



# Financial Wellbeing - Illusion or Reality?

white paper

Background research & survey conducted by:

t | i | m | e  
partners

Corporate Authorised  
Representative of:



# About the Author

## **Roy McLeod**

CFP® F Fin SSA™

Principal & Wealth Adviser

Authorised Representative of Genesys Wealth Advisers Limited.

Prior to establishing Time Partners, in 1996, Roy held management positions in the professional financial services arena in both Australia and the United Kingdom. Roy's background and experience of over 26 years in financial services places him in a strong position to assist a wide range of clientele across a variety of occupations and professions, including specialist advice in the self-managed superannuation and Family Business Consulting arenas.

Roy is a Certified Financial Planner™; Fellow of the Financial Services Institute of Australasia (Finsia); and an Accredited Specialist in self-managed superannuation funds.

# About Time Partners

Time Partners is a corporate Authorised Representative of Genesys Wealth Advisers Limited, Australian Financial Services Licence no. 232686, ABN 20 060 778 216, Principal member of the FPA.

Genesys has a network of around 370 wealth advisers across Australia. As a group Genesys provide financial services to 100,000 Australians and advise on more than \$10 billion of investments and \$100 million in annual insurance premiums (as at 31 December 2007).

Based out of the Hunter Valley, Time Partners are a vibrant and energetic professional financial services organization that is growing and developing in line with the region.

Awarded "Member Firm of the Year 2006", Time Partners was chosen ahead of the 169 other member firms. This prestigious award recognises that our firm embodies the following core values - integrity, excellence, respect and client focus.

Time Partners has undertaken the background research and survey work that forms the basis of this White Paper.

# Financial Wellbeing - Illusion or Reality?

# Executive Summary

**When do you plan to retire?**

**What provisions have you made for life after work?**

**Do you have a plan for ensuring yours and your family's financial wellbeing?**

These are the questions that Medical Professionals have either avoided answering or just never asked themselves.

Anecdotal evidence drawn from responses to our recently conducted survey indicate that there is a belief among some Medical Professionals that they don't need to plan for retirement, because they can simply continue to work and earn beyond normal retirement age.

Having spent a great number of years studying to get where they are today medical professionals would not expect to have a problem setting and achieving goals. While many are comfortable with where they are and have "achieved their goals", others have not achieved their full potential. To quote *Plautus*, "we only appreciate the comforts of life in their loss".

Our survey indicates that those Medical Professionals, who have planned their financial wellbeing and undertake regular financial health checks with a professional, positioned themselves so that financially, continuing to practice medicine well beyond normal retirement was a choice by vocation not because they needed the money.

All this assumes that the Medical Professional never encounters a life threatening illness or some type of trauma that would seriously impact the ability to earn. How would this affect their family and loved ones and would they still achieve their life goals?

Our survey has shown that the Baby Boomer generation is now edging toward retirement and scaling back on their workloads and an inadequate number of replacement doctors are coming through the system, while those new entrants to the profession are seeking a better work life mix – opting to work fewer hours compared to their older counterparts, and not really interested in the responsibility of owning their own practice. These are issues of concern to the profession as a whole and pose significant questions for those approaching retirement.

One way of ensuring that you can retire when you want – as opposed to when you can – is to have a comprehensive wealth management strategy and an advanced planner to effectively manage that strategy.

The emerging concept of Wealth Consulting, an holistic approach to financial wellbeing incorporating, in a tax-wise manner, estate planning; wealth enhancement; wealth preservation; asset protection planning; life goals; charitable giving and more, is a unique way in which professionals and more specifically the medical professional are best served. Using an integrated custom-tailored approach, Wealth Consulting can take the medical professional to the next level - from high income to wealth and financial wellbeing.

Advanced planning entails leveraging the legal, tax and regulatory systems as well as the innovative use of financial services and products to provide one or more of four interrelated services:

- **Wealth Enhancement**
- **Wealth Preservation (sometime referred to as Asset Protection Planning)**
- **Estate Planning**
- **Charitable Giving**

These four services interlock thematically and are important to varying degrees to the Medical Professional, depending upon one's individual circumstances.

When considering advanced planning, over and above the four interrelated services listed above, there are eight core elements in delivering effective wealth consulting to medical professionals:

- **Flexibility**
- **Discretion**
- **Transparency**
- **Coherence**
- **Risk Sensitivity**
- **Cost-efficiency**
- **Complexity sensitivity**
- **Legitimacy**

These interrelated services and core elements are discussed in detail within this white paper and are the keys to successful selection of an advanced planner.

The peace of mind that comes from the knowledge that you have planned for your retirement and that you are doing the best you can for yourself and your family is priceless.

In the end, the most important decision medical professionals can make in their desire to build and preserve their wealth is going to be who they turn to for advanced planning expertise and advice. At the same time, Medical Professionals are integral to the success of their own advanced planning strategies. This requires their involvement even if it is only from an overview perspective.

In conclusion our advisory process structures the interaction between you and us. It also creates a set of ethical processes for ensuring that your needs and interests are optimised at all times.

