

# Building a financial plan that actually works !

By AK Rao Personal Finance Advisory



**SEBI RIA:**  
How We Build  
a Financial Plan  
That Actually  
Works

A structured, goal-based approach. Designed around you. Built for your future.



REGISTERED INVESTMENT ADVISOR

FIDUCIARY | FEE-ONLY | CLIENT-FIRST

**OUR FINANCIAL PLANNING PROCESS**

A proven 7-step approach to clarity, confidence and long-term success.



**YOUR GOALS. OUR GUIDANCE. YOUR FUTURE.**



**WHY OUR PROCESS WORKS**

-  **Goal-Based Planning**  
Every recommendation is aligned to your goals.
-  **Fiduciary Commitment**  
We act in your best interest, always.
-  **Fee-Only Advice**  
No commissions. No hidden agendas.
-  **Transparency**  
Clear communication. Clear reasoning.
-  **Long-Term Partnership**  
We are with you through every financial milestone.



A financial plan is not about beating the market. It's about reaching **your goals** with confidence.



Clarity today. Confidence tomorrow.  
**A better future for you and your family.**

## Most people don't have a financial plan !

What they have instead is a set of financial instruments—a messy collection of products accumulated over the years through social pressure, random encounters, and marketing noise.

It usually looks something like this:

- An insurance plan bought because a relative or a distant uncle needed to meet his year-end quota.

- A ULIP pushed by a relationship manager while you were simply trying to renew a fixed deposit.
- A handful of mutual funds suggested by a colleague and purchased through a bank's distribution website without much second thought.
- An occasional purchase of Gold jewelry
- A last-minute tax-saving "strategy" born out of panic every march.

On paper, there are assets. There is a vague sense that "things are under control." But, the nagging doubts persist:

- Am I actually saving enough, or just staying busy?
- Will this random pile of products actually sustain a retirement?
- What happens to this patchwork of investments if something goes wrong?

The gap between owning investments and having clarity is where a real financial plan lives. Most people are "collecting" products, but very few are building a portfolio that is fully aligned with their financial goals.

This is where the role of a SEBI Registered Investment Advisor becomes critical. Unlike distributors who facilitate a transaction, an RIA operates as a fiduciary—focused not on the next product sale, but on the cohesive strategy that finally ties every random thread together into a secure financial life.

## **A Financial Plan Is Not a Document. It's a System.**

Let's get one thing clear upfront: A financial plan is **not**:

- A PDF report
- A list of product recommendations
- A one-time exercise

A financial plan that actually works is a **living system**—designed around your life, evolving with it, and guiding decisions over decades.

So how is such a plan built? Let's walk through the process.

## **Step 1: Understanding Before Advising**

Most financial conversations start with:

- Where should I invest?

A good planning process starts elsewhere:

- What are you trying to achieve?

At this stage, we don't talk about products at all. We focus on:

- Life goals (retirement, children's education, lifestyle and travel)
- Time horizons
- Income stability
- Family responsibilities
- Concerns and anxieties

If you had to list your top 3 financial goals right now—are they clearly defined with timelines and amounts?

Most people realize here that their goals are either:

- Vague
- Incomplete
- Or not quantified

Without clarity here, everything that follows becomes a guesswork.

## **Step 2: Where You Stand Today (Reality Check)**

Once goals are defined, the next step is brutally simple:

### **Where are you today?**

This involves a complete mapping of:

- Assets (investments, property, savings)
- Liabilities (loans, obligations)
- Cash flows (income vs expenses)
- Existing investments and insurance

This is often where the first surprises appear.

Common observations:

- Too many overlapping investments
- Inefficient insurance products
- Idle cash or underutilised assets

This step creates something powerful: **Awareness**

Because you cannot plan a journey without knowing your starting point

## **Step 3: Risk Profiling (The Most Misunderstood Step)**

Most people think risk is about “how much loss I can tolerate.”

In reality, risk has three dimensions:

- Ability to take risk (financial capacity)
- Willingness to take risk (emotional comfort)
- Need to take risk (based on goals)

A proper risk assessment balances all three.

Why this matters:

- Too much risk → anxiety and poor decisions
- Too little risk → goals may not be achieved and missed opportunities

A working financial plan finds the **right level of risk**, not the highest return.

## **Step 4: Designing the Strategy (The Core of the Plan)**

### **Translating goals into a strategy**

This is where we answer:

- How much to invest?
- Where to invest?
- How to allocate across asset classes?
- How to align investments with timelines?

This is not about picking “top funds.” It’s about:

- Asset allocation (equity, debt, etc.)
- Time alignment (short-term vs long-term goals)
- Cost efficiency
- Tax awareness

## **Step 5: Product Selection (Last, Not First)**

This is where most people start—and where we intentionally come last.

Once the strategy is defined:

- Suitable instruments are selected
- Low-cost, efficient options are preferred
- Complexity is minimized

Because by now, the role of products is clear: **They are tools—not solutions**

## **Step 6: Implementation with Discipline**

A plan is only as good as its execution.

This step ensures:

- Investments are aligned with the strategy
- Cash flows are properly directed
- Reworking the plan to take care any surprises

We also address practical aspects like:

- Systematic investing
- Rebalancing approach
- Tax-efficient execution

## **Step 7: Review and Adapt (Where Most Plans Fail)**

Financial planning is not a one-time exercise—it is an ongoing process.

- Life changes.
- Markets evolve.
- Priorities shift.

A static plan, no matter how well-designed, can quickly lose relevance. A robust financial plan therefore builds in a structured review mechanism that includes:

- Periodic reviews to reassess assumptions and progress
- Performance tracking—not just in terms of returns, but in relation to goal achievement
- Timely adjustments aligned to life events, market conditions, and changing aspirations

This continuous cycle of review and adaptation is what transforms a financial plan from a document into a dynamic, long-term companion—one that stays aligned with your life, not just your numbers.

## **A Quick Reality Check**

Pause for a moment and ask yourself:

- Do I have clearly defined financial goals?
- Do I know whether I'm on track to achieve them?
- Is my portfolio aligned to those goals—or simply built over time?

If these questions don't have clear, confident answers, there's a hard truth to face:

**You don't have a financial plan.**

You have a collection of investments—without direction, without coordination, and without a clear destination.

## Final Thought

In investing, **success is rarely about doing something extraordinary. It is about doing the right things consistently over a long period of time.**

A SEBI Registered Investment Advisor brings structure to that journey.

Because at the end of the day: It's not the product that builds wealth. It's the plan behind it.

If you're looking to bring clarity, structure, and direction to your financial life, it may be time to start a conversation.

Reach out to AK Rao Personal Finance Advisory for a thoughtful discussion on building a financial plan that actually works—for you.