Sticking to your resolutions

If you keep just one of your New Year’s resolutions this year, says Peter Dunn, make sure it is the one to be more financially efficient

If you keep one New Year’s resolution this year, make it the vow to be more financially efficient. There’s no denying 2009 was tough. Many dental professionals have experienced a difficult market where patients have come off dental plans, lengthened the time between examinations, veered off course with their treatment plans or deferred big-ticket treatments.

In times like these it is tempting to bury our heads in the sand and leave everything as it is, but it is quite the opposite that is required – and that’s action. Don’t put off your spending decisions: now is the time to become really proactive with your personal and practice’s finances.

Questioning your finances

When was the last time you questioned your finances or took a good, hard look at where your money is being spent? Are all your expenses necessary? Are you getting the best value from them? Many people start out with good intentions. They re-search the best life assurance, income protection cover or pensions when they originally take them out, then sit back and hope the decisions and investments they made three, five, 10 – or even 20 years ago will do them proud. But the truth is, as your circumstances change, so should your portfolio.

Take income protection cover as an example. Chances are you took out income protection cover when you were younger, possibly when you first started out in dentistry. You were probably sold it by someone whose advice has changed considerably over the decades. From a commission-based sales job in the 1970s and 1980s, to a specialist consultant with supporting educational credentials; when you seek financial advice from a reputable firm, the experience will not reflect anything like the one you may have had 10 or 20 years ago. In the same way that you would recommend I visit your practice if I had not been to a dentist for more than 12 months, if you have not had a comprehensive review of your financial position for many years, you are missing a piece?

New Year’s resolutions

Each New Year we make decisions to plan aspects of our lives differently. We decide to stop smoking, to cut down our drink-ing, to exercise more, to get a better work-life balance, to spend more time with the family – we plan all sorts of new approaches that we hope will make us feel better, perform more effectively and allow us to enjoy our lives more. I have no doubt that everyone reading this article will relate to the New Year’s resolution scenario I have mentioned but how many of us plan to build the secure financial future we would love to have waiting for us? If you can’t proudly put your hand up at this point, read on and then make some life-changing decisions!

Times have changed

Like many other industries, including dentistry, financial advice has changed considerably over the decades. From a commission-based sales job in the 1970s and 1980s, to a specialist consultant with supporting educational credentials; when you seek financial advice from a reputable firm, the experience will not reflect anything like the one you may have had 10 or 20 years ago. In the same way that you would recommend I visit your practice if I had not been to a dentist for more than 12 months, if you have not had a comprehensive review of your financial position for many years, you are missing a piece?

You perform a 13-point dental health assessment on your patients to check for signs of dental disease and we undertake our 10-point financial health assessment to ascertain the crucial decisions that will drive your financial security. We will help you to identify your vision of the future, without the limitations of any financial constraints, and work back from that desire to plan a solution that seeks to achieve it.

Driving your investments

It is your vision of the future combined with expert financial management that drives the investment process. Using a target-ed risk profiling methodology, an asset allocation model will be designed that reflects your attitude to risk. Then by modelling different scenarios and quantifying their impact, you can be steered towards a decision making process that finds a suitable balance between your appetite for risk and the achievement of your aspirational life.

In the same way that you refer to specialists when the need arises, many reputable financial advisers will work in partnership with globally recognised and respected wealth managers. They are best placed to provide sophisticated portfolio management and related financial services but the overall responsibility and management of your finances will firmly retain the main responsibility of your financial adviser.

Take control in 2010

When you consider the complexity of your financial portfolio, you may find it a bit too much and put off doing something about it. But that would be the wrong approach. For all the resolutions that you make and potentially break each year, make 2010 the year you actually take your finances by the scruff of the neck and do something positive about them.

Even if you begin with a comprehensive analysis of your current situation, which is always the first approach of any good financial adviser, just take that initial step. Think about all the policies you probably have: critical illness cover, life assurance, pensions, savings and investments, loans and mortgages; the list goes on. Get them working for you! Make sure that your financial decisions are informed and focused on an end goal that realises the life goals you most desire. Everything is possible when you combine action with purpose.

Half-hearted plans to do more exercise, drink less alcohol or eat more healthily – they are all well and good, but none of them will help you achieve your long-term aims – goals and aspirations that really matter. Make sure your New Year’s resolution for 2010 really counts – make an appointment with a financial adviser, ask around and see who comes highly recommended. Enjoy the peace of mind that comes with knowing your future is planned, your affairs are in order and your financial success is secure.

About the author

Peter Dunn is director and senior consultant for Heritage Financial Advisers, a team of independent, fee-based financial planning specialists dedicated to the dental sector. Peter has over 20 years experience of working within the dental industry in financial services companies allied to Dental Business Solutions and Practice Plan. In 2001, he relocated to Yorkshire with what is now Heritage Financial Advisers and assumed joint control of the company in 2006. To contact him, call 01655 802727 or email info@hfadvisers.co.uk.