

FINANCIAL PLANNER'S SUCCESS STORIES

I'm sure you might have heard of the myth that only the rich or high net worth individuals (HNWIs) require the services of a financial planner to manage their finances. A common misconception is that the charges are quite high and not everyone can afford them.

But this is definitely not true. In most cases, the financial planner will provide their services for free.

Then there's also the myth that for those who are struggling to make ends meet, it will be pointless to seek the help of a financial planner. Or the financial planner won't even see them.

Again, this is not true as well!

The reason most of us are in trouble is because we might not know the tips and tricks on how to improve our finances. How to reduce our expenses and increase our income, how much to save every month, how much to invest and where to invest, how much we need when we retire, etc.

But once we overcome the fear of meeting a financial planner, then we will see their true value. A person who takes the time to understand us, is a good listener, and is a person who gives advice without bias and in time – might even be

our best friend.

Here are a few success stories from clients of our esteemed financial planners. From the moment they first meet to the problems the clients are facing, they tackle the challenges they have all through the transformation process and outcome of having a financial planner dispensing precious advice.

They are from all walks of life; we can definitely relate to their stories.

But then again, a financial planner can only advise and recommend so much. It is then up to us to follow it, no matter how painful it might be.

To the financial planners, I'm sure that true happiness comes in the form of seeing your client's financials improve tremendously. The joy of seeing them being able to retire comfortably.

So go on ahead and help many more out there who are in dire need. Keep on educating and make yourself a shining example for everyone to follow.



LICENSED FINANCIAL PLANNER: SAIDAH ASILAH
 COMPANY: WEALTH VANTAGE SDN BHD.



3 VALUES OF FINANCIAL PLANNING: HERE'S WHY YOU NEED TO START EARLY

“It is not about how much income you make, but how well you manage your income”.

Anwar reached out to me in 2018 as he needed help with his personal finances. As the only son in his family, he was the executor of his late father’s inheritance. His father passed away many years ago due to cancer, and he remembered clearly the financial drain from cancer treatment.



Anwar

34-year-old Anwar is a lecturer at one of Malaysia’s largest universities. His wife is a housewife taking care of their two children, aged 7 and 4.

“Although my father’s death hit us badly, we were

thankful that he did not leave us with massive medical bills. This is because our prudent father had a healthy emergency fund,” shared Anwar.

Being the main breadwinner of his own growing family, he needed to prepare for such emergencies. Just like his father, he wanted to ensure that his wife and children are well-provided for in case anything happened to him.

Anwar’s father was a banker and had taught his children about saving money. Anwar also has a keen interest in personal finance and investment, and had read books and attended a Do-It-Yourself (DIY) course from a financial guru.

However, he found that the

“I want my wife and two children to be well-provided for in case anything happens to me.”

information was too overwhelming and didn’t know where to start with regards to his own personal finances. Having been approached by unit trust and insurance agents, he was wary as he recalled, “They were more interested in pushing their products

for commission rather than to put a roadmap and direction for me to achieve my financial goals”.

The 3 Values Of A Full Financial Planning

1 AN EXPRESSION OF LOVE

Anwar and his wife know how dire their financial situation will be if Anwar passes away prematurely. People tend to forget verbal reminders easily. But if it is written in the form of a will, wishes, hopes and dreams; it helps tremendously. Furthermore, the engagement allows him to translate his expression of love, his long-term and short-term goals into actions, and not just a wish.

During our discussion, one of Anwar's goals is to support his wife's pastry business once his financial situation has improved. After the third year of our advisory engagement, Anwar manages to make his wife's goal into a reality. (You can check it out on Instagram Profile @Pastreen; it's really delicious)

2 ALIGNING STRATEGY WITH FINANCIAL GOALS

We provided insights to help him map out the strategies to reduce the Debt-to-Service Ratio (DSR), ideal asset allocations for his financial resources and guidance on financial products he should consider getting with the time horizon he needed in order to achieve his financial goals.

Since he was willing to start early, he will have more options and opportunities to optimise his wealth.