At the operational level the process consists of six phases that we seek to steer our Medical Professional clients through, beginning with profiling and fact finding (these are your values and overarching goals) and ending with follow through.

However, this process never stops, because it accommodates both constantly changing client needs and circumstances. Advanced planning delivery is not static, it is a dynamic and ongoing process...we call this The Genesys Wealth System.

For a more detailed insight please read on or call TIME Partners, a premium wealth consulting practice of Genesys Wealth Advisors, to arrange a consultation.



# Financial Wellbeing - Illusion or Reality?

## Creating Financial Certainty for Medical Professionals

It is a widely held belief that up until recent times Medical Professionals - General Practitioners and Specialists - don't actually retire. Many believe that even with poor financial planning, they can keep earning well beyond normal retirement age.

We undertook a survey into the financial planning and retirement preparations of the medical profession to determine whether this was still the case, with some interesting findings.

During our survey a pre-retiree medical professional,

**"Dr I"**, stated:

*"...We're in the fortunate position that, even with poor financial planning, I can keep earning money well into retirement..."*

**"Dr S"** had this to say:

*"...and the first thing I know about GP's is, as a general rule, they actually don't retire..."*

Having spent a great number of years studying to get where they are today medical professionals would not expect to have a problem setting and achieving both their financial and life value goals.

While many are comfortable with where they are and have "achieved their goals", others have not achieved their full potential and to quote **Plautus**, "we only appreciate the comforts of life in their loss".

Our survey indicates that those Medical Professionals, who have planned their financial wellbeing and undertake regular financial health checks with a professional, have positioned themselves so that financially, continuing to practice medicine well beyond normal retirement age was a choice by vocation - not one driven by the need to continue to earn the money simply to maintain their lifestyle.

However, what if the medical professional suffers a life threatening illness; endure a trauma; suffer a crippling accident or worse – die while still relatively young or even in their mid life.

What happens to the capacity to earn money well into retirement in the event of one or more of these occurrences?

How do we care for our loved ones in these situations?

How would you achieve all those goals and aspirations should something unforeseen occur?

Also we must consider the younger Medical Professional just embarking on their career; based on our survey they view life somewhat differently to their older counterparts.

How important is planning their financial wellbeing if they seek to achieve a better work life balance? Even if they don't actually retire!

This is even more of a concern for older Medical Professionals, as there are a number of challenges facing the profession that are impacting the ability to balance work and personal life.

Our survey has shown that whilst the baby boomers are working hard and looking toward retirement or scaling down their workload, there is an inadequate number of replacement Doctors/Specialists coming through the system. New generation Doctors also want to work fewer hours compared to their older counterparts and seek to achieve a better work life balance; in addition they don't crave the responsibility of being a business owner, preferring to be part of a larger medical services delivery centre. This coupled with a lack of desire by younger doctors to work in regional areas, poses political and logistical issues for an ageing population as well as the profession.

Evidence from the 2001 Census has shown that there is still a tendency for Doctors to continue working well into their 60's and 70's - beyond typical retirement age – but as our older doctors reach this point we have limited replacement professionals and those we do have do not want to work long hours or in fact do not wish to work to the same age i.e. Potentially they will retire earlier, especially if their financial health is A1 and so the challenges become exponential. These challenges face the population in general, but those Medical Professional in mid career or moving closer to retirement age should be focused on their own situation.

## The Challenges...

Through our survey we have identified some key challenges that are affecting the medical profession, as we view the landscape today. These are undoubtedly having an effect on meeting the needs and wants, both personal and financial, of both older and younger medical professionals and their families both now and into the future:

**1. Changing organizational structure** – Younger generation Doctors are less inclined to be owner operator professionals preferring a larger corporate medical service – the centralised practice model

**2. Job satisfaction** – Older generation Doctors who own their own practice are having to work harder for longer while Younger generation doctors seeking reward for effort through a more balance work/life approach are having to contend with a downward pressure on remuneration

**3. Time poor** – lack of time allocated to conscious planning and regular financial check-ups may result in a less than adequate financial health outcome and fewer options when reaching retirement age

We will now explore these Challenges in more detail:

## Changing Organisational Structure - Corporatisation of Private Practice

The next generation of doctors do not want to be self employed business owners in private practice. Faced with the prospect of having to deal with all the administration and red tape, many prefer to be employees in major group practices providing a range of health services.

To quote, Dr A S, interviewed during our survey:

*“.. about five years ago, where very much a general practice consisted of general practitioners, now it consists of general practitioners, nurses and other allied health providers, so GP’s will slowly but surely move into larger aggregated groups.....”*

*“.....practice ownership is becoming less of a desired option and being an employee is becoming more of a desired option...”*

Dr S, when questioned on what he believes are the most significant changes occurring in the medical profession right now, responded:

*“....Business wise, Doctors who own their own practice can’t sell their practices .....younger doctors are moving*

*into group practices, moving into corporate clubs where they are employed...so real workforce issues are looming although there is plenty of employment if you want it”*

Dr I another medical professional interviewed had this to say:

*“...there’s a whole range of GP’s getting older, heading towards retirement and the younger GP’s coming in don’t tend to want to be business owners, they want to actually be employees and work in major practices...”*

For those that are in private practice the costs associated with establishing and running a business are onerous.

