

The Efficient Practice

Newsletter and Archive Service for
Financial and Business Professionals

The Financial Crisis: What To Tell Your Clients

The natural reaction of clients when faced with a financial crisis is to panic. This is evidenced by the fact that whenever the

We had seen flat growth, but not even one quarter's worth of negative numbers. (until now)

U.S. has been faced with an economic challenge (market driven or otherwise) the reaction has been to react (usually negatively).

With respect to other journalists, the media

is partly to fault by loving to trumpet the bad news. Nothing sells advertising more than viewers (or readers) who tune in out of fear to hear the media parade a litany of doom and gloom before the public.

Earlier this year, the media was reporting a recession when, in fact none had as of yet occurred. By strict definition, a recession is two-full quarters of negative growth numbers in the economy. At the time, We had seen



flat growth, but not even one quarter's worth of negative numbers.

There is something to be said for a 'self-fulfilling prophecy' in that if you tell a fib long enough and convincing enough, you begin to believe it yourself.

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Estate Planning Software: A Quick Look

So what do you do when your financial planning software just doesn't have the muscle to accomplish advanced estate planning concepts? Surprisingly, there are really two choices available. The first choice is to replace your entire software platform with a more powerful platform. This may be easier than

it seems. Many software companies offer varying levels of financial planning. EISI systems (Naviplan) have a variety of choices from Profiles to their Naviplan Extended product, which can ably handle most estate planning issues. Sawhney Systems ExecPlan is generally regarded as a top estate plan-

ning platform with financial planning tools built in. And, even Lumen Systems FPP is a fairly robust solution. But, if you own a product such as Money-GuidePro or Money-Tree Silver or similar, you may not be able to upgrade within the same company...

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Special points of interest:

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- > Estate Planning Software
- > Solid State Drives
- > SmartDraw 9
- > Google Adds Email Security

Check out our new look!

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Solid State Drives



The 64-gigabyte model surpasses a key storage threshold for business users.

Samsung has produced a breakthrough in solid state drive technology with the introduction of its Flash SSD product. Samsung's Solid State Drive (SSD) is an advanced NAND flash-based solution for traditional storage, leveraging the company's long-time leadership in memory technology.

This next-generation solution offers several advantages over rotating magnetic media such as significantly lower power consumption, remarkable ruggedness, high reliability, less weight and outstanding performance.

According to iSuppli, approximately 25% of notebooks will have solid state storage by 2010.

The SSD system is cur-

rently selling as an alternative high-end storage device for notebooks by many major PC manufacturers. The 64-gigabyte model surpasses a key storage threshold for business users; according to surveys,¹ this is adequate storage for approximately 80% of professionals.

The two biggest selling points are the lower power consumption: .41 watts versus a standard hard disk drive of 2.0 watts of power. This means increased battery life, a must-have for most laptop users; and, the lack of moving parts, which means a much lower failure rate. Traditional Hard Drives are pressed to deliver performance beyond 3 years of useable life before the real threat of a disk crash. For business users, that threat forces them to purchase new laptops every three years or so even when all other aspects of the current laptop may still be adequate. The Samsung model has been tested to endure in excess of 2 million hours of use whereas the typical hard drive clocks in under 600,000 hours at best.

The weight is also significantly less than traditional drives which is a real plus for the road warrior who is weary of lugging around a behemoth of a laptop machine.

These new drives are being placed in Dell laptops, Alienware, ASUS, HP, Lenovo, Sony and Voodoo PCs.

Imation produces a 128 GB 3.5 inch solid state drive (for desktops). But at \$2,049.99 it is pricey at this point in time.

Most other manufacturers have yet to break the 32 GB barrier. Which is odd in that you can purchase a flash drive that plugs into a USB port in sizes up to 16 GB. You would think that, with the extra size, they could engineer substantially more storage space. The fact is, they will. And, prices will continue to fall on this technology as more and more competition enters the race.

For now, Samsung appears to have the top spot locked in with a high quality, durable product available with most laptop makers.

For details, visit www.samsungssd.com

Estate Planning Software (cont'd)

And, you may not wish to give up the tools you already have. Thus, Choice #2 is to select a stand-alone Estate Planning software package for those times when it is necessary to go beyond your normal financial planning software limitations. For this, there are several different packages to consider.