As his financial planner, my role is to guide him

“With a holistic financial plan, we can see how extra commitments will affect other financial goals. It helps to adjust our actions, weighing the pros and cons before deciding.”

with the options available so that he can take ownership in his financial planning by making an informed decision. Anwar now understands the importance of building a healthy cashflow, and how to lead his ideal life within his means.

3 FINANCIAL NEEDS AND WANTS

A common situation is the relationship between savings for building cash reserves and other goals in life such as buying an asset. Many are unsure if they are over-committing one financial goal at the expense of another.



With a holistic financial plan, we can see how extra commitments will affect other financial goals. It helps to adjust our actions, weighing the pros and cons before deciding. Most importantly, it is a tool to effectively communicate your financial situations and life goals.

CONCLUSION

Anwar is a real-life story of “It is not about how much income you make, but how well you manage your income”. Without a roadmap and direction, we might spend unnecessarily and make poor financial decisions. Financial mistakes are painful. Similar to inflation, financial goals and financial freedom are a challenge to understand and to manage, because it is intangible. Only after acknowledging what an ideal life is, you can move on to support your goals in life. ^{SI}



Saidah Asilah started her career as a graduate trainee with Securities Commission Malaysia. Then, with a deep interest in investments, she furthered her studies in MSc in International Business and Emerging Markets, graduating in 2013 from The University of Edinburgh, UK. She is a Licensed Financial Planner, CFP Professional & IFP Certificant and describes herself as a multi-talented adventurer with a positive impact to whomever she meets. She can be contacted at saidah@wealthvantage.com.my

LICENSED FINANCIAL PLANNER: STANLEY HON
COMPANY: FA ADVISORY SDN BHD.

FINANCIAL PLANNING

IS NOT ONLY ABOUT HAVING INSURANCE

“Losing your loved one is tough, but having a financial planner in your life does help”

I have a client named Monica, who is a 52-year old widow. She came from a poor family and didn't know anything about finance or money management when she was growing up. She has been working hard with her late husband Andy, in the trading business for the past 20 years and they managed to grow their assets along the way.

They initially thought that buying a simple life insurance is all there is to financial planning. That was until I met her in 2013.

At that time, she was skeptical and delayed our meeting because she thought I was just another salesman coming over to sell financial products. She did not believe in investment and financial planning. Instead, she believed that holding cash is the right thing to do.

After spending many hours meeting and patiently listening to their financial concerns, I was then able to understand and identify their life and financial goals. I've showed them the financial pitfalls they were facing and helped them visualise their cashflow and net worth at the time. This was while being able to identify the financial gap and estate planning concerns in many different scenarios.

After a careful review, I restructured their existing insurance portfolio and managed to increase her late husband's

"Using the resource liquidation strategy, we are able to avoid estate shrinkage and potential resource

insurance coverage substantially from what they had based on their limited cashflow. They were impressed by my integrity and process-oriented independent review, and ability to access many different types of financial products in the market.


I also advised them to set up a complete testamentary trust in their will for resource preservation. Using the resource liquidation strategy, they were able to avoid estate shrinkage and potential resource squandering by anybody who is not good at financial management. This makes the estate execution process very efficient.

Sadly, Andy was diagnosed with terminal cancer in 2017 and passed away a year later. I then helped them with a timely and efficient claims process. They were able to sail through the difficult period smoothly.

I even made it a priority to visit Andy almost every week at the hospital, accompanying Monica as he took his last breath. I was able to help Monica claim the insurance payout within a short period of time, as some of the big insurance policies were bought before the diagnosis date.

With the insurance payouts, she managed to pay off the mortgages and ensure her children's tertiary education were fully funded. I suggested to use the resource optimisation strategy on a conservative money management. She was holding a well-diversified investment portfolio and received timely fixed payments to cover her living expenses. I also updated her regularly on the market's movement.

Not only that, I was also happy to share with her children to give them solid financial knowledge. Now that all her children have graduated and are back helping run the business, I also provided Monica's children with tips on business resource optimisation strategy to weather the pandemic. It has helped them tremendously.

Monica shares: "I am comfortable knowing that we have a financial peace of mind under Stanley's good hands. We are very much on track to achieve our family's financial goals." 



