

# The Financial Planning Process

"The greatest thing in this world is not so much where we are,  
but in what direction we are moving" - O. W. Holmes



**financial services partners**



A brighter future.®

# The Financial Planning Process

The essence of Financial Planning is helping you define your personal goals, and then working with you over time to develop and implement strategies that will help you reach those goals.

The Financial Planning Process is designed to help you bring order and rationality to your financial affairs. By employing a structured process, you can better integrate your financial decisions with your broader life goals and increase the probability of achieving those goals.

**The Financial Planning Process has many components. It will typically include some or all of the following:**

- A complete understanding of your life goals
- Analysis of financial needs
- Setting investment objectives
- Risk versus reward profiling
- Portfolio construction including Shares and Gearing strategies, if applicable
- Retirement planning
- Estate planning
- Superannuation and rollover advice including Self-Managed Superannuation Funds
- Corporate superannuation
- Centrelink (Social Security) advice
- Income Protection, TPD, Trauma and Life Cover
- Implementation of strategies
- A structured review and service process

**We provide all of the above services and uphold the highest standards of care in the industry by adopting and practicing:**

- Objectivity
- Fairness and suitability
- Full disclosure
- Confidentiality
- Integrity and honesty
- Professionalism



## **Before we meet**

### **Lifestyle goal and objective setting:**

We believe that it is our clients who must set their goals. It is our responsibility to provide a process that assists you in defining, quantifying and prioritising these goals.

In order to achieve a successful outcome, it is important that together we have ownership of and commitment to the goals set and the strategy required to achieve them.

### **Required financial outcomes:**

Through goal setting, Financial Services Partners will work with you in developing a plan that provides you with the required outcomes to achieve your goals.

Your plan will be built through a variety of strategies that encompass LIFESTYLE, TIMEFRAME and CASHFLOW.

## **Starting out – The initial interview**

The first thing we need to do is get to know one another. An introductory meeting is conducted at no cost to you. We will ask you why you think you need a financial planner, what your concerns and goals are and what you hope to accomplish from a relationship with us.

We will tell you about our company, our experience in the industry review some of our work and try to answer your questions about how we might be of help to you.

We will want to learn about your current situation, personal and financial. We will briefly cover topics such as the current economic environment, risk profiling and what they mean to you.



## Collecting information

Once you decide to engage our services we may need to collect more detailed information. Gaining a complete picture of your risk profile (attitude to investing), your current situation, needs, aspirations and goals is vital in helping develop a unique and appropriate Financial Plan. We will help you to prioritise the issues of most importance to you, so we can concentrate our efforts there first.

The information we may require from you could include the following; details of insurance policies, key business agreements, details of your Wills and any Trusts, superannuation policies, investment savings plans and stock and shares. We may also ask you to complete a comprehensive budget.

During this meeting we will discuss further some of the following topics and your feelings toward them:

- Our holistic approach and your objectives
- Income requirements and plans for retirement
- Life expectancy
- Risk tolerance
- Estate planning
- Attitude to government benefits
- Ability to contribute to superannuation
- Wealth creation and the ability to save

As the planning work proceeds, it may be necessary to meet with you further to address the various elements of your plan and to ensure that our recommendations match your objectives. Each meeting will generally last around one and a half hours. There may be anywhere up to 3 meetings before all the objectives and information is captured.



## Plan preparation

Before any Financial Plan is prepared we will analyse the data collected and consider various strategies that can be used to assist you to meet your objectives. The time spent researching strategies and options can take another few hours depending on the complexity.

Once all of this information is compiled, we then research, evaluate and provide recommendations on all of the financial matters of concern to you. This includes such things as reviewing your existing investments, assessing the suitability of your investment strategy and the risk and return characteristics of your portfolio (risk profile). Identifying financial products and asset allocations suitable to achieving the targeted wealth needs for both pre and post retirement purposes in addition to any tax savings and Social Security benefits (if applicable) follows. Estate Planning, setting out time frames for personal and financial goals along with investigating insurance products to meet your desired level of security and protection complete the process.