The first is Pen D'Calc Advanced Software (www.pendcalc.com)

At \$899, it stands as a middle of the pack choice with good tools, better illustrations and serviceable reports. Brentmark is next (www.brentmark.com/estateplanning.htm). Brentmark runs at \$429 plus \$119 for renewals annually. It is comprehensive, but the illustrations are not as crisp or explanative as others. The reports, though look pretty good.

BNA Software

(www.bnasoftware.com) is a tax heavy package that runs \$1,495.

One of two preferred vendors is WealthTec (www.wealthtec.com) with strong graphics and reports costing \$1,295 for the suite of tools. The other is Plexus (www.universeofoptions.com/uooms) which clearly is the most expensive of the bunch but stands up well when compared against WealthTec. The cost of Plexus is \$200 per month per user, plus \$20 per month per client (5 user minimum).

One of the more cost-effective solutions is zCalc from Thomson (www.fasttax.thompson.com). At \$395 per user, this one has good graphics production with a serviceable reporting function at a very affordable price.



...you may not wish to give up the tools you already have.

SmartDraw 9 released

SmartDraw, long one of the preferred graphics programs that works extremely well with Microsoft Office has upped the ante with its latest offering. SmartDraw 9 has improved features and a vastly improved interface with tools for

every imaginable purpose, including estate planning graphics and mind mapping charts. SmartDraw is not only applicable to financial advisory firms, they offer a Legal Edition and a Healthcare Edition to support those professions. Whichever edition

you ultimately choose, some of the truly valuable uses of this software include creating processes through flowcharts, tracking projects with Gantt Charts, strategic planning with decision trees and Org charts. Check it out for yourself.



SmartDraw 9 is available in single or multi-user packages. If you own a previous version, you can upgrade for as little as \$99. Visit www.SmartDraw.com

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The Financial Crisis: *(continued from Page 1)*



**When
the
markets
tumble,
this is
the
time to
buy,
not sell.**

Okay, maybe that is being a bit tough on the media. But, there is truth in the fact that people tend to react negatively to negative news. The problem, of course, is in the selling vs. buying of securities. The simple fact is that the average investor, during a period of market turmoil may sell off assets at a loss fearing that if they do not, they will lose it all.

What is actually going on is that people are selling low and then subsequently buying back in when the prices go back up. This is the opposite of how it is supposed to work. When the markets tumble, this is the time to buy, not sell. Yet, this is the hardest choice for investors to make because of the perception of increased risk. Yet, for those brave souls who undertake such a move, it more often than not ends up with huge

gains in the end.

The problem is convincing your clients that this is the right way to go. How do you tell a client who, for example, has lost 30% of value in a stock that they should buy a bunch more?

One way is to research similar trends in the market, tracking known stock prices. As an example, when the tech bubble burst in 2000, Microsoft stock went from a high of around \$80 a share on July 13th of 2000 to a low of \$47.50 a share on Sept 21, 2001. In a year, the price at dropped to nearly half its value.

MSFT returned to a high of around \$58 a share in 2003 before a 2 for 1 stock split. By 2007, it had risen to over \$30 a share (\$60 pre-split price). So, an investor who owned 1,000 shares at \$80 in 2000, who subsequently purchased another 1,000 shares at 47.50 would in 2007 have 4,000 shares worth \$120,000, a 50% increase in value over roughly 6 years. Ignoring dividends, this results in an annualized return of 8.33% with the dividends adding to this total.

Not bad. Let's turn it around for a moment and look at the panic investor who sold 1,000 shares at \$47.50 and then bought back 2000 shares at \$30 each. For the same period, there is an equity decline of \$12,500 plus the loss of any dividends not earned during the sold period.

Not only does purchasing a security during a down period make money in the long run, it helps mitigate short-term losses. But, the question still remains, is this something you can sell to your clients.

One method that has been used successfully in the past is dollar-cost-averaging. Let's say you cannot talk your bull-headed client out of selling. But, you might be able to convince him/her to do a DCA plan back into the security (or group of securities) as a proven method of recovering from losses over an extended period of time.

