



EXEL SUPER



Financial Freedom Project

Contents

SETTING THE SCENE	3
You are the magic!!!!.....	4
IS IT A DREAM OR A VISION FOR THE FUTURE?	5
The difference is belief.	6
Permission to rock.....	6
FAILURE IS IRRELEVANT.....	8
Making some sense out of all this	9
THE 'YOU' YOU HAVE ALWAYS WANTED TO BE.	11
PRIORITIES.	22
SMART GOALS	24
Chunking it down – How to Eat an Elephant	26
Belief.....	26
Setting a Goal	28

OCTOBER 2012



SETTING THE SCENE

As a financial adviser, I am amazed that most of my colleagues in the accounting and financial advice industry pay scant regard to helping their clients to achieve their dreams and desires, and helping to nail down what clients are trying to achieve financially - even when it is the most critical component to achieving financial success. Professional advisers continue to hold themselves out to be experts in 'what



investments will go up next', but as I have said so often, there is no such expertise. No one really knows what markets will do next. No one has a crystal ball or a magic wand. In other words there are no get rich quick schemes, and no free lunches.

Great investment ideas do come along from time to time, therefore getting advice from a great professional with the right qualifications is really important. Of course having a sensible and proven process for managing risk & volatility, minimising tax, maximising growth of investments and increasing income is vital, but the most important thing that your professional adviser can do is help you to focus on what you want, help you develop a plan to achieve it, and help you to review it and stay on track. In other words, it's not about telling you which product to invest in or doing your tax... any financial adviser or accountant can do this, as this is just a component of the process. Instead, it's about a much bigger picture.

Let's use an example to demonstrate what matters.

If you were to invest in a term deposit at your local bank \$10,000 for 10 years at 6% your money would grow to \$17,908 in 10 years time. The interest earned each year would be added to your assessable income and taxed at



your marginal rate, which means that you could lose nearly half your earnings each year in tax. I guess that's OK, we all have to pay tax.

If you went to see a financial adviser who helped you access an investment that gained you get 8% (an extra 2%) return over the same period your funds would increase to \$21,589 before tax.

Not bad, but not really life changing money is it?

Instead, if you started with \$0 and found a way to contribute just \$50 per week, and did this for 20 years, you would have \$118,891.10. Hmmmm, now we are getting somewhere. Especially if we do it within super, where the tax is substantially reduced. We get to keep most of our earnings. Whilst this example is extremely basic, and no one wants to wait 20 years to accumulate \$100,000, the point is that the action **YOU** take to achieve your goals is 10 times more important in achieving long term wealth than what markets do. I think this is good news.... don't you?



Whilst maximising returns and minimising the tax you pay on your interest is vitally important, the most significant part of the example above is that the hard part is saving the \$10,000 in the first place, because this is the difference that sets wealthy people apart. The financial planning and accounting industry seems only to be interested in those with lots of money already..... My goal is to do some real financial planning, and help make more people more successful..... so let's get on with it.

You are the magic!!!!

It was Albert Einstein who said that imagination is more important than intellect. And when you really think about it, it's so true. Nothing worthwhile has ever happened in this world without firstly the engagement of someone's creative mind.



I remember the first time I really understood how significantly our imagined experiences are in determining outcomes. I was at a conference, and the speaker had us imagine biting into a wedge of lemon... I really imagined the lemon wedge, and pictured biting into it in my mind. My mouth filled with saliva? Well that's what visualisation can do.... create reactions in us that can shape our decisions both physically and emotionally. It determines the way we are.

I know the lemon wedge trick is a tried and tested example of visualisation, but a more graphic example of the power of having a clear picture in our minds, and how it can transform our performance and behaviour is that of Major James Nasmeth, who was a POW in North Vietnam for seven years. Prior to that, he was a "weekend golfer". For seven years, he was placed in a cage that was approximately 4 1/2 feet high and 5 feet wide. For the first few months, all he did was hope for release but then realized that if he didn't use his mind more effectively, he would lose it.

From then on, every day, he vividly imagined himself playing golf on his home course, imagining every little detail of the game. After being released and playing again, he shot a 73. I recommend that you Google his story.... it's pretty inspiring.

