



# Making It All Happen: Week 6

## Putting Your Plan to Work

*“There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.” John F. Kennedy*

In this exercise you’re going to pull all the pieces of your plan together and make it happen in a way that is really going to work for you. Before you get started, take a glance over your shoulder at what you’ve done so far ...

At the start of your campaign to get financially fit you looked within and identified your own reasons for going to all this time and effort.

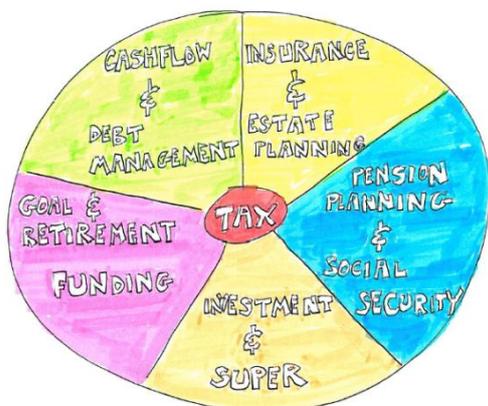
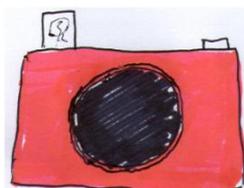


### YOUR SIGNIFICANT GOALS

	NAME	_____
	DATE BY	_____
	MONEY REWD	_____
	THINK & FEEL	_____
	NAME	_____
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	THINK & FEEL	_____

Having clarified what’s important to you, you identified your most worthwhile goals and reflected on what it’s going to feel like when you accomplish them.

You've taken a snapshot of your financial situation to get an even better perspective of where you are today, compared with where you want to be.



You then considered the building blocks of financial fitness and mapped out ideal outcomes for each area, prioritizing those that needed the most attention to get you physically fit.

Now that you're here, think about the outcomes you want and the life you could have, if you follow through and do the work that's necessary to become financially fit ...



How's it going to feel to know that you're living within your means and accumulating savings every time you receive money? That you're paying the lowest interest appropriately available and have a sensible schedule for clearing all debt, with a higher priority on non-tax deductible debt?



What will it be like to have considered and costed your goals and actually be on track for funding them? That the cost of your retirement has been analysed and you are on track for funding it too?



Your investment assets will be 'lean, fast and muscular'. How will it feel to no longer wonder whether you have the right investments and superannuation? That you're only taking 'the risks worth taking', and you no longer need to pay any attention to the latest 'media dump' about what's hot or what's collapsed.



You'll be able to rest easy because you're receiving all the entitlements the social security system has to offer you, and your pension is as tax effective as possible.



What sort of peace of mind will you have to know that you have considered every sort of insurance that exists and determined whether you should own the policies you have at all, and that they're the best cost/benefit for you to own, tax effectively, and without being suckered into paying commissions to middlemen for doing nothing?



How reassuring will it be to know that you're set up to minimize the tax you have to pay and continue to protect and build the assets that will look after you someday and there are no lurking tax bills?

Feels pretty good, doesn't it? This is what financial fitness is all about! Essentially you're controlling what's within your control, plus you're well informed about situations and events beyond your control and how they might impact on you your future.

- You're clear on what's important and what's merely a distraction. You have **clarity**.
- You're focused on goals that are worthwhile and meaningful to you. You have **direction**.
- You're following through and can see your progress. You have **confidence**.

What do you think? A 'highest probability' approach to making your plans a reality?

### **Do it yourself or get some help?**

Mistakes cost you time and money, so ideally you'd like to do this right first time. For this to happen you might like to ponder whether you have enough knowledge, enough time and the ability to hold yourself accountable to do it yourself, or whether it is going to make sense to enlist the support of others to fill in those gaps and keep you accountable. It comes down to "the two T's": trust and time.

Do you really **want** to do all this yourself? Or do you think you have no other choice because you simply don't know where to turn and suspect there's no one out there you can trust? Answer this question carefully because the wrong answer is going to send you down a complete dead end.

**Consider this:** your quality of life is directly related to how much of it you spend in activities that are aligned with your deeply held values. If your time is spent on activities and things that relate to what really moves you then you are going to feel fulfilled and satisfied much of the time. Conversely if you

spend your time caught up in things that don't really matter to you then you can look forward to regrets about a wasted life.

Answer this question: which hour is more valuable to you – the one you have just spent, or the last one you have on the planet? What would a gift of time be worth, in that last hour? How would you spend that gift?

