
The Six Stages of Our Planning Process

I. First, we get to know one another and see if there is a solid basis for working together.

- Do we have the abilities, tools, and style you are looking for to address the issues most important to you?
- Do you have the time and inclination to participate fully in the process so that we can address the goals in a timely, efficient way? We cannot do this work alone — it takes teamwork to make it work.
- Based on the nature and complexity of the work ahead, we quote a fee and create a Client Services Agreement that spells out all of the rights and obligations of each party. Whatever the fee, we will gladly refund all of it should at any time the client feel that this process is not right for them, or that we have failed to meet their expectations in any way. It works for us only if it works for our clients.

II. Next, we gather the data. For this step, we provide checklists and other aids to help clients give us what we need to get to work.

III. The next step is ours.

- We analyze the data we have gathered.
- We work to understand your objectives fully.
- We work to identify any gaps in your “base facts” areas where the “DNA” of what you already have in place will not get you where you want to or need to be, or put you in a good position that allows you to survive many of the unknowns of life.
- We seek both risks to your reaching your goals, and opportunities not currently being taken advantage of that may help you reach your goals more effectively.



IV. We then develop a plan.

We are descriptive rather than prescriptive — we always provide alternate routes and options for getting where you want to go. Our advice is generic and objective, never “product” specific. We build alternatives for our clients by adding “layers” onto their base facts, solution by solution, all meant to improve upon their current situation.

We illustrate these improvements side by side with the current and alternate realities. For example, “here’s what gets transferred to your heirs without a particular kind of trust (your “base facts”), and here’s the improved scenario by adding said trust”. Here’s the result to your cash flow in retirement of selling your rental property today, and here’s the effect of holding it for ten years. Not everything works — there’s certainly some trial and error — and a large part of our effort involves research and brainstorming (a team effort) that usually result in alternatives yielding critical improvements.

Once we have found beneficial interventions, we write out our recommendations in narrative as well as tabular form, and “deliver” the plan to our client. The finished plan, in hard copy and available on a web site that at the clients’ discretion we can create specifically for them, includes a summary of all assumptions and the base facts we used to arrive at our analysis and our set of recommendations. These recommendations cover a number of important areas:

Estate planning, as in the above example of adding a particular type of trust;

- Investment planning that involves changes in investment strategy or execution, e.g., changing the asset allocation in order to reduce overall portfolio risk and/or provide better growth opportunities;
- Recommendations may include the introduction of generic, non-company-specific financial products such as insurance, investment strategies, or annuities meant to solve particular problems or to improve upon a client’s situation in specific ways;
- In many instances, dramatically beneficial changes can be introduced by changes we illustrate in clients’ savings rate, or spending patterns.

V. Once the plan is delivered, at our clients’ discretion, we will work closely with their other professional advisers — attorneys and accountants and, occasionally, other investment professionals — to implement the financial plan.

We ourselves have access to the full range of financial products and service, though it is important to note that clients are under no obligation to work with us and are free to implement the plan with anyone they choose to work with. We believe that because of our intimate knowledge of the requirements of the plan, we are uniquely qualified to find the right product or set of services required to implement the plan properly, but clients are under no obligation to continue to work with us.

VI. Working with our clients and their advisers, perhaps the most important aspect of the process is the last monitoring the plan over time.

The plans we develop are dynamic, and are only as good as the extent to which they are monitored carefully over time to ensure that our clients stay on track, and that they make changes in response to current conditions. Remember this is a decision support model, and the need to make decisions that affect our financial security never stops! Very often we find ourselves looking at a very different set of assumptions and requirements with clients years after the completion of the plan. In cases such as these, complete updates may be required, but we have a head start the foundation of the original plan is still intact! It's easier to make changes than to start over.

Conclusion

Financial planning can be enormously enlightening and empowering almost everyone can benefit from it. First and foremost, it “turns on the lights” that allow us to view the moving parts of our financial lives in a new and inter-related way. There is no magic in the numbers on the screen, but when they are connected to taking action to fill the gaps and implement new strategies, they can lead to a new level of confidence, and freedom from the anxiety of not knowing, of wandering in the wilderness without a guide. The decision support model we build is invaluable as we approach new decision points throughout our lives. As realities change, the ability to update the model provides enduring value for many years to come — it is truly an investment in good decisions throughout our clients' lives!



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