To comply with the Financial Services Reform Act and government legislation all of our recommended products and strategies will be contained in your Statement of Advice (Financial Plan), which will be presented in a commonsense, easy to read document placed in a

useful tabbed folder. This will fully disclose all costs and associated risks. We might also provide a Record of Advice (ROA) that is linked to your original financial plan should we need to provide you with additional advice.

## Plan presentation and implementation

After the plan has been completed, the next step is acceptance and implementation. This will involve:

- An in-depth review of the recommendations with you
- Agreement on the various components of the financial planning strategy
- The support of professionals, such as accountants and solicitors where required
- Attending to administrative and legal requirements.

You may wish to further discuss this Plan with your partner and/or family. By all means feel free to take the time to do so. We will then schedule another meeting time once a decision has been made to complete any necessary paperwork and forms if you choose to proceed.

The Financial Planning Process does not end when your Plan is implemented; it is just the beginning.

## Insurance and risk management

Advice in respect to your Insurance needs follows a structured review process in providing you with the best strategy. We will:

- Document your current personal insurance summary
- Calculate how much insurance cover (and which type) is necessary
- Assess your current level of cover
- Interpret your current policy documents
- Maximise the tax advantages of your current policies
- Present the recommended insurance solution
- Discuss our solution with you and make any adjustments
- Implement your agreed insurance strategy

We use the latest independent research to enable us to select the right policy or policies to suit your needs. We can compare the policies offered by over fifteen different Australian insurance companies.

## Reviews and our service guarantees

It is our experience that most people who have a plan have a much better chance of achieving their goals than those who don't. Regular reviews are an essential part of the financial planning process.

## Your regular review meetings

Many things can change which will impact on your ability to meet the goals and objectives we set together when we initially met. To ensure that everything remains on track it is important that we review things regularly. Prior to our annual review meeting you will receive a lifestyle worksheet to help you review your goals and objectives. At our meeting we will work through this together, look at any changes that may need to be made in light of economic or legislative changes and discuss any adjustments we need to make to your plan.



## Some of the topics that will be covered in your review:

### Review of goals & objectives

Discussion of short, medium and long term lifestyle goals  
Review of required action plans to achieve goals

### Summary of cash flows

A review of income, expenditure and actual spending versus planned spending.

### Timeframes

Revisit timeframes with regard to goals and objectives.

### Portfolio performance

Does the performance of the portfolio, relative to the benchmark, match your investment objectives?

### Portfolio profile

Examination of asset allocation – are you comfortable with risk/return parameters of portfolio.

### Taxation planning

Opportunities that exist for tax effective strategies over the financial year. These may need to be discussed further with your accountant.

### Superannuation

Review existing contributions levels – are we on track to meet retirement goals?

### Legislative changes

Discuss effect of any changes, and how to best take advantage of them.

### Debt and mortgage funding

Review of current facilities, structuring and tax implications.

### Insurance assessment

Review of current protection and any changes required.

### Estate planning

Changes in circumstance may require amendment to existing estate plan.

### The year ahead

Overview and planning for the year ahead.

The cost of this service and review programme will depend on the amount of funds invested and the level of complexity in your plan.

## Other services

We work closely with your other service providers such as Accountants, Lawyers, Stockbrokers, Real Estate Agents and Bankers to ensure that they are up to date with what you are doing. Confidentiality is assured and we will not discuss any aspect of your affairs without your permission.

### Simon Young ADFS (FP)

Authorised Representative  
Financial Services Partners

212 Greenhill Road  
Eastwood SA 5063

**p:** 08 8271 6900

**f:** 08 8373 1451

**e:** [info@birkinfp.com.au](mailto:info@birkinfp.com.au)

**w:** [www.fspartners.net.au](http://www.fspartners.net.au)

