

WHY FINANCIAL PLANNING IS MORE THAN PURCHASING A PRODUCT OR A PLAN

BY TAN SENG CHUAN

When one visits a doctor, the doctor will ask a series of questions to diagnose the probable illness, before he prescribes an appropriate medicine. Financial planning is no different.

People sometimes associate financial planning with the purchase of a financial product. And more often than not, they usually purchase a financial product after being told how good the product is. Not that this is wrong, but it is important to review and understand one's financial situation and status prior to making a purchase. Below are few tips when buying a financial product:

1. Work with a trusted professional

Whenever we are ill, our first instinct is to seek for medical consultation, where the doctor conducts his routine assessment prior to prescribing a suitable medication. Similarly, our financial situation should be carefully evaluated by a professional financial practitioner, who is capable of understanding one's needs and means and is licensed to give advice to improve one's financial well-being. Look for a competent financial practitioner whom you trust and are comfortable with, to do a thorough fact-finding and needs-based analysis.

2. Review your financial health regularly

With the frequent changes and developments in the insurance and financial industry, it is advisable to have an annual financial review with your trusted advisor to ensure that your financial portfolio remains relevant and aligned with your goals and objectives.

3. Take ownership and be proactive

Since your financial well-being is at stake, shouldn't you take the lead in making changes to your present and planning for your future? With the guidance of your trusted advisor; you should be certain of your priorities and the things you desire to achieve based on your means and most importantly, you must carry out due diligence in understanding your own financial portfolio.

Financial planning is more than just buying a product. It is about taking charge and allocating resources based on an individual's needs and situation.

I hope that the simple tips above help you in your financial planning journey. Always remember that the key to achieving superb financial well-being is understanding your needs, evaluating your means and working closely with a trusted professional.

About the Author

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