

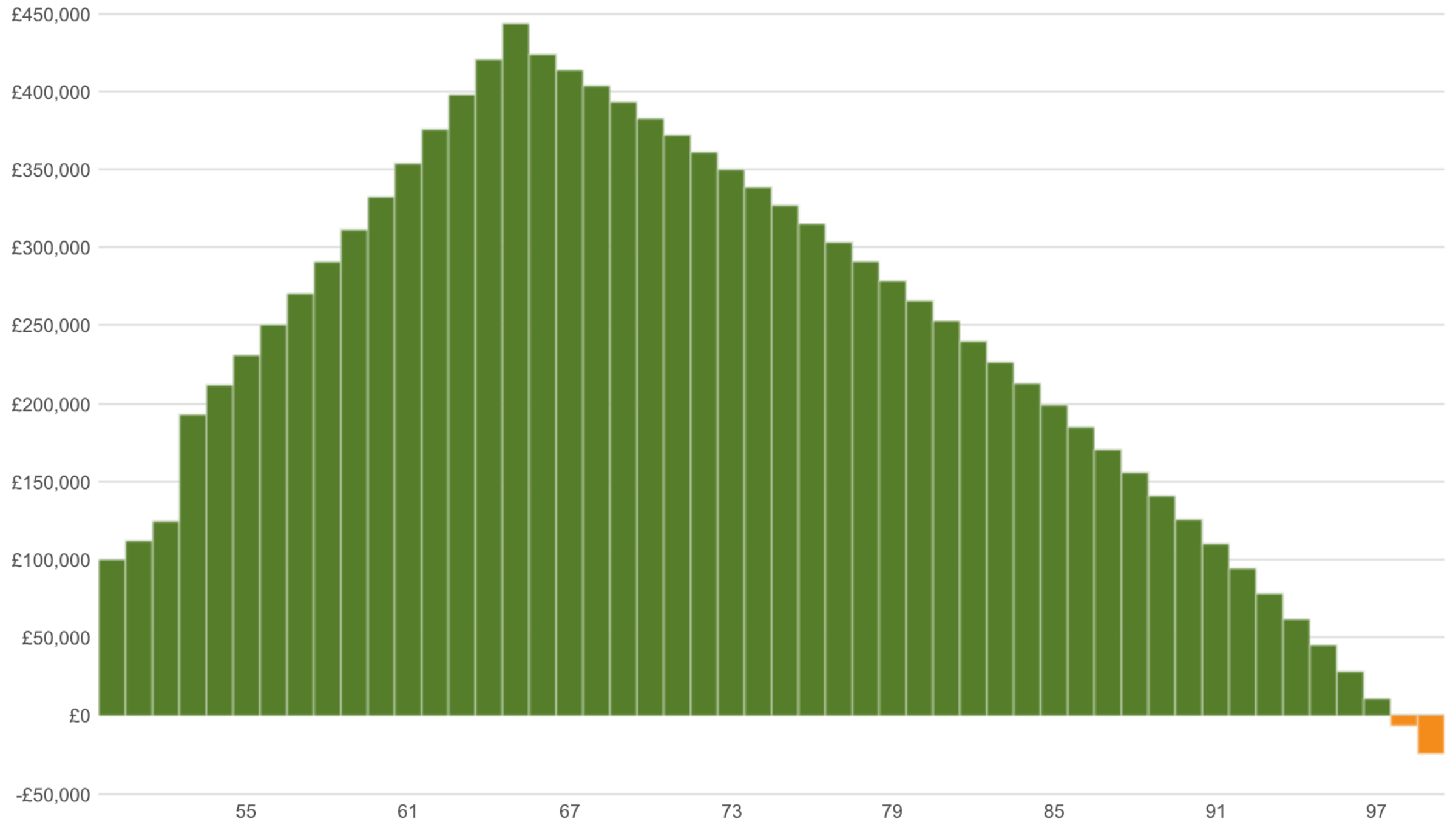
# PARAPLANNERSASSEMBLY

# DIGGING INTO CASH FLOW

# We'll cover....

- What's it all about?
- Benefits for paraplanners
- Benefits for **clients**
- Sharing best practice & top tips
- Live demos

# What is it?



Is cash flow planning  
compulsory?

Those that can't see the  
future.....

Those that can't see **they**  
**can't see** the future.....



Lifetime planning

Estate planning

Savings strategies





Investment risk

Shortfalls

Getting real





Show me  
the money!