This was confirmed by one of our younger interviewees, a medical specialist Doctor, Dr H:

*“...I guess the biggest concern, there has been for many years, is the insurance premiums. It is the single biggest financial outlay that specialists make each year...”*

The move towards “GP Super Clinics”, a government initiative announced by Federal Labor in 2007, involving an investment of \$220 million, is gaining momentum. The AMA’s response to this policy and subsequent draft program overview have noted that it is vital that existing GP services are not undermined or made non-viable by the introduction of a Super Clinic:

*“The Government needs to work with the profession and the community to ensure GP Super Clinics are located where they are most needed,”* Dr Capolingua (AMA) said

*“The government must engage with local GP’s in areas where Super Clinics are planned and give them every opportunity to have input into the GP Super Clinics model”*

*“local solutions to local problems will be the key to success of the new Clinics,”* Dr Capolingua said

*“In many instances it would be more beneficial to invest in existing GP practices to assist in improving their services, better coordinating patient care with other specialist services and allied health providers, rather than build a new GP Super Clinic.”*

Clearly the AMA has sought to provide constructive advice to the Department of Health and Ageing, on how the Super Clinic model and money could best complement existing services.

On the flip side a recent UK survey indicates that patients from smaller medical clinics had higher satisfaction levels than those from larger clinics.

Statistics from the Improving Practice Questionnaire (IPQ), that asked patients at 2,500 practices throughout the UK for their views, showed that satisfaction levels are higher

when a practice is smaller. In 2006/07, UK practices with a patient list size below 3,000 achieved an average satisfaction score of 68%, compared to 63% for practices with 6,000 to 12,000 patients and 61% for those with more than 12,000.

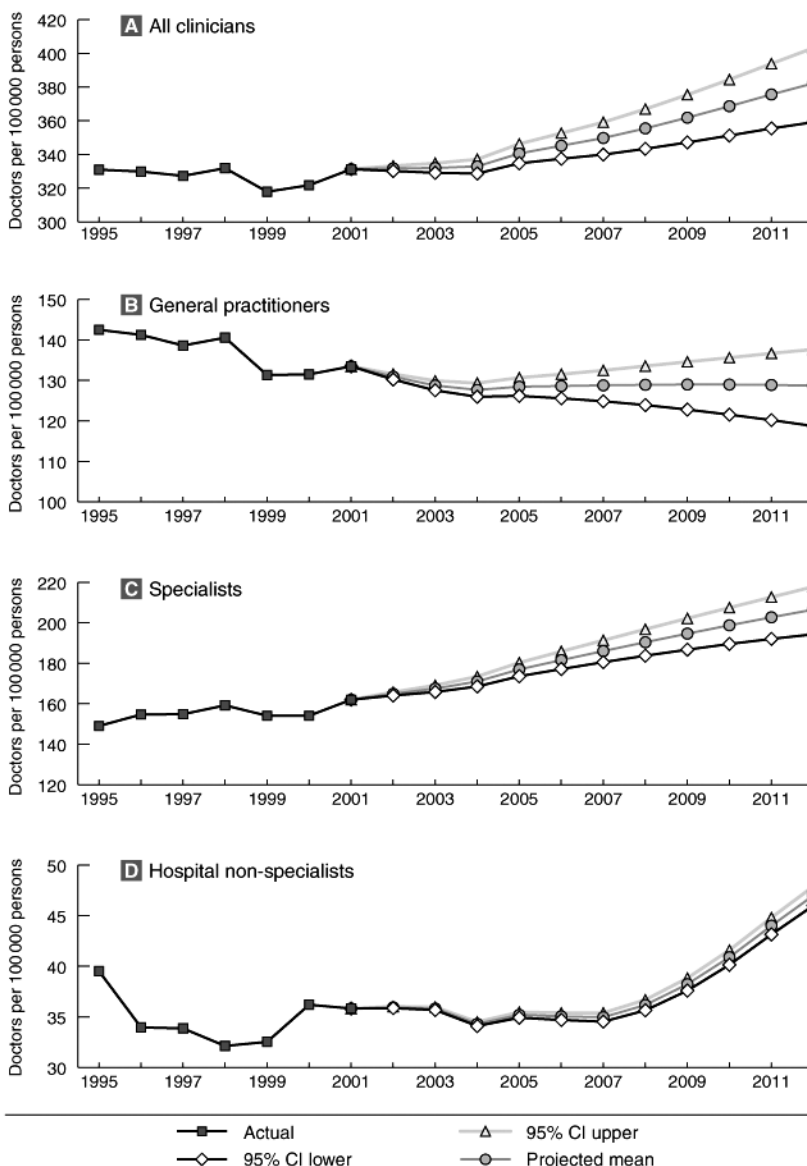
The findings highlight the fact that future plans for GP Super Clinics need to be carefully developed in full consultation with the profession and based on the UK experience, that bigger is not necessarily better.

