

## **Today's financial planners becoming 'life coaches' for clients**

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These days, financial planners working with small-business owners do more than crunch numbers for optimal return on personal investments.

Think holistic.

"They look at their likes, dislikes, quirks, personalities, everything that can affect them," said Certified Financial Planner Neal Van Zutphen, public relations director for the Greater Phoenix Chapter of the Financial Planning Association.

Wealth managers function as confidants, counselors and strategists.

Some are even considered "life coaches," examining every aspect of the small-business owner's personal financial management strategy and financial behavior.

"Planners look at the client's bills, goals and dreams, organize and assess the current financial situation, and co-develop a life plan that is suitable, logical and appropriate," Van Zutphen said.

That includes protecting against things that can impact a person's financial plan such as health, fire or theft.

Traditionally defined, financial planners help individuals achieve their goals and objectives, like funding retirement, secondary education for children or buying a second home.

Although some targets are the same, wealth managers agree there's a difference between assisting a small-business owner and a corporate executive.

For instance, a company executive draws a paycheck at regular intervals, and doesn't wonder if the company can afford it.

Depending on the kind of month a small-business owner is having, he or she may not take a paycheck if, for example, revenue is down or accounts receivable rise.

Small-business owners also may employ their children, shifting income to a lower tax bracket.

On the other hand, an executive at a large company may worry about being fired.

The small-business person, on the other hand, worries about staying in business, meeting payroll, getting sued, competition, embezzlement, employee turnover, marketing and having enough resources to weather financial storms.

Toronto-based [WSI Internet Consulting](#) and Education franchisee Michael Mattal gave up his job as an executive to start his own business.

The former Avnet Partner Solutions sales vice president now focuses on small to medium-sized businesses in the deployment, marketing and management of Web solutions.

Mattal funded his Phoenix-based company through personal investment.

He plans to pump profits from the business during his first six to 12 months of operation back into the company to accelerate growth.

When it comes to managing personal finances with a planner, Mattal has been on both sides of the coin.

His former company provided services like a 401(k), pension and insurance, benefits -- all of which he no longer receives as a small-business owner.

"I came to the conclusion that I could make better, faster and more informed decisions in these areas with the help of a financial adviser," Mattal said. "I look to a financial adviser no differently than I do my CPA, my attorney, and in some ways, even my physician."

Pivotal in the planning process is tracking cash flow from a business that is designed over the life of the owner.

The 45-year-old business owner who wants to retire at 65 has 20 years to work with, and potentially 20 to 30 years of retirement.

Basically, the life plan goes beyond the life span.

"We use the first 20 years to co-develop a plan to accumulate wealth and then co-develop what the best financial plan looks like during retirement and legacy planning stage," Van Zutphen said. "People who have more income and more assets have bigger dreams, and can afford to."

Like any individual, the small-business owner wants to accumulate, preserve and protect wealth and pass on the greatest portion of wealth to loved ones.

This is where the small-business owner has an advantage over the executive because he or she has 100 percent control over the business assets and the ability to implement advanced wealth transfer/estate planning strategies.

Another difference for the entrepreneur lies in cash flow. If business is good, the money is good, which means the small-business owner can "squirrel away money."

The challenge then is to make sure financial plans are managed correctly, so they don't fluctuate a great deal from year to year, experts say.

One danger sometimes preventing them from meeting that goal is when small-business owners are tempted to expand, add equipment or buy a larger building.

Wealth managers often help clients think through these decisions to ensure new expenses don't jeopardize personal goals and objectives funding.

The upside for small-business owners is that they have the ability to plan and grow the business to a level that matches their personal financial plan, experts say, noting that such investment strategies are not designed for one year, but for 50 years.

In other words, they should be designed to last a lifetime, and then some, in order to create a lasting legacy.

"We can all suffer from TMI (too much information) and people are so busy living life, it's hard to make sense of all this stuff," Van Zutphen said.