

HOW TO USE THE *GUIDE*

PPC's Guide to Personal Financial Planning can be used to bring in new clients and promote the consistency and quality of your practice in several ways:

- *Desktop Practice Tool* (work programs, forms, and checklists for daily practice use).
- *Reference Book* (practical technical guidance).
- *Firm Manual* (engagement control policies and documentation).
- *Staff Training Guide* (reduction of direct supervision and review time).

PPC's Guide to Personal Financial Planning includes chapters describing each step of the PFP process (for example, Beginning the Engagement, Data Gathering, and Preparing the PFP Report) and chapters addressing each of the major subject areas of financial planning (for example, Risk Management and Insurance, Retirement Planning, and Investment Planning). The *Guide* also includes chapters that provide guidance on practice management and marketing.

Organization of the *Guide*

The *Guide* contains 20 chapters. The chapters and the appendix material for each chapter are tabbed to make them easy to locate. Within each chapter, the material is divided into sections and paragraphs that are numbered for ease of reference to each table of contents and the topical index.

Chapter Sequence and the 10-Step PFP Process

The chapters of *PPC's Guide to Personal Financial Planning* follow an engagement sequence patterned after the 10-step PFP process as described in Chapter 1. Chapters 2–14 relate directly or indirectly to one or more of the 10 PFP steps. Chapter 2, “Beginning the Engagement (Steps 1 and 2),” is followed by Chapter 3, “Data Gathering (Step 3),” and Chapter 4, “Analysis and Preliminary Recommendations (Steps 4, 5, and 6).”

Chapters 5–11 are technical subject matter chapters but relate to Chapter 4, “Analysis and Preliminary Recommendations (Steps 4, 5, and 6).” This *Guide* is organized to emulate the sequence of the PFP engagement process and the efficient delivery of PFP services.

Direct discussion of the PFP steps resumes with Chapter 12, “Developing Final Recommendations (Step 7),” Chapter 13, “PFP Reports (Step 8),” and concludes with Chapter 14, “Implementation and Monitoring (Steps 9 and 10).”

Practice Management Topics

PPC's Guide to Personal Financial Planning also addresses practice management topics. Chapter 15, “Regulatory, Ethical, and Legal Issues,” explores statutory requirements and regulatory constraints, and suggests practice management strategies and techniques for minimizing exposure to malpractice liability. Chapter 16, “PFP Technology Resources,” discusses the three functional categories of PFP software. Chapter 17, “Marketing PFP Services,” suggests approaches to marketing techniques that are proven effective in attracting existing clients and new clients to the benefits of PFP. Chapter 18, “PFP Practice Administration,” presents topics related to the operation of a successful PFP practice, including development of a strategic plan for the practice, design of staffing patterns for the practice, and selection of resources for the PFP library.

Chapter 19, “Piecemeal Planning and Client Profiles,” applies the planning guidance presented in Chapters 5–11 to several of the specific PFP engagements and types of clients that planners frequently encounter. Chapter 20, “Planning for the Closely Held Business,” explores the special planning needs of owners of closely held businesses.

How to Use the PPC PFP System

An important and unique feature of this *Guide* is the PPC PFP System of forms and checklists for PFP engagements. The PPC PFP System is engagement-oriented and provides a blueprint for delivering efficient and cost-effective PFP services. The PPC PFP System can form the basis for a profitable PFP practice. Chapter 1 provides helpful illustrations of the application of the PPC PFP System in practice. Appendix 1B is a complete list of all of the PPC forms in the comprehensive PFP system and their locations in this *Guide*.

TERMINOLOGY

Client versus Clients

The term client in singular form is customarily used in our publications to refer to the company or individual to whom the professional is providing services. Though the client may consist of more than one person, the singular form is generally appropriate whenever the client is viewed as a unit, e.g., “The tax client is an excellent prospect for PFP services.” In some cases, the plural clients is used to refer to clients universally, e.g., “Tax clients are excellent prospects for PFP services.”

In this *Guide*, the client is often portrayed as a married couple, and many chapters include guidance for working with the separate goals, assets, and estates, of each spouse. In such chapters, the plural version clients is used to correlate with discussions that address each spouse separately rather than as a unit.

Adviser versus Advisor

Throughout this *Guide*, the term is spelled “adviser” rather than the equally acceptable “advisor.” The authors have chosen “adviser” because of its use throughout the *Investment Advisers Act of 1940*.