

The Financial Planning Process



The Financial Planning process is a continuous activity that occurs throughout your life. A Financial Plan will provide you with the foundation for your lifestyle decisions, assist in determining how and where to allocate your cashflow and help the prioritize the goals and dreams you have for your life.

The **first** step in this process is ‘Gathering Relevant Data’.

You play the biggest part in this information gathering step to ensure all of your current financial data is captured. The better and more clear information you provide to your Financial Planner, the better and more accurate your Financial Plan will be. This is a very important step so be sure to allocate time to pull together all of your financial information for the Planner. The key part of this step is stating your Dreams and Goals – why are you working so hard? What are your near-term, medium-term and long-term life goals for yourself and family? Be sure to explain yourself well and don’t hold back since, although some Dreams may seem unattainable, stating them at least gets them on the table.

The **second** step of ‘Prepare and Present Initial Recommendations’ is initiated by the Financial Planner where they take the information provided, your dream and goals and pull it together into a written plan document. This plan should provide time-lines, amounts and establish the priority of items addressed. You will participate in the plan presentation.

The **third** step of 'Confirming Planning Objectives' is your opportunity to ensure all data gathered was correct and review the recommendations. By this time, you should have a good idea of what the outcome will be for the various goals and dreams you have articulated. The planning document is your roadmap so take the time to read it and ask questions!

The **fourth** step of 'Fine-Tune Recommendations and Implementation' is so important. This will provide you with a time frame for each goal, amounts to allocate where and should make things much clearer for how you are going to achieve your life goals and dreams. The implementation may be provided by your planner if they are licensed to sell product such as investments and insurance. The value of working with a planner who is able to assist with the implementation is such a key part of your plan. They will know what to offer to ensure your goals are addressed.

The **fifth** step of 'Review, Services and Update as Needed' comes later. This is after you have started implementing the plan recommendations. Continuous review and evaluation are needed since life happens! Your life changes and as such your plan should evolve with you. Be sure to stay in touch with your planner if you have any significant life changes and they should also initiate regular touch points to help you stay on track.

And now you are back to step **one**, update data and revisit the plan goals. This is a much easier process after the first cycle but still very important.

To explore having a Financial Plan prepared for you or have your existing plan updated, reach out to Debbie at debbie@mcwealthmanagement.ca.

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This article was prepared by Deborah McCulloch who is a mutual fund representative with Investia Financial Services Inc. This is not an official publication of Investia Financial Services Inc. The views (including any recommendations) expressed in this article are those of the author alone, and are not necessary those of Investia Financial Services Inc.