And, the good news is that you can deliver a positive message backed up by empirical data that shows how a DCA plan can make money even when the market is in disarray.



The Small Office: Google adds security to emails

Google Apps security services, powered by Postini, provide your organization with spam and virus filtering, email content filtering, encryption, email archiving and web security. Together, these services help your organization be more secure, compliant, and productive using your existing email infrastructure. As a service, there is nothing to install or maintain, so you can focus on strategic activities that drive your business.

Google email security service, powered by Postini, helps keep your email free from spam, viruses, phishing, and other email threats. Google email security is a hosted solution that blocks spam and other threats well before they reach your enterprise. Unlike legacy products, it requires no hardware or software to install and maintain, thus greatly reducing your IT resource requirements and costs.

Complete spam and virus protection

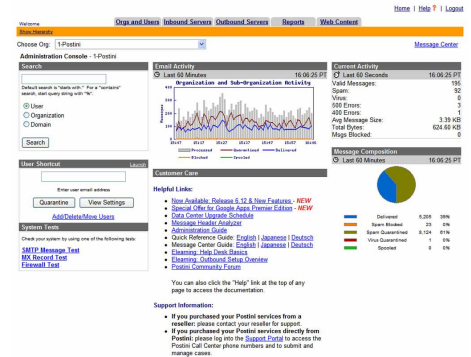
- Comprehensive message security to stop spam, viruses, phishing, denial of service (DoS), directory harvest attacks (DHA), and other email attacks
- Zero-hour anti-virus protection with multi-layered protection, including heuristic and signature-based detection
- Extensive and detailed quarantine summary reporting to end users through a convenient web console

Content-based policies for inbound and outbound traffic

- Built-in lexical analysis for social security and credit card numbers
- Build virtually any custom content rule with regular expression matching
- Apply a variety of policy dispositions to triggered content — approve, bounce, quarantine, quarantine redirect, log and deliver

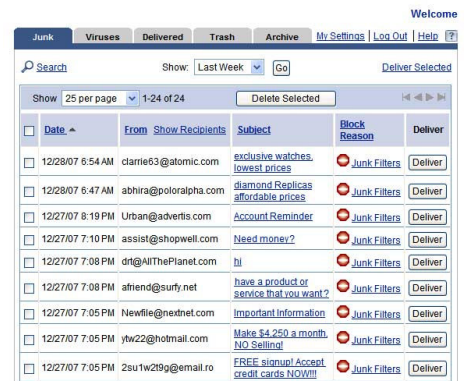
Real-time processing with scale and reliability

- Patented real-time, pass-through architecture ensures that there are no delays, message loss or disruptions to email service, regardless of how high spam volumes climb
- 99.999% availability for message processing and capacity to handle billions of transactions a day
- Policy enforced domain to domain messaging encryption using standard SSL or TLS protocols
- SAS 70 Type II certified and WebTrust seal validates Google's stringent standards for physical and operational security, assuring the safety of your communications
- Manage communication policies for message attachments and content



The Console

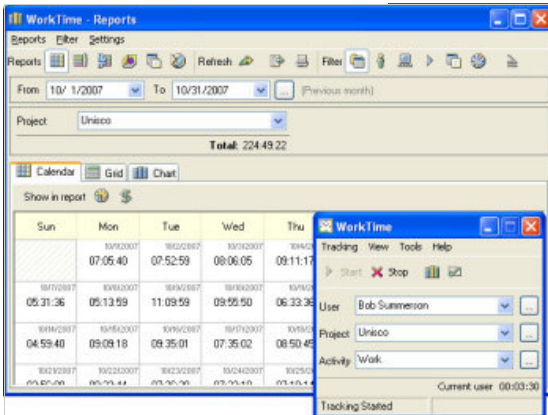
For details, visit
<http://www.google.com/a/help/intl/en/security/email.html>



Security Message Center

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Tools for Efficient Business: WorkTime for Windows



Fully automated PC usage/Project tracking software that surveys the time spent on the PC. **WorkTime** gathers statistics about projects you work on, applications you run, documents you open, web-sites you visit and time spent for every one of these activities.