Stanley Hon is a Practice Group Director at FA Advisory Sdn Bhd. He is a Licensed Financial Adviser, MDRT & Speaker, as well as a Will & Trust Specialist.

LICENSED FINANCIAL PLANNER: PAULINE TEOH
 COMPANY: FA ADVISORY SDN BHD.

IT IS A TOUGH JOB TAKING CARE OF YOUR FAMILY, LET A FINANCIAL PLANNER TAKE CARE OF YOUR FINANCES

“A financial planner puts your interest first and lets you know the best way to manage your finances even if it means not getting anything out of the recommendation.”

Mr. A and his wife are both accountants. They have two children, and one of them is a child with special needs. They had always known the importance of getting their family's financial planning done, but never quite came around to it due to their busy schedule.

It was when I got to know them a little bit more and they were very interested in finding out how to achieve their goals and how I could help them to achieve it. After taking the time to understand them, I was able to assess where they are now and what actions were needed in order to achieve their goals. Next, I helped them to come up with their financial plan.

I'm happy that they were delighted in engaging my service. They told me that it was actually a tedious process to get the plan done. It requires perseverance and needed some guidance to go through each of the steps. I was able to guide them through it and gave my options and suggestions as they went about their financial planning journey.

Once we have completed the financial plan, they now were aware of their financial standing, and what their spending was like. When they first saw their cashflow, they were surprised that they have been running on a deficit. I then helped them identify the key areas which could be improved.

Through financial planning, I also realised that some of their insurance plans did not match their family's needs. I helped them to streamline and optimise their current policies to meet their objectives. With this, they were able to save a substantial amount of money on insurance premiums alone.

I also helped them with their estate planning, to which they already had their Wills and Trust drawn up. After reviewing it, I realized that there were many areas that were left hanging and no longer matched their needs. I highlighted to them on the areas which was not considered before and we proceeded to restructure their Will and Trust.


This was especially true for their special needs child. This area has always

"I always put my client's best interest first and let them know the best way to manage their finances ."

been a major concern for them as they wanted to ensure that both their children would be taken care of, in the event something happening to them.

I always put my client's best interest first and lets them know the best way to manage their finances even if it means not getting anything out of the recommendation. I always act professionally in my line of work.

The best thing about getting Mr. A's family's financial planning in order is that, he and his wife are clear on what their needs are and how much they need to save to achieve their goals. They no longer need to second guess like they previously did.

After going through this process, they now understand the importance of having a financial plan. This is especially true if you have a family to take care of, or if you are unsure whether you are saving enough for the future. 



Pauline Teoh loves to coach busy professionals to achieve their financial independence. She is a Licensed Financial Planner, Childpreneur Coach and is an expert in Risk Management, Investment Planning and Estate Planning.

LICENSED FINANCIAL PLANNER: NICHOLAS WONG
COMPANY: IPPFA SDN BHD

WHY CONSULTING A FINANCIAL PLANNER CAN BE BENEFICIAL TO YOU

“When half of your income is being used to pay debts, it is time for you to get some help”



achieving their financial goals through the financial planning process and my areas of specialty which were in insurance and investment planning.

He had a large amount of debt (more than RM100,000) from personal loans, credit cards and car loan. This debt was a result of impulse buying, sports betting and large purchases.

The interest rates for the personal loan and credit cards were about 12-18% per annum. He was lost and needed a way to get out of his debt situation.

I then did an analysis of his financial situation. His monthly income was about RM9,000, and roughly RM4,000 was going towards debt servicing for his loans. I knew that he first had to reduce the interest amounts he was paying and recommended that he restructure his loans and consolidate it to a lower interest rate.

Using a personal loan with a much more favorable rate, he was able to lower the amount of interest he had to pay to nearly 6% per annum. It went down from RM4,000 to RM2,000 monthly. We were able to

do this because he had a consistent stream of income from his job with the government body.

I focused on helping Mr. Lee to resolve his main priority which was debt cancellation before moving on to other areas such as income protection via insurance, and investments to grow his wealth. Through my advice, Mr. Lee now had clarity on what steps he needed to take and was now able to see the light at the end of the tunnel.