Creating ways to help  
people make more sense  
of money

Framing

Context

**Engagement**



“Financial plans are  
worthless”



“The process of  
planning is invaluable”

# Planning process

1. Establish goals & objectives
2. Gather data
3. Analyse information
4. Develop plan
5. Implement plan
6. Review

**BEST PRACTICE**



**“One of the keys to successful financial planning is learning to let go of precision.”**

# No objectives..no plan!

- Clear & concise
- Prioritised
- Timescales
- Agreed & written down
- Reviewed regularly

As a minimum maintain  
the lifestyle I want under  
any circumstances  
however long I live

# Lifestyle planning

- Define it
- Cost it
- Fund it
- Transfer surplus
- Manage risk
- Be tax efficient

# Assumptions

- Inflation
- Earnings growth
- Investment returns
- Tax
- Mortality
- Capital conversion

# Real value of money

Assumption	Notional	Real
NAE	4.5%	1.5%
Savings	2%	-1%
Investments	6%	3%
School fees	6.8%	3.8%
House prices	3%	0%

# Assumptions

In principle, simply as a planning assumption.....

If you can't fault the assumptions, it's reasonable to accept the conclusions.....

# Net worth

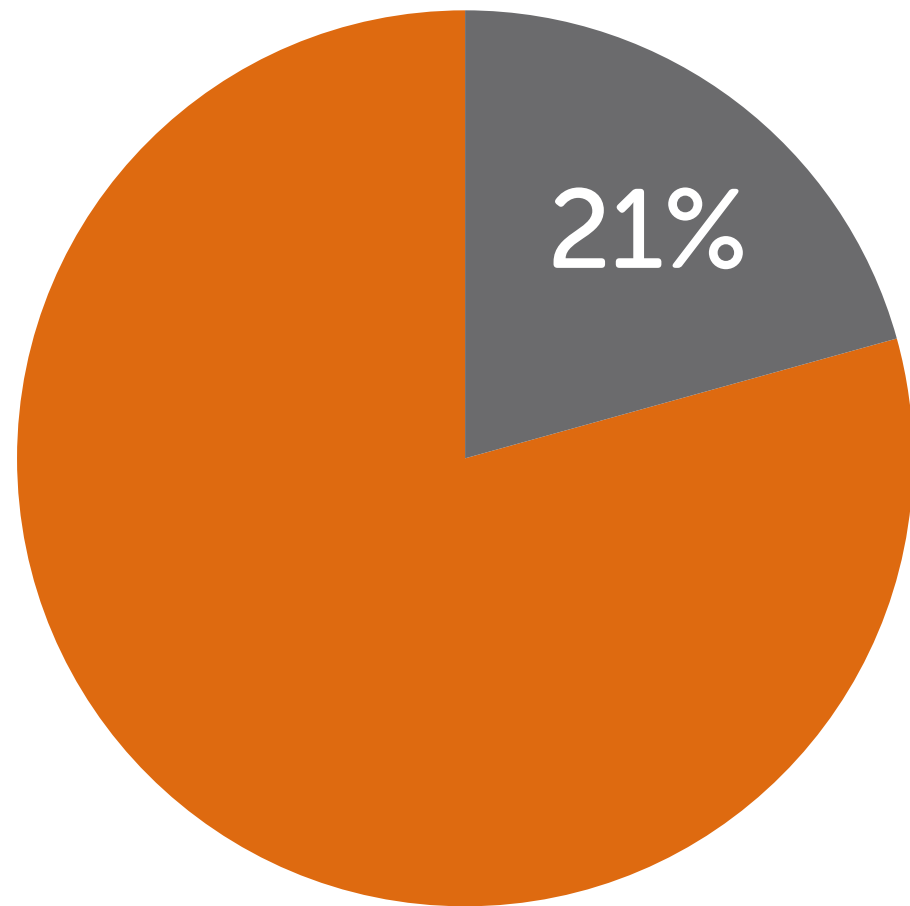
Asset	Value
Property	£500,000
Cash savings	£68,000
Investments	£142,000
Business interests	£250,000
Personal effects	£50,000
Pension funds	£230,000
<b>Total</b>	<b>£1,240,000</b>



# Net worth

Asset	Value
Property	£500,000
Cash savings	£68,000
Investments	£142,000
Business interests	£250,000
Personal effects	£50,000
Pension funds	£230,000
<b>Total</b>	<del>£1,240,000</del> <b>£440,000</b>

# Liquidity ratio



Cash & investments

£210,000

# Budget

Source	Amount per month
<b>Net income</b>	<b>£4,500</b>
Fixed expenses	£2,000
Variable expenses	£1,500
<b>Total expenses</b>	<b>£3,500</b>
<b>Disposable income</b>	<b>£1,000</b>
<b>Spendable income</b>	<b>?????</b>

# Show client.....

- If on target
- What return is needed?
- How much more ..... is needed?
- When (or if) they can stop work
- How much they can give away
- Capacity & tolerance for loss

Making sure you don't run  
out of money!

Making sure your money  
doesn't die before you!

