

Financial Planning: A Road Map To Success

A comprehensive financial plan is an in-depth analysis of your ability to meet current and future financial and lifestyle goals. It will give you a detailed understanding of your current net worth as well as provide a road map for meeting your goals. The process is truly comprehensive. We use it as an opportunity to evaluate each asset and liability and the role it plays in your financial well being.

What is the process for completing a plan?

A comprehensive plan is a serious undertaking; however, the information gleaned from it will be immensely beneficial for your future success. Generally, the planning process consists of a detailed questionnaire, providing documents related to your assets and liabilities, and a series of meetings with a CERTIFIED FINANCIAL PLANNER™ (CFP®). The timing of the planning process varies, but know that we aim to dig deep to make sure we have a truly comprehensive picture.



4. Review plan regularly and update as needed

1. Protection of current assets and risk assessment

3. Creating achievable tasks to meet goals

2. Identifying goals for both short and long term

Keep your plan on track with the 4 Phases of Financial Planning

When working through the financial planning process, we address 3 different areas — in a specific order— to make certain you are best positioned for success. We evaluate your current net worth and ensure that it is protected. We then identify your immediate and long-term goals. Finally, we pair together steps 1 and 2 to see how your current net worth will meet your goals. Whenever gaps are identified, we create actionable steps to ensure plan success. We encourage you to update your plan on a regular basis.

Money Guide Pro and Monte Carlo Analysis

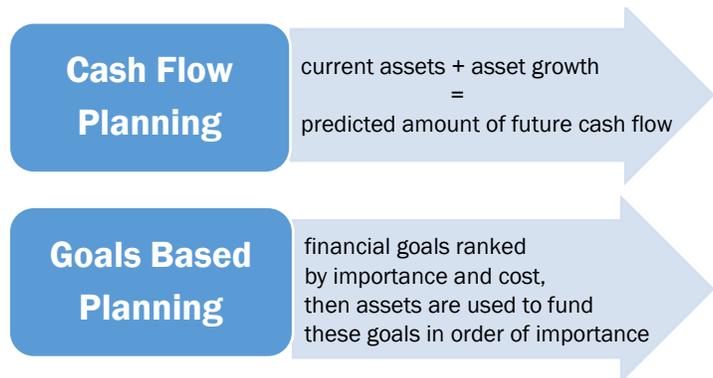
We utilize several tools to assist in creating your financial plan. Our primary tool is called Money Guide Pro (MGP). MGP is highly respected and is the most widely utilized software among financial planners. It has been ranked the #1 financial planning software by the Journal of Financial Planning each year since 2008. MGP allows us to enter your data in a very detailed manner, such as the individual assets held in a portfolio. We can also connect your accounts to MGP via data feeds, so that your information is always up-to-date. You can then use an MGP portal to change different aspects of your plan and view the results.

MGP utilizes a Monte Carlo statistical analysis process. In financial planning, we input hundreds of variables, each of which has its own statistical variances or standard deviation. The Monte Carlo process runs projections 10,000+ times, each with a different mix of variables values. It then gives us the likelihood of meeting your goals as a percentage. Because MGP does these projections in real time, we can see how small changes in your plan affect your likelihood of success.

Cash Flow Planning vs. Goals Based Planning

There are two general ways to approach financial planning; cash flow planning and goals based planning.

- Cash flow planning – this process takes into account your current assets, how they will grow, and gives you a predicted amount of future cash flow. You then model your future lifestyle based on how much money you will likely have.
- Goals based planning – this process focuses on outlining a clear picture of what your financial goals are. These goals are ranked by priority and given an estimated cost. Your assets are then used to fund these goals in order of importance.



We primarily use a goals based approach. We want the focus to be on what you ultimately want to have. This allows us to set clear action items to help you achieve your stated goals. The cash flow planning is worked into our process, as we evaluate the money needed to fund your goals, but the focus is always going to be on what you want to achieve.

Working with a CERTIFIED FINANCIAL PLANNER™ (CFP®)

The CFP® designation is the highest available to those working as personal financial planners. In order to obtain the CFP® credential, an individual must meet standards in the following 4 areas:

- **Education:** Must have a bachelor's degree as well complete a 6-part education program from a CFP Board accredited program.
- **Examination:** Must sit for and pass the CFP® Certification Examination.
- **Experience:** Must have a minimum of 3 years work experience in the financial planning industry.
- **Ethics:** Must submit to a full background check and agree to the CFP Board's *Standards of Professional Conduct*.

After earning the CFP® designation, CFP® Professionals must complete 30 hours of Continuing Education every 2 years, of which at least 2 hours must be focused on ethics.

To get started, call us at 972-378-1795.