Let me tell you, you don't have as much time as you think! The reality is that there are only 168 hours in the week, for all of us. We spend maybe 50 to 60 of them sleeping, 40 to 50 of them working, and perhaps another 20 of them eating, washing, dressing, driving the car, and so on. The 40 to 60 hours you have left determine the quality of your life. It's your choice how you spend those 50-odd hours.

Once you spend 'em, you don't get 'em back. So the more of them you spend in fulfilling activities, the happier you'll be.

*"Life is what happens to you while you're making other plans." John Lennon*

Pull out your completed values chain. Does 'financial guru' appear anywhere in there? If not, then you're most likely contemplating doing it yourself because you don't really think there's any other option.

On the other hand, if it does appear there in your values chain and you sincerely want to go it solo because you would enjoy it and you have the time, then this might be a good decision for you because it would seem you're going to find fulfillment from doing it yourself.

Honestly, I'm not kidding. The cost of stuffing up your financial life is a crippling one that you'll have to bear for the rest of your life. And becoming a burden to your kids in your twilight years categorically sucks.

While managing your affairs yourself is a perfectly legitimate option available to you, doing it yourself when you're unqualified is not a smart decision and it's very likely to end in tears.

So if, having considered your values and having thought about what gives you satisfaction during your daylight hours, you genuinely want to manage your affairs yourself ... then no one ought to dissuade you from that. Just about anyone of average intelligence can do this work – certainly if I can, you can.

Sure, it's going to take you some time, probably a handful of years to be suitably qualified. Get the quals before you do it to yourself. In the meantime, stockpile all your cash and don't dare pull the trigger on it until you're qualified.

Take the exercises you've completed and keep them handy and visible. You may now close this book and get started. You need all the time you can find. Best of British.

### **Still here?**

If you're still here, then presumably in your heart-of-hearts, you would prefer to live the sort of life described in your value chain but you feel trapped and believe you have to do this yourself because you can't trust anyone to do it better than you. Right, let's have a chat ...

There is a bottomless well of facts and opinions about money – there simply aren't enough lifetimes to absorb all the information that exists about the subject. Distractions, dead ends, projects that 'keep you busy' but never really fill that void of meaninglessness. The biggest risks you face are:

- a) never actually getting started because the information available on the subject of managing money comes from a bottomless well,
- b) Trying to do it all yourself and simply making a right, royal mess of it.

If this sounds like you then you need to hear me: Sinatra's song "I did it my way" is **not** a song about the achievement of a self-made man basking in the satisfaction of a job done well. It's the story of a man who insisted on doing it all himself and in the end lost everything. All he had left at the end was: "at least I did it my way". Ugh.

I can't tell you how much the quality of my life improved when I stopped doing my own financial planning. Yes, me! A 'do-it-yourself-er' at heart, I'm well credentialed and very experienced to boot – this is an activity that I am well qualified to do myself. However, the quality of my life has leapt off the charts since I devoted my time to the things that are going to support my values.

### **Do professional athletes need a coach?**

Professional athletes are experts, by definition. They are sufficiently skilled, experienced and qualified to be coaches in their own right. They already have enough experience and technical smarts to know what to do. Why, then, do they fork out large chunks of their income to build a team around them?

Because they're committed. They're not interested in distractions, they're focused on results.

Whether you're a professional athlete or not, having a reliable coach you can trust keeps you accountable for your results and focused on the work necessary to achieve your goals. They watch your progress and keep you on track.

Realise, though, that even the best coach in the world is no value to you if you're not committed to your goals, for those reasons you said in your values chain that were important to you. The question is, then: how committed are you?

*"Nobody wants to die but everyone wants to get to heaven." Vince Lombardi*

Let's have a heart-to heart, you and I ...

Joining a gym doesn't get you fit. It's doing the **work** in the gym, consistently, that gets you fit. The same is true when it comes to getting fit financially. It's about **doing**.

Rubber? Meet the road.

Fail to follow-through, thoroughly and consistently, and you're going to get nowhere. It lives and dies right here, my friend.

Pull out your completed goals worksheet. What did you write in response to the question "what are two or three words that describe what you're thinking and feeling now that you're there?". Don't skip this. Pause reading and reflect on those ideal outcomes you've identified that you want to

create for yourself. What are the feelings you've having as you go wander through a future that's sitting there waiting for you to grasp it?

