

HOW WILL I EVER RETIRE?

I'm Too Young To Think About That

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Your financial life is one long continuum. This whole series of events culminates at a time in the future. Our job or the job of any Financial Life Manager (FLM) should be to plan for that time in the future to be one of your choosing, not a reaction to economic events or age. We often think of retirement as something for the “old”. The funny thing about “old” is that it is always later no matter what your age! The job of any good financial advisor is to help you manage your finances so that you retire when you want to and at your desired financial means.

There are many different programs and many different planners to assist you on this journey. Mahan & Associate’s principals deploy programs that allow us to guide you through the financial jungle where many become lost and vulnerable. Individuals should be looking for professional and personal assistance in walking alongside them, monitoring their goals and objectives along the way and being there to help correct the plan if necessary.

Two Distinct Areas of the Financial Life:

The Mahan & Associates continuum experts believe that your financial life is made up of two distinct yet intertwined areas. We refer to these as “the Practice Continuum” and “Family Office Continuum”. A continuum is a continuous, complete series of events. Both your practice and personal financial situation have lives of their own. The trick is to merge the two to maximize your results and meet you goals for both. One does not exist well without the other; and one does not perform well unless the other is performing well. I liken it to the game of dominos. What happens when one or two of your dominos are missing? The chain, or continuum, is broken and the pieces stop falling down in the order you placed them. This is what happens when you fail to plan or your plan fails you because there is no one there to keep the pieces working together over the continuum.



The “Practice Continuum” is our first concern. We focus on four distinct areas in your business:

1. Revenue Management
2. Practice Operations
3. Tax Strategy
4. Wealth Management

Each area has specific benchmarks and goals against which we

gauge the success. This is only an overview of how we approach our practices.

The “Family Office Continuum” is where we look at your personal financial life as if it were a business. We have observed that so many of us perform well in our practices but fail to treat our personal financial matters with the same level of care and diligence. The Mahan & Associates approach coordinates the following: merging your business & personal tax plan, survivor needs, children’s education, retirement planning, long term care, disability income, estate & trust planning and “Wealth Management”, or more specifically, – Retirement

The Four Corner Stone approach To Your Retirement

Retirement should be approached just like any investment – Diversify – Diversify – Diversify. Just like a building, your retirement should have a good foundation. You cannot rely on any one strategy to provide for all of your retirement needs. This Four Corner Stone approach involves: 1. A qualified retirement plan, 2. Your practice building, 3. A plan for Practice sale & transition, 4. Other investments. There have been many articles written on each of the above areas, but we would like to add a short note on each.

1. Qualified Retirement Plans are not all created equal. Just because your friend has one type of plan does not mean that’s the plan for you. Personal desires, staff demographics and tax law dictate the type of plan that’s right for your practice. It is important that you work with someone who has a strong knowledge base with retirement program development, administration and management. One way to judge the expertise of this professional is to discover how they characterize different types of plans. If they were to say “you don’t need that, it’s complicated and expensive” then that may alert you to the fact that they may not have complete knowledge of that type of plan(s). One type of plan over another may very well be more expensive, but it also may save you many-fold in contribution or other costs.

2. Practice Buildings have always been a leading component to any retirement plan. Real estate often keeps up with or exceeds inflation. Why should you pay someone else’s mortgage when with careful planning, you can pay your own rent and enjoy the benefit of a valuable asset sale or rental property to contribute to your retirement income.



3. Timely Planning: "Better three hours too soon than one minute too late" (William Shakespeare). This is how we liken Transition Planning. We have observed over the years that many dentists wait too late to start their transition. One possible reason for this lack of planning is that many dentists believe they will have to retire soon. This is simply not the case. We have structured several deals where the transition lasted eight to ten years and the senior dentist was able to get top dollar, instead of waiting too long and getting less than they should. Solid pre-transition planning helps construct a framework where the timing and method of transitioning your practice is established. Without thoughtful planning, your minute-too-late could cost you a bundle. Since everyone has different personal objectives, no two transitions should be the same. Finally, since adjustments over time will be the rule and not the exception, all plans should be reviewed often (once a year) and tweaked as needed.

4. Other Investments are just that, other financial programs where you have invested in other areas such as, equity investments or real estate etc. In conclusion, being proactive can be the guiding principle you need to embrace. Being aware of changes which could affect your wealth accumulation is a constant job for both you and your trusted advisor. Anticipating and reacting under the umbrella

of your overall plan can help offset their effect.

Change is part of the continuum in our practice and personal lives. We can all count on changes in future reimbursement rates from insurance companies and government entitlement programs. They will be reduced. Productivity of staff and expenses must be watched even more closely. The tax laws will always change and will require adjustments to your practice and personal financial programs. Complacency and a failure to plan usually creep in because of the demands on one's time. There are both external and internal forces at work in our lives; therefore, a personal and professional analysis should be done and then reviewed annually as part of your Continuum planning. We suggest that you meet each quarter with your practice advisor and at least once a year with your personal financial advisor.

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At Mahan & Associates, LLC, we have qualified staff in each of the following disciplines: Practice Management, Transition and Expansion Planning, Associate Integration Planning, Marketing Services, Website Design, Financial Planning, Accounting, Payroll, Human Resource Management, Pension Plan Design and Administration as well as Personal and Business Tax Strategy Design and Return Preparation. Our staff's credentials include MBA's, CPA's, CFE's, QKA's, QPA's, CPC's, FPC's and CHBC's.

In response to client inquiries about their fees, we now segregate our invoices to reflect the portion of time we spend for each key area of activity on their behalf. In doing so, clients can quickly see both the scope and detail of what we do to keep them successful. Occasionally, our monthly invoice might be more than that sent by a typical accounting firm but when service delivered is viewed side by side we fare favorably because we simply provide more service.

Clients also appreciate our one-call concept knowing that the Mahan team member on the phone can immediately access information stored in our integrated database or connect them to the proper staff member.

We welcome inquiries about how we might help you reach new business objectives. Please contact us for more information. In the meantime, please visit our web-site www.mahanassociates.com. Our phone number is 615.883.7800. Call anytime.

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