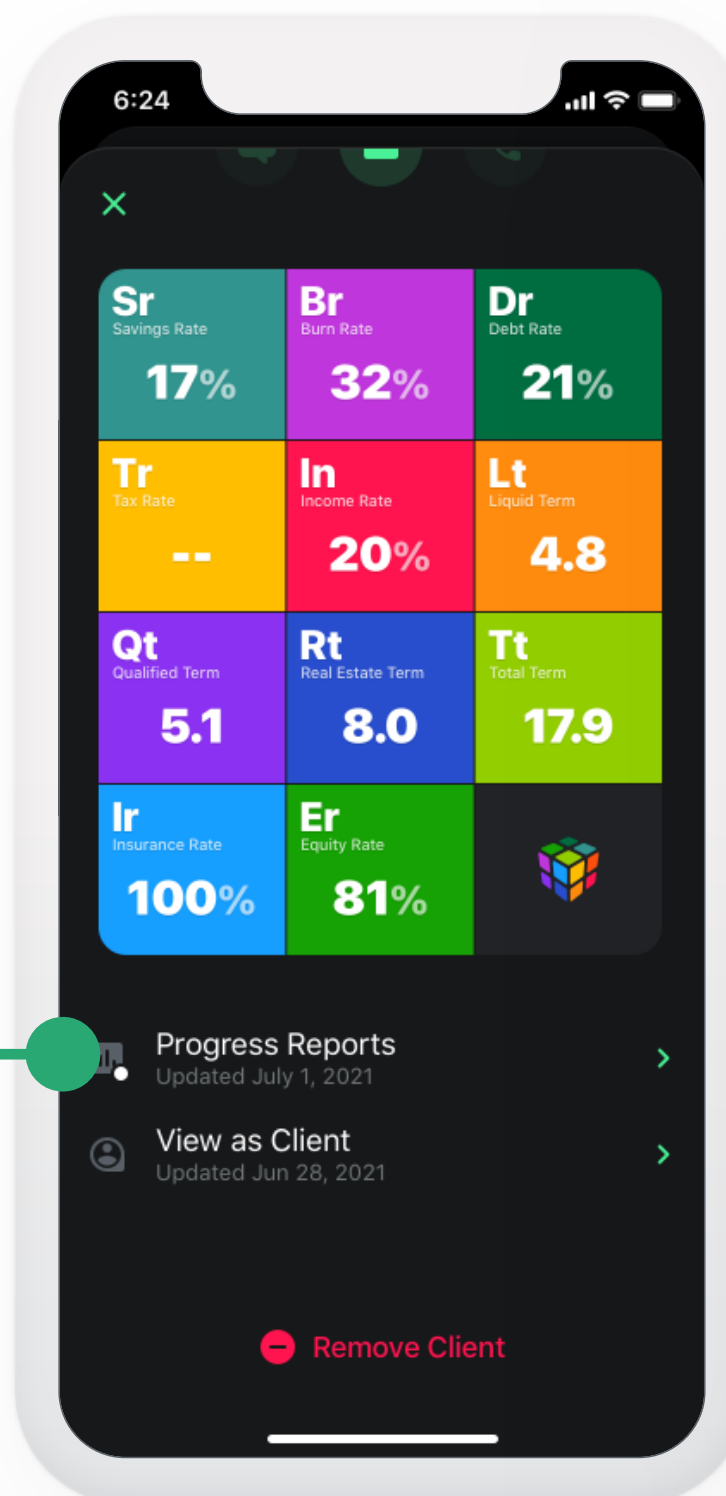
The Report

The progress report is meant to help you and your clients track their net worth progress and pace over time.