**Younger generation Doctors are less inclined to be owner operator professionals, given their desire for a better work/life balance than their older counterparts. Traditionally medical professionals have been unique in that, most have graduated and become self-employed within 10 years and that has put demands on them to develop business management skills alongside their medical qualifications.**

**When you view this shift in tandem with the declining GP supply (discussed below), slowly but surely we are starting to see the landscape alter and the concept of “GP Super Clinics” is without doubt gathering positive support across the medical profession.**

**The impact that this is likely to have is an increased overconfidence that comes from enjoying a high cash flow and being able to fund an affluent lifestyle for life. This in turn highlights an ever-increasing need for a well planned and disciplined approach to wealth creation and preservation.**

**Conversely, the prospect for those older Medical Professionals who have built a practice and had planned to scale back their workload as a transition toward the sale of that practice and for that sale to be a major part of their retirement funding may have to significantly alter their plans.**



Source: *More doctors, but not enough: Australian medical workforce supply 2001–2012*

Catherine M Joyce, John J McNeil and Johannes U Stoelwinder *MJA* 2006; 184 (9): 441-446

# Job Satisfaction

Medical professionals pursue a medical career; not only for the financial rewards, but high on their priority list is the reward they get from helping others and making a societal difference – the ultimate in job satisfaction.

The difficulty is that a number of external pressures conspire to diminish that level of job satisfaction, such external pressures would include:

- **Declining GP Supply**

*The Australian Institute of Health & Welfare report – Medical Labour Force 2005 – shows that while the overall supply of medical practitioners increased between 2001 and 2005, the number of GP's declined from 104 full time equivalents (FTE) per 100,000 population in 2001 to 98 FTE in 2005. In rural and remote areas, there were 92 FTE GP's per 100,000 population and just 84 FTE GP's in outer regional areas.*

*This has led to the AMA calling on the government to expand training opportunities enabling increased exposure of medical students, pre-vocational doctors and GP registrars to general practice.*

- **Cost of training and supervising medical students and junior doctors**

*The AMA GP Workforce Survey of 2001 uncovered the increasing complexities of training, accreditation and administration. The "red tape" requirements on GP's are increasing exponentially.*

- **Ageing Population**

*According to ABS Census data - the age profile of the GP and Specialist has aged since 1986, with the "Baby Boomer" generation making up more than half the workforce in 2001. A large portion of GP's continued working beyond the retirement age of 65 years. All GP cohorts worked fewer hours in 2001 than they did in 1986 with the "Generation X" GP's working fewer hours than the Baby Boomers did at the same age.*

*Attrition of the Baby Boomers clinicians will place unprecedented pressure on the medical workforce and policy makers face a critical challenge to ensure workforce needs are met over the next 20 years. Policies and incentives to encourage ongoing employment among older clinicians, albeit at reduced hours, are crucial if the Australian Health workforce is to be adequate to meet the growing community demand of the Twenty First Century.*

- **Diminishing financial benefit**

*The AMA GP Workforce Survey 2001 identified the key issue of relatively poor remuneration across the GP population. The average remuneration rate was \$47.14 per hour before tax that is quite low compared to other self-employed professional remuneration rates and to jobs requiring less responsibility, study, training, and ongoing professional development. This coupled with the fact that the FTE GP's work, on average, 53 hours per week, excluding on-call time shows a diminishing rate of remuneration comparative to almost all other professions.*

*In addition due to bulk-billing pressures and expectations, many GP's are facing a significant conflict between responsibility to the patient (quality of care) and their own survival, be it psychological or the financial viability of their practice.*

Other significant issues that are contributing to a reduced level of job satisfaction include work intensity, especially as you move into rural and remote areas; Family conflicts and business costs, business difficulties and lifestyle issues are other contributing factors.

Although a relatively large number of older medical professionals work beyond traditional retirement age, several drivers may lead to a shorter working life in future generations e.g. work/life balance. If asset accumulation is a driver, then future generations of medical professionals are more likely to be and should be proactive about saving for "Retirement".

**Given the current landscape and looking ahead, Doctors can only make more money by seeing more patients and this is not what most of them want to do; why they started their own business or sought to join a large corporate medical provider. As you can see this creates a vicious circle, and this is not the reason why they got into Medicine in the first place, so job satisfaction is being challenged on a number of fronts.**



# Time Poor

The number one reason why many professionals avoid planning is due to being “Time Poor”, especially when it comes to non-practice related matters such as personal finances.

With full time employed GP’s working on average 53 hours a week, not including on-call time, attempting to balance family commitments with work commitments is a real challenge. If you then include the responsibility of running the medical practice from a business perspective you are seeing an extremely time stressed medical professional with very little time to devote to personal financial planning.

In 2002 the AMA GP Campaign Presentation called on the Government for a GP White Paper to deal with a number of issues including Boosting GP Workforce numbers; the average hours worked; restricted training places; declining participation rate by GP’s as a consequence of the relative fall in remuneration; increased stress and worsening general working conditions, particularly among GP’s in outer urban and rural areas.