Not only does our mind allow us to visualise a successful result, but it's coming up with crazy new ideas all the time. Our imagination is where new ideas are first tested. Our minds are a virtual proving ground, allowing us to pre- play outcomes and scenarios and determine what we do with that idea and what happens next. Do we take action and do it? Or do we dismiss it as not worthwhile, and move on? That's what we call judgement. Most of us have excellent judgement, and have no trouble recognising a great idea when we see one (or have one of our own). The sad thing is that we have all had great ideas but done nothing about it. For various reasons our belief system, self doubts, financial circumstances or opportunity prevents us from taking the action required to make the changes necessary to get where our vision says we should be.... that's when we become unhappy.

IS IT A DREAM OR A VISION FOR THE FUTURE?

My Mum, used to have a saying.... 'Old men have dreams; Young men have vision'

It took me years to understand what she meant. This statement has nothing to do with age, but a state of mind.

Those of us who dream of a better life, different circumstances, or different outcomes, but who never take action become old before our time, are unhappy and never seems to have the fulfilment in life we seek;



But those who believe that dreams can come true, and pursue their dreams with passionate action and belief are eternally young, energised, happy and fulfilled.

The difference is belief.

The reason I became a financial planner, was not to pretend I was an investment guru, as I have quickly learned that most of my clients become successful investors without me needing to tell them what to invest in. My role is to help them re engage with the process of becoming wealthy, and ensure that they continue to believe in what is possible. That's why I love Self Managed Super Funds. My clients have the control and power over the decisions that are made, and what they do with their money. You see, wealth accumulation is a self determining process. There are no magic puddings, and no Father Christmas's who deliver presents or magic results. Become wealthy is like filling a bucket with a dripping tap. It takes a while, but it is assured when the process is right and is set in motion. Only you can control that, not some corporate super manager who knows nothing about what you want in your life. My goal, as your financial adviser, is to see more people achieve wealth and happiness in retirement. That doesn't necessarily mean age 65. Retirement can happen at any time, or maybe you never want to retire. Maybe retirement is the wrong word. A better way to describe it might be financial freedom. There is no right or wrong. It's all about what matters to you. What your vision for your life is.

Financial freedom starts with a plan. That's where we come in. Exelsuper is about helping you

- 1) Understand more about what you want financially
- 2) Encouraging you to believe that in most cases with the right effort and discipline it can be achieved
- 3) Have a plan
- 4) Have a process to review your progress
- 5) Have someone who will never be-little your ambitions
- 6) Gain access to tips and mechanisms (such as quality investments and great tax advice) that can help you get there quicker.

Permission to rock

OK, let's stop for a minute. I mentioned before, that our mind (judgement) knows a good idea when it has one, yet so often we do nothing about it. So many people are looking to invent the next great invention, or discover the next great business concept, be the person who invents the next 'Post It Note' or Rubik's Cube: be the next Mark Zuckerberg of Facebook, or Bill Gates and discover a new sensation in technology or social media etc. The truth is that whilst this is certainly possible, it's rare indeed.



Richard Branson, the owner and inspiration behind 'Virgin Airlines etc.' says that the greatest entrepreneurs invent nothing. They just take an existing great idea and do it better. I love that statement. Every time I get lousy service from someone, or I buy a great product or service that is flawed I see an opportunity. Steve Job's who is acknowledged to have changed the world we live in with Apple's amazing products says that there have always been three principals at the heart of Apple's success:



- 1) Empathy – understand the problems and concerns and needs of your customers and create a great solution.
- 2) Focus – Don't try to create multiple solutions or exploit multiple opportunities. Do one or two things really, really well.
- 3) Impute – Pay attention to detail. People do judge a book by it's cover. Ensure that you create value in every aspect of your product or service, even when value is not obvious.

I really recommend that you take the opportunity to read some books by these great entrepreneurs, not because I am encouraging you to become the next Branson or Jobs, but I think it's great to catch a glimpse of how these guys approach things.

We chide ourselves for missed opportunities, berate ourselves for not doing what we planned, or listen to those who love to remind us of our failures. The result is that we start to believe that success is not our right, we start to lower our expectations, and start to believe that it's OK to be where we are, but deep inside we wish things had gone differently and wish we were more successful. If we have no expectation of achieving our vision and goals, then we can't be disappointed, or labelled a failure. We start to become the 'old man with dreams' my Mum talked about.