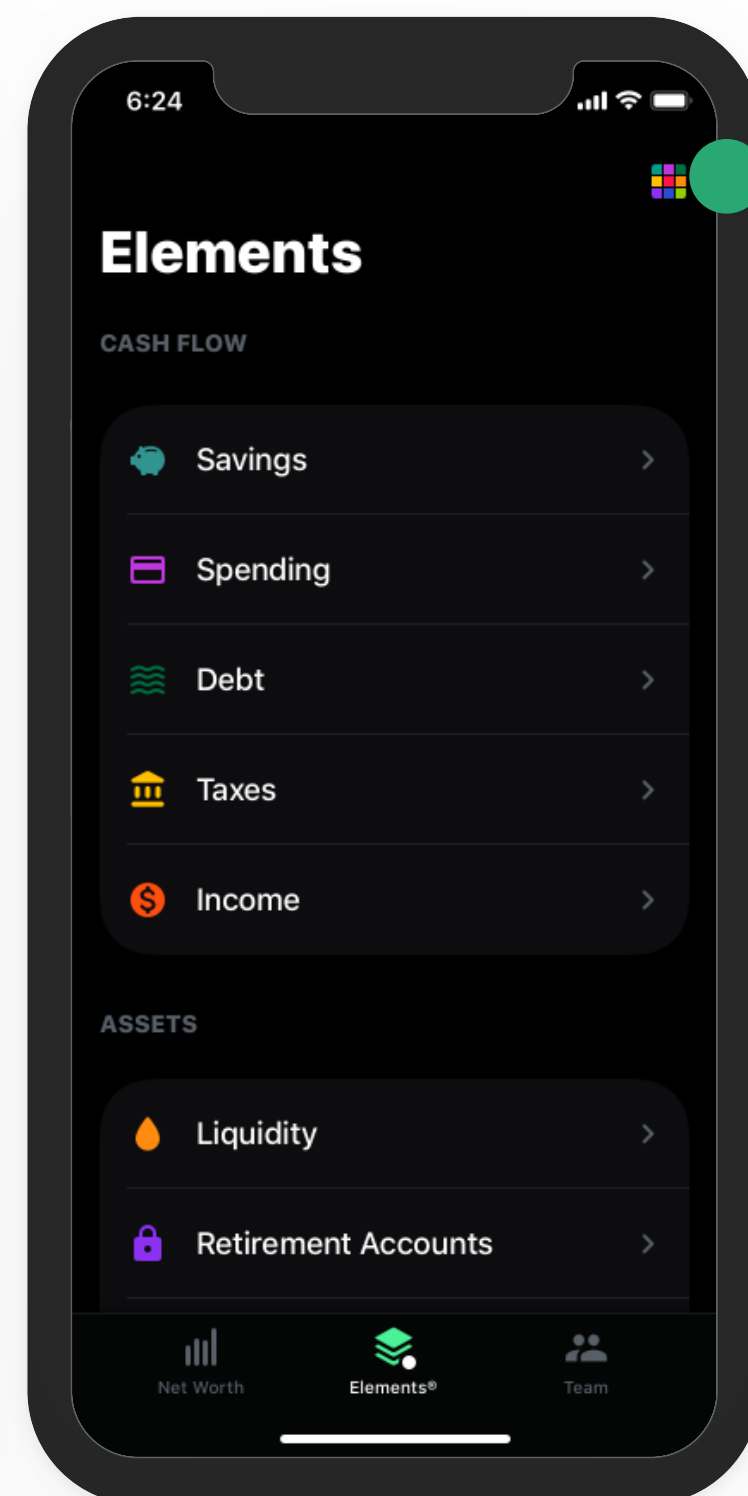
The Term Elements are highly connected to net worth progress, so the report also contains progress on them for added context:



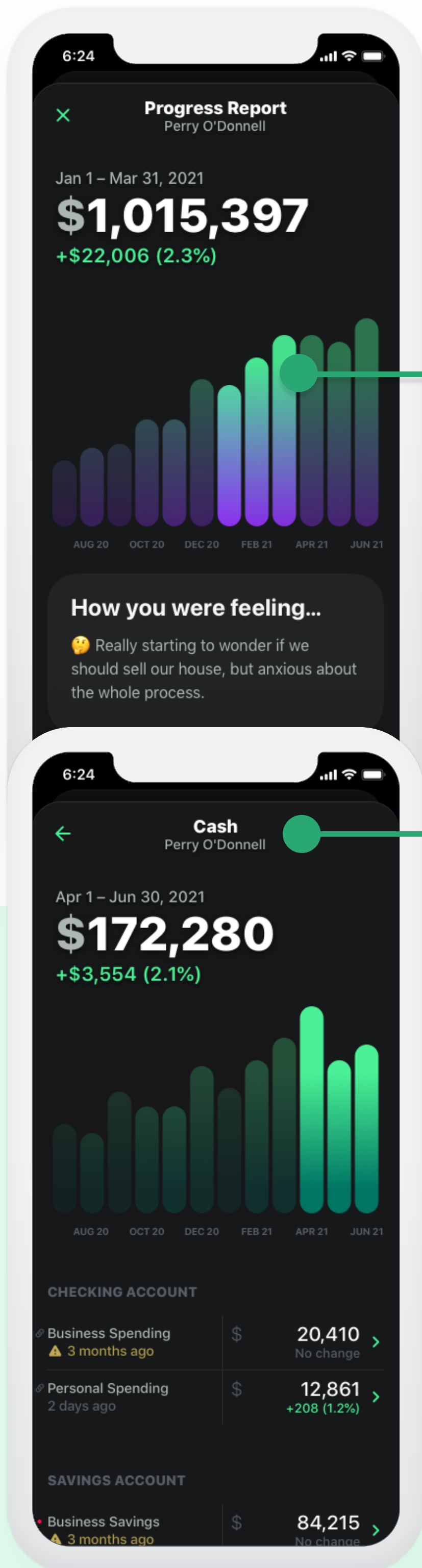
- Liquid Term (Lt)
- Qualified Term (Qt)
- Real Estate Term (Rt)
- Business Term (Bt) – if applicable
- Total Term (Tt)



As an advisor, the current (and archived) reports can be found underneath a client's scorecard on the client preview screen.



As a client, the current (and archived) reports can be found underneath their scorecard which is accessed in the top right corner of their Elements tab.



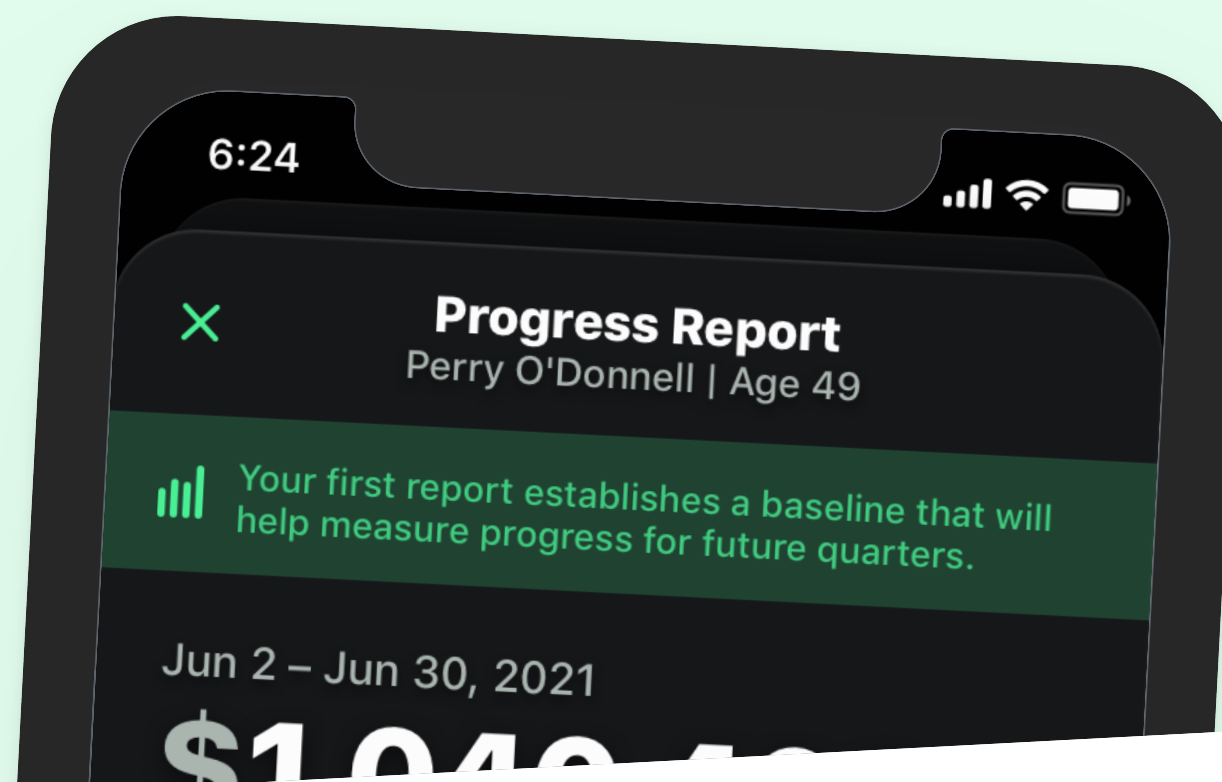
The report is interactive, allowing you to view prior quarters for comparison, as well as drill down to see the progress of individual assets and debts that make up overall progress.