Within this GP Campaign Presentation was a number of “Personal Plea” letters from medical professionals across the country highlighting the overall concerns, frustrations and general stress levels across the board but predominantly in respect of the hours worked; lack of Doctors; remuneration and general rising stress levels associated with the feeling that there was “not enough hours in the week”...the demands on time are exponentially increasing.

Given this time issue, when does the Medical Professional find time to do the necessary planning for life after work?

To quote Dr A,

*“...many people in that age group haven’t fully come to terms with the implications”.*

Dr J notes,

*“...I think you should start planning your retirement when you start earning”*

**All good commonsense advice, however, finding time, at least initially is a must for the Medical Professional - akin to a patient not visiting a GP for 20 years and then discovering too late that their wellbeing could have been improved if only time had been committed earlier in their life and thereafter in visiting their GP at regular intervals.**

**As with a patient care plan the Medical Professional’s Financial Wellbeing will have far greater opportunity for success if we address and commit to a suitable and appropriate Wealth Creation and Preservation program at the earliest opportunity.**

**The Advanced Planning process (discussed below) incorporating suitable innovation, starts with evaluating where we are today and concludes with a viable strategy specifically suited to the world of the Time Poor Medical Professional.**

## Conclusion

*Are Medical Professionals addressing the reality of true financial well being, wealth creation and preservation, for themselves and their families?*

*Are they under an illusion that, due to their ability to generate significant cashflows for their professional lifetimes that they are exempt from the care and responsibility that stewardship of their hard earned cashflow deserves?*

These key challenges impact on the medical professional’s ability to achieve the financial wellbeing and success they deserve. Looking ahead we suggest that the traditional financial services industry is ill equipped to assist the medical professional in navigating the complex maze of issues that lead to that success.

We suggest that medical professionals are best served by the emerging field of wealth consulting, an holistic approach to financial wellbeing incorporating, in a tax-wise manner, estate planning; wealth enhancement; wealth preservation; asset protection planning; life goals; charitable giving and more.

Using an integrated, custom-tailored approach we can take medical professionals to the next level - from high income to wealth and financial wellbeing...making it a reality, not an illusion created by not actually retiring.

# The Solution – Wealth Management Consulting and Advanced Planning

The emerging concept of wealth consulting, an holistic approach to financial wellbeing incorporating, in a tax-wise manner, estate planning; wealth enhancement; wealth preservation; asset protection planning; life goals; charitable giving and more, is a unique way in which professionals and more specifically the medical professional are best served. Using an integrated custom-tailored approach, wealth consulting can take the medical professional to the next level - from high income to wealth and financial wellbeing.

Traditional financial services firms generally deliver Investment Management Services, and are not set up to deliver comprehensive, client focused wealth consulting that is referred to as Advanced Planning.

Advanced Planning entails leveraging the legal, tax and regulatory systems as well as the innovative use of financial services and products to provide one or more of four interrelated services:

- **Wealth Enhancement**

*This is the goal of achieving the best possible investment performance over time and employing tax management strategies that minimise, defer and ultimately delivers a nil tax outcome.*

- **Wealth Preservation**

(sometimes referred to as Asset Protection Planning)  
*There are a number of key strategies that seek to minimise the risk from third parties including litigants, creditors and family members with the aim of ensuring protection of a medical professionals hard earned money.*

- **Estate Planning**

*Given intergenerational considerations, tax and interconnected practice interests, wealth transfer strategies will be required. Wealth transfer strategies need to be designed to facilitate not only the transfer of wealth in accord with the wishes of the Medical Professional, but to do so in a manner that is as tax efficient as possible within prescribed parameters*

- **Charitable Giving**

*Although the motivations and values differ, charitable gifting is an important a component of advanced*

*planning. Many medical professionals that have achieved the wealth and success components of financial wellbeing may only achieve their full potential when giving something back. There are also tax benefits to be gained with Philanthropic initiatives.*

*These four services interlock thematically and are important in varying degrees to the Medical Professional, depending upon on each one's individual circumstances.*

- *Innovation is a key component to delivering effective advanced planning and is central to our ability to deliver creative and powerful solutions for the financial and selected legal issues facing medical professionals today.*

*The innovation process starts with evaluating where we are today and concludes with a viable strategy specifically suited to the world of the Medical Professional.*

*When considering Advanced Planning, over and above the four interrelated services discussed above, there are **eight core elements** in delivering effective wealth consulting to medical professionals:*

- **Flexibility**

*The ability to change or adapt in order to meet the exigencies of an evolving situation involving a medical professional client's circumstances and/or financial and legal environments is a key element to successful Advanced Planning - given there is a certainty that laws and regulations will be changed.*

- **Discretion**

*A high degree of discretion is a prerequisite for any adviser working with medical professionals. Quality Advanced Planners will always presume that every piece of paper, every formal communication and every conversation could be reviewed.*

- **Transparency**

*Given advanced planning is about leveraging laws and regulations for the benefit of the clients in order to preserve their wealth, then any viable strategy must be open and available to review by interested parties e.g. Australian Taxation Office.*