So you need to acknowledge that you have as much right as anyone to have all the things that you desire. You need to release yourself from any mindset that might be holding you back. Remember it's not what you are, or what you have that holds you back, it's what you think you're not. You need to give yourself permission to be successful... permission to rock!!!

I know this all sounds a bit weird, but for many is a real barrier to success. It's OK to be successful. It's your birth right, and those who do the work and pay the necessary price, have the discipline



and endeavour deserve all the success that they can dream of. Remember if you want to earn \$1m dollars, learn how to solve \$1m of problems.... deliver \$1m of value.

When I was younger I used to think that the people at the top really knew the secret to success. They had the education, the answers to the important questions, they were in control, and knew what decisions needed to be made straight away, and made them each day. I always aspired to be like that.

The truth is that the more successful I become, and the more successful the people I meet, I realise that they don't know. They have no more answers than you and I. The thing that sets them apart is that they have the courage and confidence to try, try and try again. They don't fear mistakes or failure. Always remember that success starts in the imagination.

It's not what you can achieve that's holding you back.... it's what you think you can't!!!

FAILURE IS IRRELEVANT

Remember that Nike ad with Michael Jordan. Take a look at the link. Jordan is arguably the greatest sportsman of all time, yet this ad is about how many time's he failed. Interesting!!!

[Michael Jordan "Failure" Nike Commercial - YouTube](#)

So it's not failure that's holding us back. Well, as long as we keep on trying. The problem is that our failures erode our belief that we are worthy of a better life.... that we deserve a better outcome. So now's the time to remind ourselves, that every failure in our life has just been an attempt at success, and that our next attempt might be another failure as well, but it will bring us one step closer to success. The more times we fail, the more successful we become. That's illogical so let me explain.



Ever watched a child try to walk for the first time? Here's how it goes:

Fall down, Fall down, Fall down, Fall down, Fall down, Fall down, Fall down, Fall down, Take a step

Fall down, Fall down, Fall down, Fall down, Fall down, and Take a step

Fall down, Fall down, Fall down, and Take a step

Fall down, Fall down, Fall down, and Take a step

Fall down, Take a step

Take a step; Take a step, fall down

Take a step, Take a step, Take a step, and fall down

I think you get the idea.

As a financial planner, all my life I have been introduced to new clients who keep doing the same thing over and over again, but never seem to make progress. I love that, because they are doing the hard yards, putting money away, following a plan. All that they need is some fine tuning, guidance and encouragement. That's where I can help fine tune the plan so that good habits result in success.



Making some sense out of all this

Before plans are drawn on paper, they are drawn in the mind, and if we want to see them become reality we develop them, adding detail, colour, excitement, thought, actions and more ideas, until we turn our imagined idea into a comprehensive plan, and action list, and ultimately reality. In fact, with proper process, help and consistency, our ability to imagine the results we desire, and feed that desire becomes the first step to change ourselves, and the world around us.

It doesn't really take much intelligence, or creativity to imagine what we want.... it just takes a leap of faith to believe that if we apply a process of discipline and focus, the pictures we create in our minds are pre cursors to the reality of our lives. Nor does it take any particular skill to daydream about what we want from life. In fact, as a 10 year old kid, that's pretty much all I did.... daydream. As we mature, our ambitions and grand ideas are sometimes labelled as 'hair brained schemes', or unrealistic, or we are accused as being 'off with the pixies' by those closest to us. It sometimes takes great courage to hold onto our vision for a better life and more courage still to take action in the face of those laughing at our ambition and trying to hold us back. The greatest, happiest, most full-filled people in this world understand one thing.....dreams can be turned into inspiration which becomes our vision; our vision becomes our motivation, or our 'motive for action'. Our desire for action becomes a 'to do' list, which if followed daily become good habits, which, with the right guidance and help, and the right process, turn into our reality.



Sounds simple right?..... Errrr!!!! Well, not really. If it were easy everyone would do it.

