

How to get the year off to a good start.

The start of a new year is a great time to reflect on what worked and what didn't in the past.



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It's also a great opportunity to declutter and set clear plans to get you to where you want to be. I usually start by listing things that I was happy with and those that I would like to improve on. Putting this down on paper makes it real and makes the objectives clear. Having too many goals is a non-starter.

I usually start with a big list, let them rest for a day or two and then settle on a maximum of 10 goals that I filter into what is realistic and measurable. I also split them into short, medium and long-term goals so they are easier to manage. Then lastly, I allocate "accountable buddies" to help me stay on track.

From an investment perspective, when I set goals, I always begin with a budget. That way, I know exactly what my income and expenses are.

I believe that everyone can save, even if it begins with small amounts. But if you're someone who isn't very disciplined then I'd recommend putting measures in place to help you stick to the savings goal. People who are tempted to spend whenever they have money in their account may do well to set up a monthly debit order to set aside a specific amount in a savings or investment account. Or they may call on someone whom they trust to act as their accountable buddy. This person is responsible for asking whether you need that item and reminding you of the goal that you set for yourself. The way I think about it is, that you're avoiding short-term pitfalls in return for a focus on a longer-term goal.

If building long-term wealth is a goal, here is a simple step-by-step guide that has helped me and many of my clients stay focused:

1. Set a clear goal.
2. Ask yourself if it's achievable and how you will measure success.
3. Identify what is working to get you to your goal.
4. Identify what has held you back from reaching this goal. Is it that you aren't saving? Or not saving enough? Is it your habits or lack of disposable income or the fact that the goal is too long-term?
5. Put down strategies to help you achieve the goal. For example, if it's a lack of disposable income, go back to the budget and see what unnecessary expenditure you can cut. If it's a habit of grabbing coffee every time you walk past the coffee shop, try to take a different path to your desk. And if it's just that you can't avoid temptation, find an accountable buddy.
6. The road to building financial wealth is a long one but if you break the goal down into sub-goals with different time horizons, it makes it easier to measure, such as:
 - a) Saving for retirement – this is a long-term goal and can be dealt with by ensuring that you make monthly contributions to a retirement annuity or retirement fund.
 - b) Setting aside a monthly amount for a car or house deposit – this could be a medium-term goal that forces you to plan years ahead.
 - c) Shorter-term goals, which may require some sacrifice to set aside a larger portion of income each month.
7. Lastly, it's important to measure how you are going. Ask yourself continuously if the goal is realistic and then adjust. This could include changing the investment horizon, the capital that you are investing, or both.
8. When in doubt, find a financial coach or advisor to help you. ■