- **Coherence**

*Although the components of advanced planning can be independent of one another, and indeed, many strategies can be employed as stand-alones, a certain degree of integration should permeate all advanced planning. Advanced planners always seek to maximise any strategic benefits to their clients by first identifying the synergies and then accentuating their value.*

- **Risk Sensitivity**

*Understanding the medical professional client's level of aggressiveness and being cognisant of the "pros and cons" relative to their risk tolerance is crucial, as strategies in advanced planning can range from the "plain vanilla" to the more cutting-edge.*

- **Cost-efficiency**

*The Advanced Planner, in conjunction with their medical professional clients, should always seek to balance the benefits of a course of action or strategy with its costs, both financial and psychological.*

- **Complexity sensitivity**

*A number of Medical professional clients want simple, effective and readily understood solutions to their financial and legal issues. Others rely on professional advisers to source the best solution. However, we advocate that all medical professional clients should be educated and informed as simply as possible, on all strategies, whether simple or complex, to enable an informed decision to be made.*

- **Legitimacy**

*Needless to say that any advanced plan should never incorporate strategies that are, or might be perceived to be illegal or unethical.*

**To Conclude:**

Advanced Planning is the process through which some of the most essential needs, wants and demands of the medical professional can be met. In this way, advanced planning should be conceptualised as a set of services, a system for applying these services and as a way of creating powerful tax effective solutions for each and every client.

This leads us to exploring how the medical professional locates and identifies a high-quality Advanced Planner or Wealth Management Consultant, one that can deliver the holistic Wealth Management Consulting solutions required and sought after. That somebody we suggest must be akin to the Chief Financial Officer (CFO) of a large corporation – a Wealth Management Consultant that is a financial services professional you come to view as and think of as your own Family CFO, one who would be involved in all issues pertaining to your family's financial well being rather than merely involved in one aspect in isolation.

## Finding a High Quality Advanced Planner or Family CFO

There is a variety of ways the Medical Professional can locate quality advisors with whom they subsequently do business. Whether it's for legal services or financial services, the optimal means of finding a top flight professional is through personal referrals. There is obviously a tendency to turn to someone whose judgement they trust to provide them with an introduction to the type of professional they are seeking.

The very same logic holds true for advanced planners. The nature of all high-end services makes referrals a risk-mitigation strategy in selecting an advisor.

Specifically we are referring to:

- **Intangibility**

*For most Medical Professionals, advanced planning is something of a mystery. The strategies can rarely be "seen or touched" or even directly evaluated. There is no way you can do the side-by-side comparison as you might for a new stereo system, or road test these services as you would when buying a new car. Thus, it's wise for the medical professional to turn to referrals from those whose judgement they trust.*

- **Complexity**

*In our experience, the financial concerns of doctors are important, unique and generally complicated. Consequently, they will need to find an advanced planner who can address the variety of concerns and issues they face, all with a predominant focus on wealth preservation. Although many so called advanced planners can "talk a good game", few can really deliver, and thus a proven track record is a must.*

- **Reliance on "Authorities"**

*We have yet to meet a medical professional who did not want to work with an expert – a true authority on developing, crafting and implementing strategies for the affluent and wealthy. What we see generally is that the more affluent medical professionals generally turn to people whose opinions they give considerable credence when it comes to selecting advanced planners or financial advisors.*

The competencies of professionals, whether they are the medical professional or advanced planners, are often

difficult to judge effectively. This is even more so in the case with advanced planners, as the quality of some strategies provided cannot be truly evaluated until, unfortunately, it is too late - if at all.

What this means is that a trusted judgement call is made. We believe this must be supported by deliberate and careful screening and due diligence.

There are **five criteria** that prove very useful when selecting an advance planner:

- **Proven Integrity**

*Integrity is the first criterion. The veracity of the advanced planner chosen is critical to the ability to safeguard the Medical Professional's wealth. As patients must trust a Physician's judgement, the complexity of advanced planning strategies necessitates the Physician trust the advanced planner's judgement. A useful test for the Medical Professional is to ask the advanced planner what they would **not** do.*

- **Extensive Technical Expertise**

*An advanced planner should have a broad understanding of the various strategies that the Medical Professional can use. Furthermore an advanced planner should have a comprehensive, in-depth understanding of a niche speciality e.g. Self-Managed Super Funds or Estate Planning*

- **Access to Niche Experts**

*No matter how technically adept an advanced planner is, he or she cannot know all the nuances about all the various strategies that can be used. The key is not in possessing all of the knowledge that may be required, but for the advanced planner to have access to an array of high quality niche experts - specialists who can work hand-in-hand with them and their clients to deliver the necessary strategies that will fit the medical professionals individual circumstances.*

- **Sensitivity to Client Needs**

*The advanced planner that the medical professional wants to work with should be the one who spends the time to really understand what they want to accomplish and spends the time to understand all of the medical professional's doubts and anxieties, and then is **always** thinking of ways to be responsive.*