As a financial adviser, I'm not here to help you become a better person. I'm not a life coach, nor am I a particularly spiritual person. I can't help you lose weight or get fitter. There are other professionals for that. All I can do is help you become more successful financially, and reach financial freedom sooner. I can't do that without spending time with you over a long period of time, but I can help you to get started right now with some basic tools to get you on your way.

The process below uses step by step tools to ensure that your vision is in place, that your dreams are being turned into inspiration, which becomes your vision, and your vision becomes your motivation: your desire for action becomes a 'to do' list, which if followed daily become good habits. All of which, I hope leads you to me. A financial planner who would love to put all the pieces of the puzzle together and stick with you to help you implement your plan, review it with you regularly, and celebrate your successes with you.... so let's begin.



THE "YOU" YOU HAVE ALWAYS WANTED TO BE.

OK, one point that needs to be made here is that the majority of people in the world get to this stage and go no further. 95% of us never set formal goals, and therefore never achieve what we want in life. You can stop now, and choose to live unhappily ever after, or you can get on with the most important thinking you will ever do..... it's your choice.

In the tables below fill out simple dot points. The idea here is not to write an essay on ourselves. The questions are simply meant to be thought provoking, and to stimulate your thinking about what you want your life to look like.



What are your strengths, and what is it about you that you like?

It's important to acknowledge that we all have strengths and weaknesses. This is true of everyone. I think success is often about playing to our strengths, and learning to compensate for our weaknesses.



What, if anything, do you believe is holding you back?

Do you fear failure? Are you overly obsessive about what other people think? Are you worried about becoming more successful than your parents? Are you lacking motivation or a proper plan?



What opportunities do you see right now?

Do not let life pass you by. Opportunity is as abundant as the air that we breathe. Use your good judgement to list down anything that you believe is an opportunity you would like to pursue. Do you want to do more study? Would you like to pursue a different job, promotion or career path? Have you seen an investment that you would like to participate in? Do you want to be self employed, and buy or start a business?

What great ideas have you had, but not acted on them, and why?

Have you ever recognised an opportunity that you wish you had pursued. Whilst it is important to recognise this, it is also important to not have regrets. Recognising opportunities not pursued may give you additional motivation to take action in the future.



How would you spend your time?

Describe what this week looks like and how you fill your days. The point here is to identify the things that recur that dictate the pattern of our lives. And it's time to ask, if this is truly how we want to live? Are we packing as much into our week as we would like, or do we seem to be spending a heap of time in front of the TV, or sleeping in?

Monday	Friday
Tuesday	Saturday
Wednesday	Sunday
Thursday	Holidays or days off



What would a perfect week for you look like?

Describe what you would like your perfect week to look like. Unfortunately some unpleasant tasks are not negotiable, doing the washing on a Saturday morning, or mowing the lawn. Some are optional, like watching TV. This might prompt you to think about giving up paying for Foxtel subscription and using the money to pay someone to do the washing, or mow the lawn.... just describe your perfect week.

Monday	Friday
Tuesday	Saturday
Wednesday	Sunday
Thursday	Holidays or days off



Life in 3 years time

Think about what you would like to be doing with your life in 3 years time, and in your own words describe your life, and how you would spend your time. What sort of person are you?

Life in 10 years time

Think about what you would like to be doing with your life in 10 years time, and in your own words describe your life, and how you would spend your time. What sort of person are you?



Priorities

I was once told that I am exactly where I am in life because of the priorities I have accepted for myself. Maybe I haven't consciously chosen to spend my time doing the things I do. Maybe I do them out of emotional need, or laziness, but I do need to acknowledge that it's my life, and I have the ability to choose whatever I do. I need to recognize that every choice I make has been made by me, and has a consequence... a reaction or a result. Again, that's where my judgement, or imagination comes in handy. Hmmmm, maybe it is not being used to its full potential

So, if I chose not to work, and become a surfer instead, and spend my life at the beach surfing, and living off Centrelink, could I do that? Well yes, I definitely could, but the truth is that I will still pay a price for that choice.

If I stay up till 1 am watching the Ashes test, I need to understand that my efforts at the gym at 6am in the morning may not be of the highest quality.

If I eat a cream bun, instead of an apple, I might need to buy a new pair of jeans, because the old ones are getting a bit tight.