Ok. Enough. Time to make a commitment. Not to me, but to yourself.

You've done it before. Remember? Think back to that time when you decided you wanted to accomplish something and you did.

Was it when you made the decision to get your first car? Was it when you decided you wanted to get really good at mastering a specific skill or being really good at a particular sport? Did you lose weight? Go on that backpacking holiday?

Whatever it was, what happened was that you **simply decided** you were going to do it, then you **committed** to making it a reality. You worked out what had to be done, researched it and got whatever advice you needed, and then actually followed through till you got there.

Time to make it happen again for you.

Today – and I mean right now, within the next 15 minutes – you're going to phone someone and ask them to do something for you. You're going to ask them to hold you accountable to doing the work necessary to achieve what's on your goals worksheet, so that you can experience what life would be like as described on your values chain. This is the person who agrees to – and you give permission to -- hold you accountable for your results.

"Isn't there another way?"

Why? Anxious? Good. That feeling means this is very real for you. You're serious. That means **you're ready**. Be reassured, your anxiety is a natural reaction to the idea of putting yourself 'out there'. But you're going to do it anyway because there is no other way that has a higher likelihood of getting you there.

So who are you going to call? The answer is two people you know plus one you don't know, and here's how ...

Make a list of people you know who, in your opinion, have at least the following qualities:

- You **trust** them. This thing doesn't work without it.
- They can be **honest** with you. There are going to be times when they need to tell you something they know you don't want to hear. Are they brave enough to tell it like it is?
- They are **reliable**. Can you rely on them to not accept anything less than what you're capable of? Their role is to not accept excuses from you.
- They **agree** to do it. This isn't a trivial commitment so is their life in turmoil or are they clear enough to help you?

Consider candidates who are friends, family, and work colleagues. Pay close attention to people you look up to, or people whose accomplishments you admire. As you make your list think about their track record. Ever heard the saying 'a naked man can't give you the shirt off his back?'. Scratch off anyone who has demonstrated to you in the past that they are likely to take the path of least resistance or who has a fear of accountability themselves. This should be fairly simple – consider what they have achieved in their life and make a decision.

Keep going till you whittle the list down to two. Your two best prospects. Just two. That's all.

The third candidate to include on your list is a professional coach. Sure, they are going to cost money; you can decide whether the money they would charge is worth it or not later. Where can you find this person? Understand firstly that they mightn't call themselves a professional coach, but sure enough that's the role that you have for them.

This person might be your lawyer, your financial adviser, your accountant, your insurance agent. If you don't have one who meets the criteria above then go to the following websites and pick someone. Likewise, if you don't have two candidates from the pool of people you know, then pick three from the below.

- 1) [www.ifaaa.com.au](http://www.ifaaa.com.au) These are financial advisers who satisfy the 'Gold Standard of Independence'. They're a good bet to be honest and reliable, and worthy of trust. There aren't many of them in Australia so these folks tend to deal with their clients over the phone or online.
- 2) [www.charteredaccountants.com.au](http://www.charteredaccountants.com.au). These accountants are generally regarded as the elite of the accounting profession. If you prefer someone you can eyeball then you'll probably find someone local here who has a high likelihood of being technically gifted, impartial and ethical. Most of them are incapable of b-s, which is vital to you.
- 3) [www.cpaaustralia.com.au](http://www.cpaaustralia.com.au). These accountants are also in public practice and have a strong code of ethics and a culture of professionalism behind them. They're usually structured to be impartial in the advice they give too.
- 4) [www.fpa.asn.au](http://www.fpa.asn.au). A good financial planner can be worth their weight but you need to be very certain they are independent and don't charge in a way that's linked to a transaction or some sort of incentive like a commission or asset-based fee. The good ones are sharp shooters who will tell it like it is.

## The call

Ok, it's time. You now have three candidates and it's time to interview them. Phone them up right away and set up the interview. Here's what you say ...

### The ones you know:

*"<name>, I've been thinking about getting financially fit and I need someone I can trust to keep me accountable to some financial goals I've set. I thought of you but it's not a trivial job. Are you able to sit down with me and go through what I'm planning and decide whether you think you could be involved?" <if the answer is yes, then set a time to meet>*

### The one you don't know:

*"<name>, I've been thinking about getting financially fit and I need someone I can trust to keep me accountable to some financial goals I've set. What's your process?" <They should have one so if it sounds reasonable, set a time to meet>*

Make that call **now**, then come back here to complete your last exercise. If you have to leave a message for the professional then so be it, but make the call before you read on.

