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## My Finplanner

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**Abstract:** *Financial planning is a continuous Process of directing and allocating financial resources to meet strategic goal and objectives. This can be also be viewed as a single process that encompasses both operation and financing . The operating people focuses on sales and production while financial planner are interested on how to finance the operation.*

**Keywords:** *Introduction, Types of financial planning, Advantages, Disadvantages, Conclusion, References*

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### I. Introduction

Financial Planning means deciding in advance how much to spend, on what to spend according to the fund at our disposal. Financial Planning is the task of determining how a business will afford to achieve its strategic goals and objectives. Usually a company creates a Financial plan immediately after the vision and objectives have describes each of the activities, resources, equipment and materials that are needed to achieve these objectives as well as the timeframes involved.

#### Types Financial Planning:

- **Retirement Planning:**

It is the event which occurs in everyone's life. It is one of the important type of financial planning. Mostly you will hear that people set their financial goals for their retirement income due to rising inflation and rising standard of living.

You will have to start your saving and investment early in your life for your retirement so that you do not have to compromise on standard of living during retirement.

- **Tax Planning:**

Proper tax planning can help you to maximize your finance saving. There are various benefits and exemptions provided by countries for the tax payers. You should take the education and draft a plan on it. At the end of the year, you can take the benefits of exemptions and minimize your taxes. Everyone should keep your knowledge up-to-date on your tax planning as a part of your financial planning strategy.

- **Real Estate Planning:**

Asset creation is again one of the important type of financial planning. Wealth creation or retirement planning can be achieved with real estate planning. Real estate is considered as a low risk and high return investment option. So everyone should think of draft such plan as a part of financial planning. In case of unforeseen situations in life, real estate planning turn out to be one of the best plan for your family safety.

- **Insurance Planning**

Managing risks through sound risk management and insurance techniques.

#### Advantages

##### Safety net for the Future:

Financial planning helps give a direction to your financial decisions. It helps you decide various investments that can bail you out of your financial problems.

For example, investing in various funds may help you repay the loan or save enough for your retirement. Once your financial goals are set, it helps make your life more secure and flexible for any financial emergency situation that may arise. Financial planning thus acts as a safety net for the future.

##### HELP DECISION MAKING:

Financial planning takes stock of your present as well as your future. It thus facilitates decision-making. Take the above example, if you had a proper financial plan in place, you would never be short of funds for your daughter's marriage or for buying your car.

Thus, you would not take any wrong decisions that would affect your financial well-being. This is why financial planning is the key to success, as it provides a direction for your decisions.

**ALWAYS BE PREPARED:**

Suppose you save 5% of your salary or Rs 10,000 every month. Suppose your after-tax savings consist of Rs 1 lakh. You are saving this to buy your own car three years later. What if a sudden medical emergency crops you, and wipes out your savings? Not only does it affect your wealth, but it could also fall short in an extreme case. Marriage plans of your only daughter?

Let's borrow some money from the retirement fund. There goes the trip to Egypt you have been planning all those years! Financial planning will come to your rescue here. It takes into account all your needs and goals, and helps you be ready for any eventuality.

**Disadvantages**

**Failure to Plan:**

Planning is always a forward looking process. If a founder, owner or management possesses to follow instead of leading then he can never make a good financial plans. Therefore, this disadvantage of financial planning can be avoided by hiring a best financial planner

**No Availability of Data:**

It's a leading limitations of financial planning in every organization. Where you'll not see the genuine data what a person desire. planning loses considering those values in their absence. Secondly, you can perhaps not effort too-much of cost expenditure to get correct and sufficient insight information.

**An Expensive Process:**Planning is actually the top process so it is extremely time-consuming and funds consuming. It may delay certain cases that expenses regarding planning is directly proportional to your time invested during planning stage. It's a major disadvantage of financial planning for small business owners. In case you reserve and maintain your finances according, then consequences might vary in many matters.

**Change in Environment, Rules, Policies:**

Abrupt changes in the government guidelines or the economic environment may adversely impact your finance plan. In the event that financial strategy cannot adjust for corrections based on the changing government rules, policies as well as financial environment, an efficient financial plan probably also be inefficient for the insufficient required adjustments.

**II. Conclusion**

Financial planning is a integral part of any business. It is not just individuals who need financial planning even multi-nations do.If you are not already doing it start today for better financial management of your business.

**References**

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