Every step of our lives we are faced with choices to make. Every one of those choices creates a consequence or outcome. Sometimes, we understand the consequences, and always consider the outcome and consequences when making those choices. The truth is that in most areas of our lives, we make decisions and choices on automatic pilot, based on long established habits. It's just the way we do things. Well, here's the most important lesson of all..... Successful people have good successful habits.

The old saying about the "Grass is always greener on the other side "is really true. So often we look at someone who seems to have it all, and we think, what a charmed life they lead, only to discover that the charmed life is not as charmed as it appears. Everyone pays the same price for success..... Everyone!!!

OK, so here's what we have all got... the constants in life.....



Everyone has 24 hours in a day, breath in our bodies, and a brain in our head. We Aussies all live in the same lucky country, with the same opportunities as the next guy.

(Yes I know this is an oversimplification. Environmental factors, such as upbringing, education, political environment etc. do make a difference, but if this is really a significant factor in success and failure why do kids growing up in the same family end up with different results in life? Successful people overcome adversity no matter what their circumstances)



SMART GOALS

The whole purpose of goal setting is to ensure that you have your priorities in place, that you are focused on the outcomes of your choices, and that your motivation is clear, making it easier to follow your daily “to do” list for long enough to turn those little action items into habits.

Setting goals is one of the most written about subjects, but one of the easiest to get wrong.

Goal setting experts tell us that we should set SMART goals:



Specific

- Well defined
- Clear to anyone that has a basic knowledge of the project
- Easy to recall
- Action based

Measurable

- Know if the goal is obtainable and how far away completion is
- Know when it has been achieved

Agreed Upon

- Agreement with all the stakeholders what the goals should be
- If it's a personal goal, you need to be personally engaged, and desire it enough to take action to achieve it

Realistic

- Within the availability of resources, knowledge and time.



- Nothing destroys motivation like a lack of belief that your goal can be reached. You'll only take action when you believe it will result in the outcome you want, so it needs to be within reach... a stretch, but within the realms of your reach.

Time Based

- Enough time to achieve the goal
- Not too much time, so that the sense of urgency for action is lost.

Remember that the fundamental purpose of goals is to develop good habits, rather than achieve specific things. That way, success becomes a long term internally built habit, rather than a once off achievement. For this reason, I believe that goals should be challenges we set ourselves to achieve certain activities not desired outcomes. Let me explain this:

Let's say it's the day after New Year, and we decide that our new year's resolution is to lose weight. This might sound familiar.....

The problem is that setting a goal to lose weight really serves no purpose, and whilst it might be driven by our motivation and desire to look and feel better, we need to use motivation to drive activity, not results.

So maybe the goal should be to spend 3 hours per week on the wind trainer, at the gym, maintaining our heart rate in the fat burning heart rate zone.

Also, instead of setting a goal to lose 20 kilograms this year, the goal might be to reduce calorie intake to 1800 calories per day for the next 3 months.

These two activity goals, combined together should get us moving towards our vision of what we want to look and feel like physically.

If we write our goal outlining what we want to achieve, rather than the activity targets to obtain it, our goal becomes diluted and expectation driven, rather than activity driven. The outcome of the activity is the result we are looking to achieve, but the truth is that goals and human beings don't work like that.



Chunking it down – How to Eat an Elephant

Let's imagine for a moment that it's Saturday morning you have just had 7 tonnes of topsoil dropped in the driveway, and need to get it spread on the garden by Sunday night. Whilst this might be the outcome we want, our method of succeeding at large tasks isn't built on the end result that seems way in the distance.... we chunk it down.

With sweat on our brow, blisters on our hands, and most of the pile of topsoil left, we start to think in terms of how many barrow loads can I do in an hour. So we begin. We achieve 12 barrow loads this hour. At the end of the hour we reward ourselves by having a glass of lemonade, and a five minute break. We then begin again for the second hour, trying to beat our 12 barrow loads, telling ourselves that we can't stop until we have complete 12 barrow loads. If we do 13 loads we get an extra glass of lemonade as a reward..... and so on. We do this until we collapse exhausted Sunday night with the job complete. People marvel at how we managed to shift 7 tonnes of dirt all by ourselves in one weekend. Sometimes we even surprise ourselves!!!