## The interview

The purpose of interviewing these three candidates is to establish which coach is going to give you the highest probability of you achieving your goals. Remember: accomplishing these goals is evidence you are making smart choices with your money and are living a life aligned with what's most important to you. That's worth doing!

### The ones you know:

These two people are, amongst all the people you know, the most likely to be (1) no stranger to high achievement who (2) understand the concept of accountability and are (3) trustworthy, (4) honest and (5) reliable in the ways described above. For these folks, all that's left is to determine whether they fully appreciate the seriousness of what you're asking them to do, and see if they're prepared to hold you accountable for your results.

In the 'interview' go through with them what you've been doing in the interests of becoming financially fit, and explain to them that the purpose for their involvement is to give you the highest probability to make your goals happen. All you're looking for is whether they're prepared to do it. Any feedback to the contrary counts as a 'no'; this includes attempts on their part to talk you out of it or to convince you to follow some other method. Thank you, no thanks.

### The one you don't know:

Your first task is to satisfy yourself that this professional coach has the five qualities above. The second task is to establish whether the money they want to charge is value for money. Of course they are going to cost money but don't get too hung up on that – your objective isn't to save pennies, it's to achieve your goals.

*Wisdom outweighs any wealth. Sophocles*

Because they're a professional you're entitled to expect more than what an amateur can deliver. Much more ...

- **Transparent.** Whether they are a lawyer, accountant or financial person, their charges are linked to a service that is specific and itemized. It should be clear when you are going to receive each deliverable they provide, and to what standard.
- **Independent.** Their fees aren't dependent in any way on you buying anything. There are no commissions, no asset fees or kickbacks, and no incentives to them of any kind. They get paid for delivering their process and nothing further.
- **Not locked in.** If they don't perform you should be able to exit the agreement. You shouldn't be made to continue a service that's not working for you.
- **All the bases covered.** If your coach is a friend then you're going to do all the nuts and bolts of implementing your financial strategy yourself – they're just there to provide accountability. When you work with a professional, though, not only should they be holding you accountable but they should also be providing all the additional services you need in each area of financial fitness. Basically they should be set up to coach you through the financial fitness process as well as project manage the other experts you need to reach the outcomes your goals require.

## The process

The first block of work you need to do with your coach is to develop your comprehensive, step by step plan of action detailing what needs to be done in each of these six areas to get you financially fit

and keep you there. It needs to be a checklist of what needs to be done, by whom, when, and what it should cost.

Next you and your coach need to put together a program that keeps you and any necessary experts accountable to doing the things on that list. You'll need to project manage the experts and your coach will need to hold you accountable to that.

This program should have review points periodically scheduled into your diary to track performance, measure your progress towards your goals, and make any adjustments to the plan based on the situation at the time. Nothing in life stays the same for long so it's likely you're going to need to update or amend your strategy because of changes to your situation, your goals, or world events beyond your control. Include that in your program and make sure new action items flowing from these changes to your plan are in the diary.

It's a lot of work so if you choose a trusted professional then have them show you just how they deliver these six outcomes.

Would you like to hear how we did it? Happy to share that with you ... Here's what we did ...

We approached experts in each of the six areas financial fitness and asked them what an Australian resident individual taxpayer would need to do in order to achieve the ideal outcome of that particular area. We wrote down everything they told us and put them into a prioritized checklist. Over time the checklist has developed with experience and been refined. As it turns out there are actually 154 individual things that Australians need to do, minimum, every year, to become and stay fit, financially.

Some apply to you today, others don't. But they **all** need to be individually considered and ticked off. It's only by ticking them all off that you can declare your financial house is in order, that you're financially fit. Staying fit simply means updating the checklist to account for changes in the laws, economy and so on, and then cycling through the checklist each year, ticking each checkpoint off.

Staying financially fit gives you the highest probability of accomplishing your goals so that you are living a life aligned with what's most important to you.

Time to hand the reins over to you. You have all the information you need now to produce the results you said you wanted. It now comes down to you. I won't wish you good luck because luck really doesn't have much to do with this. It comes down to a simple decision to do it and the commitment to follow through on your decision. For the most important reasons in the world ... to you.

Here's to that.

*Destiny is no matter of chance.  
It is a matter of choice.  
It is not a thing to be waited for,  
It is a thing to be achieved.  
- William Jennings Bryan*