He had a basic insurance plan covering medical and critical illness. Soon, Mr. Lee shared that he had a job opportunity abroad in Europe in the sports industry. He has the skills and experiences to increase his income level and it would enable him to pay off his debts faster.

Two years later, Mr. Lee is now back in Malaysia. He is now debt-free and is looking to start his own business start-up in the sports industry with his savings. I believe he will do well with his networking skills, experience and drive in this industry.

We got in touch again, and I will be working with him on his future plans in the areas of investment and insurance planning. I will be advising him on how to allocate his income for investment and retirement planning in the near future once he generates cashflow from his business. **SI**

Mr. Lee (not his real name) is in his 30s and is working in the sports industry, with a government body looking to develop one of our national sports. We both happen to work out at the same gym, and that's how we met. Knowing that I was from the financial planning industry, Mr. Lee approached me to get some advice on his personal finances.

We then met at a nearby cafe one day and I shared with him the scope of my work as a financial planner. I explained how I advised my clients on



Nicholas Wong is from IPPFA Sdn Bhd.

LICENSED FINANCIAL PLANNER: OCEAN PON
COMPANY: FINWEALTH MANAGEMENT SDN BHD.

GETTING FINANCIALLY ORGANISED

IS YOUR FIRST STEP TOWARDS A BETTER FINANCIAL FUTURE

“It is not impossible to overcome a cashflow deficit with holistic financial planning.”

This is a story about Andy and Amy (not their real names). Andy is an enthusiastic entrepreneur with a reputable position in his industry. A successful man and earning a good income, however, his expenses were high as well. After marrying Amy, he became stressed with his finances, which worsened with the birth of their first child.

The pressure of the monthly deficit of approximately RM2,000 and worrying about the future expenses triggered the couple to engage our services. I was then able to help them through with our holistic financial planning service.

Andy and Amy have different attitudes towards managing their personal finances. Andy is a very positive person who anticipates that good things will happen in life as long as he strives for it. “Tell me what I need to do and I’ll make it happen!” is his favourite motto. He applied this attitude to his finances, which often resulted in him committing to things he cannot afford today, but with the conviction that he will be able to grow his income and pay for it in the future.

Amy is almost the polar opposite when it comes to money. She’s cautious and prefers to plan ahead and be prepared for the worst situation. Indeed,

the desire for a more secure future was amplified after having a child.

A clear visual reality of their current family’s financial situation was provided to them through our holistic financial planning process. The hard facts and numbers seemed ruthless but it showed them the gap between their goals (purchasing a bigger home, tertiary education funding, retirement security, etc.) and their available resources. In addition to the risk of not being able to achieve their desired goals, as a single income family with a child, there were other potential risks that needed to be addressed, such as Andy’s insufficient insurance coverage for the family’s income needs (should something untoward happen to him) and the lack of estate planning tools in place to safeguard his family.

We helped Andy and Amy tidy up their cashflow, focusing on their expenses as there were many loopholes and excesses that could be avoided or minimised with good budgeting. For example, we noticed the huge amount spent on dining out and impulse purchases. During the financial planning process, there were some unavoidable differences of opinions between the couple, but fortunately we were able to help them manage their expectations

and bring them to work together towards their common goals.

The role of a financial planner is unique. We not only provide clients with relevant and timely financial advice, but we also take on the responsibility of educating them to cultivate good financial habits. In this case, tracking their monthly family budget and inculcating a habit of saving before spending were their immediate priorities.

Trust me when I say that financial planning is a long journey. We help clients understand their current financial situation and plan for their financial future. But as circumstances change over the years, we also need to accompany them as they make major financial decisions in their life, and keep them updated on the latest happenings along the way.

Although Andy and Amy are still striving to be more financially stable after their first year of engagement with our service, their progress have been remarkable as their finances are now more organised. They were able to address their immediate gaps and started adopting good financial habits. These new habits will help them form a strong and healthy foundation as they work towards their goal of achieving financial freedom. **SI**



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