Whilst everyone responds to a slightly different method and motivational style, it's true that we all handle large complex goals more effectively by focusing on a shorter more obtainable goal. The key to this success is belief that we will succeed.

Belief

Nothing kills motivation or chance of success more than a lack of belief that our goal is achievable. Let me explain...



I, in my younger days, used to race my bike on Sunday mornings at the local road cycling club. I recall a race, where I was dropped on a good sized hill by the peloton by about 3 minutes. (climbing hills was never my forte). The last section of the race was down hill, followed by



about 5 K's of flat road leading to the finish. I chased with all my might to get back in touch with the pack on the downhill, but the peloton ahead was out of sight, and I was starting to feel pretty knackered by the effort of chasing by myself. I recall reaching the flat section 5 km's from the finish, and coming around a corner, and catching a glimpse of the back of the peloton up the road ahead. All of a sudden I started to believe that I could catch them, and worked harder and harder to get back into the race. I ended the day only 14 seconds back. I've listened to commentators of many cycling events saying that the chance of a breakaway staying away from the peloton is much improved on a winding road, where they are out of sight of the charging peloton... why is this?

I think the lesson we can all learn here is that when we set a goal believing that we are on track, or moving closer to success is vital to maintaining motivation. That's why it's so important to chunk it down. Lots of small successes can quickly add up to one big success. So to overcome a lack of belief, or a rash of self doubt, it's vital to start with a small, very achievable target, resetting to the next target just out of reach after reaching the first one, and each time we do so our belief, motivation and success habit becomes stronger.

So if you want to become a millionaire by the time you are 50, let's set a goal to be a "hundredaire" by the end of the month. Then onto a "thousandaire" etc.

I like people with big goals and a big vision, but when it comes to financial freedom, the only thing that matters is the next dollar that is saved. Remember, success doesn't come in a flood, it comes one drip at a time. Before you know it your bucket is overflowing.



So in summary, set an activity goal, not a result orientated goal, but measure the result in small chunks. So set a goal to eat 1800 calories per day this week. Weigh in regularly until you've lost 2 kilos. Then do it again until you've lost 5 kilos, and so it goes, until the 20 Kilos is off and your vision of fitting into that new outfit becomes a reality.

Setting a Goal

So let's try now to write out our next goal using the sheet below, starting with the outcome we want, the daily activity we need, the obstacles and issues we need to prepare ourselves for, and the steps we can take to overcome those issues. The more complete and well thought out your action plan, the better the outcome is likely to be. Don't be ashamed to cut pictures out of magazines, or make a scrap book, or folder of images that keep you focuses and reminded of what your vision is for the future. Never stop believing and never give up..... and good luck!!!!



Example

GOAL PLANNING SHEET			
LONG TERM VISION			
REDUCE WEIGHT TO 60 KG'S SO THAT I LOOK GREAT FOR MARTHA'S WEDDING			
AREA OF LIFE	TODAY'S DATE	TARGET DATE	DATE ACHIEVED
Health	1/1/12	31/12/12	
GOAL (specific, measurable, attainable, realistic, tangible, activity based)			
Reduce calorie intake on a daily basis to 1800 calories per day in order to reduce my weight by 20 KG			
SHORT TERM TARGET			
Lose 2kg within three weeks to ensure I have got off to a good start			
Obstacles		Solutions	
1. My love for chocolate		1. Remove all chocolate from the house	
2. Hunger		2. Drink water regularly to keep feeling full	
3. Friday night drinks		3. Go to gym instead	
4. Boredom at the gym		4. Take headphones for TV, and my book	
Action Plan	Target Date	Date Completed	
Attend gym 3 times per week, and spend 1 hour each time on spinervals machine maintaining heart rate in low intensity fat burning zone	31 May 2012		
Walk to work until end of daylight savings	25 April 2012		
GOAL PLANNING SHEET			



LONG TERM VISION			
AREA OF LIFE	TODAYS` DATE	TARGET DATE	DATE ACHIEVED
GOAL (specific, measurable, attainable, realistic, tangible, activity based)			
SHORT TERM TARGET			
Obstacles		Solutions	
1.		1.	
2.		2.	
3.		3.	
4.		4.	
5.		5.	
Action Plan		Target Date	Date Completed
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
10.			