The report data is live, such that if you make a change to any historical data, it will automatically update impacted reports. For example, if a client failed to complete verification but they (or you) updated asset values after report delivery as a result of a conversation between you both, the report would update with those values.

The report is in app-only. It's currently not printable.

New clients see a "baseline," not progress...

For clients that have less than one month of data in Elements (i.e. their oldest data point is not more than one month old), they'll receive a report without a calculated % change in values. We call this a "baseline" report, and it shows them the baseline against which future reports will measure progress. This is most likely to happen with new clients you've only recently onboarded into Elements or prospects.





Best Practices

While the entire process is performed automatically, your value as an advisor really comes to life by using the report as an opportunity to start a conversation with your clients.

Below are some best practices on how to do that.

During Client Onboarding

Refer to our [Client Onboarding Guide](#) for best practices on “setting client expectations”. You’ll want to tell your clients to expect this process quarterly and to follow the prompts in order to keep you updated on any changes in your finances,

By setting this expectation up front, you can “train” clients to take accountability for the upkeep of their data so you can more readily respond to it.

For example, you might say something like this:

In an effort to continually strengthen your plan and how we collaborate, we’ll be tracking key indicators of your financial health with “Elements”. The Elements are designed to help us analyze your finances in a different way, pulling deeper insights into who you are and what adjustments need to be made.

With Elements, every quarter we’ll track the progress of your wealth over time by sending you a net worth progress report. In order to accurately calculate your progress, the app will ask you a few simple questions to keep your financial data updated in advance of creating your net worth progress report.

Keeping your data updated ensures that we have reliable



information to help you make smart financial decisions with confidence.

Prior to Verification

While there's nothing you need to do ahead of quarterly verification, you might find it beneficial to remind clients they'll soon be receiving notifications in Elements to verify their info, and that it's a quick and simple process.

Recall that you'll be receiving a notification two weeks prior to the end of the quarter reminding you that your clients will receive notifications in a week. You can use this prompt to personally reach out to your clients with a message like this:

In preparation to review your quarterly net worth progress, you'll be receiving some notifications from Elements in a week.

In order to accurately calculate your progress, the app will ask you a few simple questions to keep your financial data updated in advance of creating your net worth progress report.

Just follow the prompts in the app, and if you notice anything that is incorrect or missing, you can update your information right there. This should only take a few minutes.

Keeping your data updated ensures that we have reliable information to help you make smart financial decisions with confidence! Please let me know if you have any questions.

You could also leverage a mass email tool in your CRM or marketing platform to scale this communication.



During Verification

There's nothing you **need** to do during verification. Some clients might reach out with questions, and if they do, simply being responsive is the best policy.

