

Appendix

The Wealth Management Benchmark[®]

We use a more extensive, computerized version of the Wealth Management Benchmark (WMB) in our practice. Here is an abbreviated form of the WMB so that you can see what is involved in the process.

In the following exercise, you'll find six categories or critical life areas, with four statements under each one. For each statement, you'll be asked to do three things:

1. *Determine the issue's importance.* If it's important to you, place a check mark in the first column. If the issue isn't important, leave the column blank.
2. *Determine the issue's completeness.* If the issue is incomplete and needs your attention, place a check mark in the second column. If the issue has been completed, leave the column blank.
3. *Determine a time frame for completion.* If you placed check marks in the first and second columns (meaning the issue is important and needs to be completed), insert a completion time in the third column. Write "3" if you want to complete the issue in the next three months, "6" if you want to complete it within four to six months, or "12" if you intend to complete it within the next seven to twelve months.

Let's go through the first Net Worth & Cash Management issue together. It says, "Create a net worth and cash flow statement." Is doing that important to you? Do you think it would be a good idea to spend some time developing a net worth and cash flow statement? If so, place a check mark in the first column.

Next, what's your level of completeness in this issue? Let's say you've thought about it a little but you haven't taken any action. In that case, place a check mark in the second column.

Finally, what's your time frame for completion? Let's say you'd be willing to do it within the next six months, but you're busy right now and know it will be at least four months before you'll have the time. In that case, write "6" in the last column.

Go ahead and complete the exercise, and then we'll take the final steps.

Now, look at the Timing column. On a separate sheet of paper, list the issues to which you assigned a time frame, in order of priority. In other words, start with all the 3 issues, then all the 6 issues, and finally all the 12 issues. The result is your action plan. Post this list where you can see it often, and commit to meeting the deadlines you've set. Then, you can work with your advisors to tackle each issue, determine an optimum schedule for reviewing and evaluating your progress, and establish the best ways to continue fine-tuning your individualized personal wealth management strategy. Before you leave this exercise, choose two items from your action plan and commit to a date for getting them done.

Please remember, this exercise is offered just to give you a taste of the experience. The actual Wealth Management Benchmark is much more extensive, and coaching is an important part of the process.

	Importance	Needs Completion	Timing 3 (1–3 mos.) 6 (4–6 mos.) 12 (7–12 mos.)
<p>Net Worth & Cash Management</p> <ol style="list-style-type: none"> 1. Create a net worth and cash flow statement. 2. Establish a method to track your cash flow and expenses. 3. Confirm that any existing debt is tax efficient and represents a reasonable percentage of your assets. 4. Confirm that all tax-advantaged employee benefits (such as 401(k) and deferred compensation) are being maximized. 			
<p>Investment Planning</p> <ol style="list-style-type: none"> 1. Discuss your overall investment philosophy and create an Investment Policy Statement (IPS). 2. Confirm diversification among and within different investment classes. 3. Confirm that you own the highest quality securities. 4. Ensure that <i>all</i> your financial assets are following the directives of your IPS. 			

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<p>Retirement Planning</p> <ol style="list-style-type: none"> 1. Explore the possibilities of continued employment or other opportunities for generating income. 2. Complete a retirement planning analysis six months prior to any career transition. 3. Review the process for generating cash flow at retirement. 4. Evaluate retirement accounts that need to be established. 			
<p>Estate & Legacy Planning</p> <ol style="list-style-type: none"> 1. Discuss your estate and legacy philosophy with an estate planning advisor. 2. Create a detailed outline of your objectives. 3. Establish trusts, determine trust funding, and draft wills and all necessary related documents. 4. With family members, discuss decision-making in case of incapacitation, life support, and final wishes. 			

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<p>Life Planning</p> <ol style="list-style-type: none"> 1. Create a compelling vision of your future life. 2. Complete a Quality of Life™ assessment. 3. Create a plan to fulfill your vision. 4. Get an annual physical exam, and take the steps recommended by your qualified health practitioner to enhance your vitality. 			
<p>Asset & Income Protection</p> <ol style="list-style-type: none"> 1. Confirm that your insurance (auto, property, casualty, personal liability, and so on) is appropriate and cost effective. 2. Identify the amount of life insurance necessary to meet your family's needs in the event of a sudden death, and develop a life insurance plan. 3. Complete a home inventory, including listing bequests of personal property. 4. Analyze and make decisions regarding long-term care. 			