# Multiple scenarios

- If all goes to plan
- Market simulation
- Someone dies
- Serious illness
- Retire early
- Sell business
- School fees planning

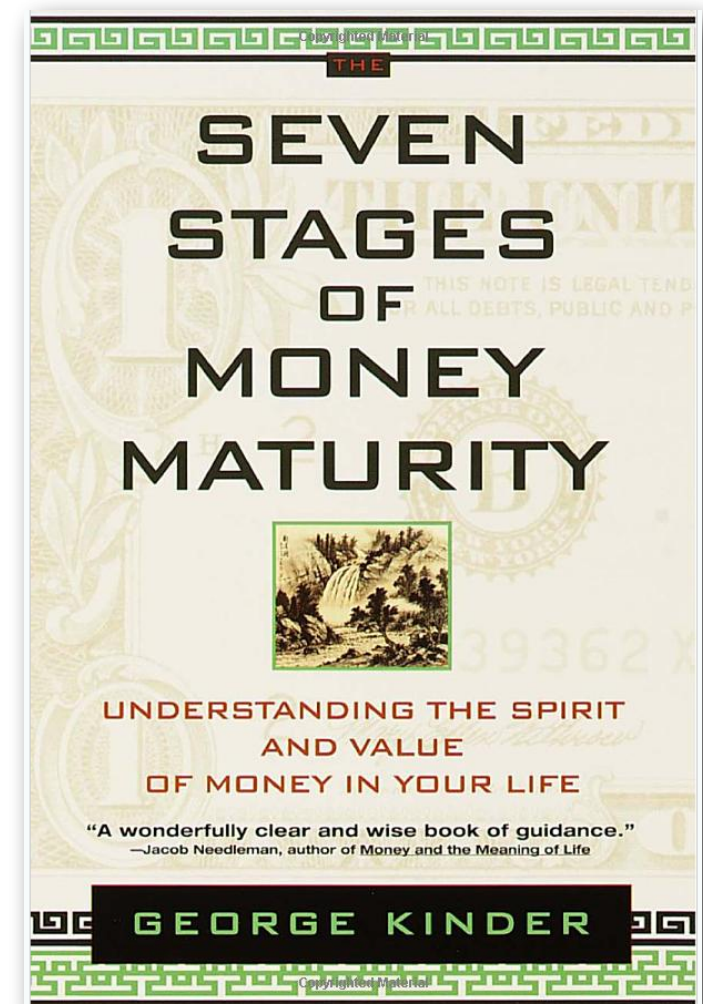
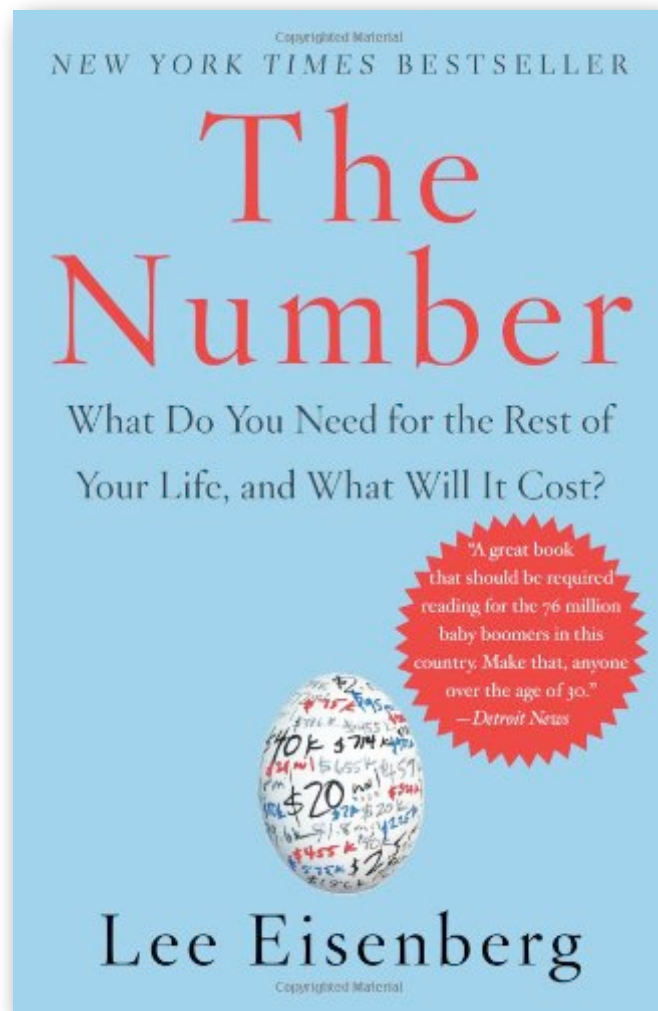
# Benefits

- Better client relationships
- In control
- Greater fee income
- Generational planning
- No market moans!\*

\*Not guaranteed. Terms & conditions apply etc.



# A good read



**DEMO TIME**