Rather than feel tempted to make updates on a client's behalf, we've seen that it's best to encourage clients to make updates themselves if your goal is to have them maintain their data over the long-term. You know your clients best and can consider the most effective way to foster engagement and collaboration.

What if clients don't respond to the prompts?

We typically don't read too much into this. Everyone is busy. And some clients seem more motivated to respond retroactively with "this doesn't look right" than they are to verify data in advance.

There are great opportunities to connect with clients before and after the report is delivered.

Post Report Delivery

Progress reports will be delivered to you and your clients simultaneously.

Each quarter is an opportunity to make this feel like a rewarding exchange for the client – that their accountability to the accuracy of their data is meaningfully important to a productive relationship.

It's a good idea to earmark some time each quarter to scan these reports and identify any necessary client follow-up.

“How are you feeling about your finances?”

At the very minimum, you should review each of your client's responses to this question. They'll have a reasonable expectation for you to respond



to any personal messages they include. And even in the absence of their typed comments, simply acknowledging and being curious about their emoji choice will help develop deep rapport and trust.

Monitor pace of net worth change.

This can help you identify whether an accumulator is moving at an adequate pace to reach a desired future state, and can help you with retirees to determine if their withdrawal patterns are sustainable for a desired future state.

Consider sending a phone screen recording

An effective client engagement tip is to record your review of the client's Quarterly Report on your phone, then send that to your client as a video in an email or text.

Creating this kind of recording can be faster and easier than drafting an email with the same content and clients find it more intimate and personal. They can re-watch it to make sure they understand your review. Plus, it's available at your client's convenience, circumventing the need to coordinate busy schedules and connect in-person.

Check out this [sample recording](#).

Consider this quarterly engagement plan

Beyond responding to shared emotions and comments, you might categorize and prioritize your follow-up according to the following:

- 1. Needs Attention - clients that are likely to reach out to you if you don't do it first due to a concerning progress report. A proactive approach will yield more perceived value from your clients.**

For example: "Jamie—it looks your net worth declined by about \$20,000. On the surface that might feel frustrating, but if you look deeper you can see how



you've reduced your debt by \$8,000 this quarter and purchased quite a few shares of stock for which you have high conviction in market growth. This consistent savings behavior in the downmarkets makes all the difference during the recovery. Keep it up!"

- 2. Unengaged** - When clients have clearly not updated their financial info, we suggest you don't let this opportunity pass without reinforcing the importance of this process in your ability to provide ongoing advice. This is particularly important early in your client relationship to set the right expectations.

For example: "Jamie—it looks like you were unable to verify your data this quarter. This process is really important to me! It helps me identify the important adjustments we should make now and anticipate recommendations I see coming in the future. I'd really appreciate it if you could take a few minutes to do this each quarter. It makes a big difference in how much we can accomplish together over time!"

- 3. Doing Fine** - clients that are unlikely to reach out to you due to a particularly benign progress report, but would benefit from a proactive touch or helpful observation which might help them understand their finances in a new way.

For example: "Jamie—this quarter your Total Term Increased by .20, and of that, your Liquid Term increased by .10. That means almost half of our increase this quarter came due to increases to our after-tax assets. This is great at this stage in your career as building up liquidity to [insert goal] is a big



priority for us. It's interesting and helpful to watch not only how much your net worth increases or decreases, but where the changes come from so we can be more thoughtful about our planning."

4. Doing Great - clients that are doing great and would highly value some form of “congrats on the great progress” or other encouragement to keep it up.

For example: "Jamie—it looks like your net worth has increased by around \$19,000 this quarter. This was a pretty big increase given your net worth of \$280,000. As you can see, some of that came from the increase in value we placed on your house and the increase in your investments in your 401k. Thanks for maintaining such a clean and accurate profile for me to analyze. Your scorecard just showed me that you hit a 5 Tt score. Huge deal! Congrats."

Or, "Jamie—as you can see from this report, your Tt Score increased by .25. If this happened each quarter over the next year, you'd see your Tt Score increase by 1. In other words, your net worth will have increased by 1 year's worth of your estimated personal spending."