- **Experience in Working with the Medical Profession**

*The backgrounds, the stresses of the profession and the lifestyles of Medical Professionals are unique. They aren't the same for instance, as those of families who own manufacturing companies or corporate executives of ASX Top 500 companies. It is an irrefutable fact that the Medical Professional works in a very distinctive profession. Although advanced planning is applicable to all manner of other affluent members of our community, the world of the medical professional provides idiosyncratic opportunities for wealth creation and preservation. It is therefore smart for Medical Professionals to work with high quality advanced planners who are attuned to their world – the world of medical professionals.*

## How to work with an Advanced Planner or Family CFO

Simply finding a top-flight advanced planner is not enough. The medical professional still has to work with he or she to get the most out of the relationship. It is therefore vital that the medical professional has an overview or understanding of the way in which the advanced planner works and the rationale behind the recommendations made.

Working with a high quality advanced planner is an education. At the end of the day the medical professional should not expect to be proficient in this field, but they should understand what they are "buying". We have found that far too many affluent medical professionals neglect to take the time to



understand what they are agreeing to, sometimes with adverse consequences.

The following **four guidelines** may help in this regard:

- The Advanced Planner should **explain their advisory process and services** as well as the system for applying these services, embracing advisor wisdom, solutions to problems/issues and the delivery of relevant strategies. The Medical Professional should know what to expect from their advanced planner and other advisors.
- The advanced planner should **explain the alternative strategies** as there is rarely a single strategy that can meet the needs and wants of the client. The Medical Professional, in conjunction with the advanced planner, needs to select the strategy that is best suited and thus a full understanding of the trade-offs with respect to the various strategies.
- The medical professional should not be restricted concerning with whom he or she can discuss a recommended strategy. Medical Professional should never sign non-disclosure agreements with an advanced planner.
- The advanced planner should explain how the various strategies he or she has recommended interact. It is most important to understand how all the pieces work together as there are synergies that can result. This often entails working closely with a Medical Professional's other professional advisors.

To maximise a Medical Professional's personal wealth by leveraging the current legislation, including taxation, superannuation and others, as well as employing financial products in often unique ways will require the assistance of a high quality advanced planner. Although there are many "professionals" who hold themselves out as experts in advanced planning, the advice of most of them will probably prove more deleterious than beneficial.

In the end, the most important decision that medical professionals can make in their desire to build and preserve their wealth, is going to be to whom they turn for advanced planning expertise and advice. Focusing on referrals either from peers or other advisors and following the five criteria outlined already will likely result in finding an advanced planner of the appropriate calibre or a top flight Family CFO.

At the same time, Medical Professionals are integral to the success of their own advanced planning strategies. This requires their involvement even if it is only from an overview perspective.

## Family CFO

The term *Family CFO* (Chief Financial Officer) is an alternative to "Advanced Planner" and better encapsulates the professional that would be chosen by Medical Professionals - trusted to be involved in all issues pertaining to their family's financial well-being rather than of merely one aspect.

Consider the *Family CFO* as a partner over the longer term, keeping the family's interests foremost even as circumstances continue to evolve, gaining confidence and peace of mind that the stewarding of the family financial resources are prudent, relevant, tax effective and meet current obligations.

### The Advisory Process

We think of the advanced planning, *Family CFO*, advisory process as two separate and distinct parts brought together to address systematically the Medical Professional's goals, objectives and preferences.

The first is what we consider as the ethical process of serving the needs and wants of our Medical Professional clients. The second is the systematic delivery of advice and solutions that are key to the outcomes of the ethical process or client "discovery".

### The First Meeting

This first meeting or sometimes it maybe a series of meetings, which we have termed as the "discovery" meeting is designed to ensure that, as the Family CFO, we gain a deep understanding of the unique situation of each client. This includes what the client wants to happen as well as what is meaningful to the client. Thus we work with each of our medical professional clients to develop his or her unique profile. The profile is composed of the array of needs, wants, facts, figures, attitudes, perceptions, preferences, social dynamics, thought processes and so forth that informs us what can and should be done to effectively deliver on the clients needs.

This "discovery" process is organised into a six-sector framework as set out below, including some sample information to be garnered:

#### 1. Your Values and Overarching Goals and Concerns

*We consider this the starting point for our long-term relationship with our client and their family - it sits at the heart of all initial and ongoing discussions.*

- *What is most important to you across a number of areas e.g. Money, life?*
- *What are your personal and professional goals and aspirations?*

- *What do you feel obligated to do for your children; for other family members; for friends; for society and the world at large?*

## 2. Relationships

- *What family member relationships (spouse, children, brothers/sisters, parents etc) are really important to you?*
- *What is your religious orientation*

## 3. Assets

- *What assets do you own?*
- *How are these assets structured?*

## 4. Advisors

- *Who are the other advisors you are currently using?*
- *What role does each advisor play?*

## 5. Process

- *How often would you like to meet?*
- *How do you like to “look at” financial information?*

## 6. Interests

- *What charities do you currently support?*
- *What do you do in your spare time?*

# Develop the Strategies

Having gained your trust and with the assistance of each specialist in our aligned professional network, as required, to fill in any gaps in our skill set and knowledge base, we will identify and develop a set of relevant and suitable strategy options that could be employed.