WorkTime tracking is very precise and flexible: it can pause for the keyboard/mouse or screensaver inactivity, automatically change projects depending on the active application/document, track certain applications only and more. WorkTime offers informative reports that are perfect to analyze or bill your time: tables and graphical charts can be printed or

exported to various formats. Reports are highly customizable: projects, users, workstations can be grouped, filtered, compared. WorkTime is a unique combination of simplicity and usefulness; it suits from a home user to a large company.

PC Usage Tracking - WorkTime works in the background mode and tracks PC usage by recording any activities performed. WorkTime PC tracking is very precise and flexible.

Project Tracking - WorkTime tracks time spent in different projects. Tracking is fully automated: just pick a project and let WorkTime collect data.

Reports - WorkTime proposes various types of reports: detailed/summary, daily/weekly/monthly. Reports can be exported to various formats: XLS, PDF, CSV and more.

Network Support - WorkTime can work in client-server mode when all data from client computers is collected in the server database.

Offline Mode - WorkTime can run in offline mode when the database is not available. This feature is very useful for laptop and remote users who don't have connection to the database.

Hidden Mode - WorkTime collects data without displaying any icons, windows, messages and without playing any sounds.

Notes - you can add notes about your work to keep track of what exactly you were working on at certain period of time.

Quick Work - WorkTime is organized the way so it does not take your desktop space and at the same time all necessary information and functionality can be accessed very quickly without interrupting your work.

The software is from NesterSoft (www.nestersoft.com) but can be downloaded at C/Net's www.download.com.

It is free to try and \$29.95 if you wish to buy it.

WorkTime gathers statistics about projects you work on, applications you run, documents you open, web-sites you visit and time spent for every one of these activities.

Commentary: The State of Things

This past month has been one of the most tumultuous for financial practices. The effect of the mortgage meltdown has cascaded into virtually every aspect of the economy. The stock market has been on a wild rollercoaster ride, particularly at the end of September. People are genuinely scared about their money and what is to come. Panic rarely is a good thing, but the truth is that panic on Wall Street creates opportunities for those brave enough to trust that the market will eventually rebound.

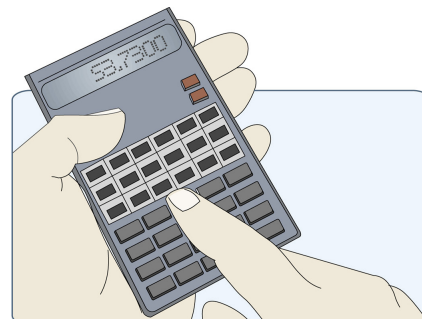
The question for most practitioners is, what do we do now? Beyond the critical role of assuring clients and keeping them focused on long term perspectives, there is much that a financial firm can do to position itself to take advantage of the current situation, rather than doing nothing and placing the firm at the mercy of the economic circumstances.

Economic turmoil is a signal to take a harder look at how the firm is doing business. Not merely to cut back or trim budgets, but to look holistically at every aspect of firm operations, from employee use to technology to management. Making better use of resources is always a good idea, but it becomes a critical key to survival when continued profit is at stake.

Back in 2000, when the tech bubble burst, many large tech companies, Microsoft, Sun Microsystems, Apple, etc., all made substantial investments in infrastructure and new product development at a time when most investors were selling out of their stocks. As incomprehensible as it may seem, the tactic worked as they were able to re-task staff resources to focus on infrastructure and product development during a sales slowdown. By trimming front-office costs and redirecting funds to back-office functions, costs were contained, jobs were preserved and the company was better prepared for the eventual tech rebound.

This is a lesson that needs to be learned by financial practitioners, if they are intent on not only survival but to position their practices to take advantage of greater profits in the future.

-David L. Lawrence



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We assist our clients in realizing additional profits through a thorough analysis of your business operations from a variety of tactical perspectives that stress the efficient use of resources. We have identified **six critical factors of efficiency** which form the basis of our evaluative process. We do this by taking the time to learn everything we can about your business and then offer recommendations based on where you want to take it. And we offer on-going support and coaching to ensure that your path to increased profit continues unabated.

Note: No software, service, product or company mentioned in this newsletter paid for such mention. This newsletter remains totally independent.

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