

Five steps to hiring the right financial advisor

Congratulations! You're ready to start your search. There are thousands of financial advisors across Canada, with a range of qualifications and experience. Here are the five essential steps to finding the right one for you:

1 Do a quick self-assessment

If you know your financial goals, you'll be in a stronger position to select the right advisor. To prepare for a first meeting, jot down a few details about your near-term and longer-term goals, as well as your attitudes towards investing.

2 Build a shortlist of candidates based on word-of-mouth and internet research

Start with your professional network. Your accountant or lawyer may already be aware of your financial situation and needs and be able to put you in touch with an advisor with complementary skills. Then turn to friends and family. Ask them if they have a financial advisor they've had success working with. Your colleagues may also provide good referrals since they may be working with an advisor who specializes in clients from your industry or profession.

Here is a list of useful websites:

The [Canadian Securities Administrators](#) website has a search function to find out who is registered in your area, as well as the disciplinary history of your prospective advisor.

Other useful sites have "find an advisor" features and general information to help you understand different advice models:

- [The Mutual Fund Dealers Association of Canada](#) (MFDA)
- [The Investment Industry Regulatory Organization of Canada](#) (IIROC)
- [Advocis](#) (Financial Advisors Association of Canada)
- [Financial Planning Canada](#) (FP Canada)
- [Portfolio Management Association of Canada](#) (PMAC)
- [Institut québécois de planification financière](#) (IQPF)

3 Interview your candidates

It's best to meet with at least three financial advisors before you make a final decision. When setting your appointment, go to the advisors' offices instead of inviting them into your home. This allows you to examine their office and business environment. Your financial advisor question list should cover such areas as the advisor's background and experience, business practices, products and services, and compensation.

4 Check references

After you have conducted your interviews, here are the three things you should check:

- **Background:** You can confirm licenses and other credentials by calling the organizations that grant the designations.
- **Disciplinary action:** To find out if the advisor has a disciplinary history, check the Canadian Securities Administrators website.
- **References:** When you interview a prospective advisor, be sure you obtain a list of the advisor's current clients who are willing to provide references. If possible, ask for names of clients with situations similar to yours. Your reference questions should focus on frequency of contact with the advisor and strengths and weaknesses.

5 Rank your candidates and make your decision

After meeting with prospective advisors and checking their references, it's time to evaluate them and make your decision. Skill should be the top criterion, followed by trust and open communication. Ultimately, it's important to trust and feel comfortable with your advisor.

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