With these to hand we will meet and present our recommendations and together explore the strategy options that we consider will deliver your goals and objectives. Your involvement and feedback at this juncture is of the highest priority and we believe that this meeting, or series of meetings, will be probably the most intensely focused and exhaustive part of developing your tailored Wealth Management Plan and the foundation bedrock on which we build our lifelong *Family CFO* relationship.

# Implement

Relatively speaking, at least for the *Family CFO*, implementation of the completed and individually tailored and designed Wealth Management Plan, is possibly the easiest part of the process. That is not to say implementation itself is easy – in many cases it calls for a tremendous amount of work. However, this is familiar ground for us, and something that we do extremely well. The key skill sets in implementation are persistence and precision, not the more draining intuition and analysis.

# Deliver Results

This is a critical point in the advisory process because it sets the stage for our ongoing management and follow throughs, which will ensure that your goals and objectives are in focus and being met. At this stage we:

- Reconfirm your profile – *it is crucial to ensure that the information upon which the Wealth Management Plan was developed and implemented is accurate and has not changed since the discovery process;*
- Make certain that the Wealth Plan is achieving the desired results – *it is imperative that you are getting what you expect and are paying for;*
- Revise the action plan as appropriate – *as implementation is often incremental, there are regular opportunities to modify and adjust strategies to keep everything on track.*

# Ongoing Management

Follow through is crucial because failing to do so will likely result in you not being able to continually create and preserve your wealth and make adjustments when required.

Follow through comes in three forms:

- Focused application of innovation process – as new strategies are developed and validated we are well positioned to bring selected strategies to those clients who would most benefit from them;
- Client and/or Advisor-driven Contact – outside of the regular review process there are many times when you or your other advisors will contact us due to a change in

your circumstances. Any such changes will mean a review and where necessary an adjustment to the Wealth Plan;

- Regular Review – this is a key element of our ongoing management culture and is designed to ensure everything is going in the right direction, and that all moving parts of a strategy are working in concert. The timing of review meetings is determined by both the strategy employed and your preference – typically annually is a minimum requirement, however, quarterly is more usual.

In **conclusion** our advisory process structures the interaction between you and us. It also creates a set of ethical processes for ensuring that your needs and interests are optimised at all times.

At the operational level the process consists of six phases that we seek to steer our Medical Professional clients through, beginning with profiling and fact finding (these are your values and overarching goals) and ending with follow through.

This process, however, never stops. Because it accommodates both constantly changing client needs and circumstances the *Family CFO* advanced planning delivery is not static, it is a dynamic and ongoing process...we call this *The Genesys Wealth System*. See Figure 1 on opposite page.

# The Genesys Wealth System

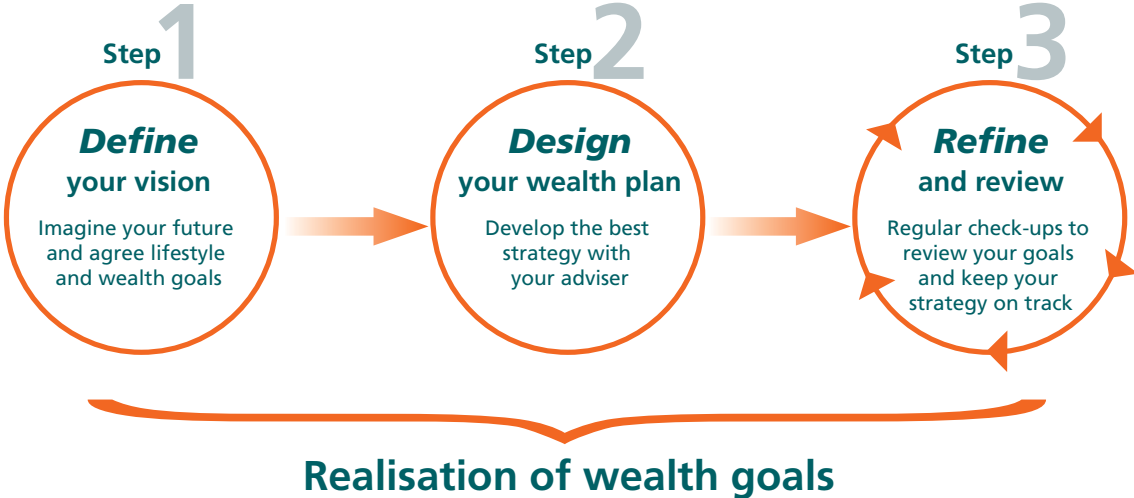


Fig 1



For further information please contact:

**Time Partners**

Suite 16, 1st Floor 420 High Street, Maitland NSW 2320  
PO Box 138, Maitland NSW 2320

**t** 02 4934 7409

**f** 02 4933 6885

**w** [www.timepartners.com.au](http://www.timepartners.com.au)