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 cov- er as an example. Chances are you took out the policy all those years ago? Does the policy actually reflect your situation today and even more worryingly, if you have a claim, will they pay out?

New Year’s resolutions

Each New Year we make deci-sions to plan aspects of our lives differently. We decide to stop smoking, to cut down our drink-ing, to exercise more, to get a bet-ter 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 every-one reading this article will relate to the New Year’s resolution scenario I have mentioned but how many of us plan to build a dentist for more than 12 months, if you have not had a compre-hensive review of your finan-cial position for many years, you are risking your financial health and the repercussions can be catastrophic.

You perform a 15-point dental health assessment on your patients to check for signs of dental disease and we undertake our 10-point financial health as-sessment 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 desires position 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 inves-tment process. Using a tar-geted risk profiling methodol-ogy, 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 de-cision making process that will ensure you have a suitable balance between your appetite for risk and the achieve-ment 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 rec-ognised and respected wealth managers. They are best placed to provide sophisticated portfo-lio management and related fi-nancial services but the overall responsibility and management of your finances will firmly re-main the responsibility of your financial adviser.

Take control in 2010

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

About the author

Peter Dunn is director and senior con-sultant for Heritage Financial Advisers, a team of inde-pendent, fee-based financial planning specialists dedi-cated to the dental sector. Peter has over 20 years expe-rience of working within the dental industry and is well connected to financial services companies allied to Dental Business Solutions and Practice Plan. In 2001, he relocated to Newbury with what is now Heritage Financial Advisers and assumed joint control of the company in 2006. To contact him, call 01635 802 277 or email info@hfadvisers.co.uk.