

Evaluating a plan: Reports & Planning Assistant
NaviPlan includes a number of features that you can use to evaluate your plan. While this guide does not contain an exhaustive list, it will help you on your way to understanding the tools used to evaluate plans.

Stand-alone reports

The stand-alone reports provide you with detailed information about a certain aspect of your plan. Because of this, these reports can be used as a tool in evaluating the effectiveness of your plan. Use a stand-alone report to organize and then analyze the details of each plan with little outside input.

Cash flow deficits and surpluses

You can use NaviPlan's cash flow reports to check your plan year-by-year for surpluses and deficits. This allows you to consider opportunities to allocate excess cash and to cover deficits.

1. From the **Quick Actions** menu, run the **Multi-Year Cash Flow Summary** report.
(Quick Actions – Reports – Cash Flow – Summary)
2. Select the plan for which you want to project cash flow and click **OK**.
3. A year-by-year surplus/deficit comparison for your clients will show in the **Multi-Year Cash Flow Summary** table.

Tip: You can compare the clients' cash flow in their current plan to your recommended plan. This allows you to demonstrate value to your client.

Monte Carlo Projections

Evaluate the volatility of a plan with a Monte Carlo Projection. This will provide a realistic simulation of risk to your clients' assets and probabilistic projections for your clients' goals.

1. From the **Reports** menu, run the **Monte Carlo** report. (Quick Actions – Reports – Monte Carlo)

2. The **Assign Settings** dialogue box for Monte Carlo contains an array of options, including:
 - **Force Full Deficit Coverage:** Models the redemption of assets throughout the clients' entire life to cover deficits - not only during the retirement period.
 - **Show Goal Details Graphs in Report:** Displays detailed graphs for each goal at the end of the report.
 - **<Goal> Deficit Tolerance:** Defines the deficit amount (in dollars) that your clients are willing to tolerate for each goal. For a strict goal, enter "0" into this field.
3. When you are satisfied with these options, click **OK**.
4. The Monte Carlo report displays the projected rate of success for each goal. The report displays this rate graphically and in tabular format.

Evaluating Asset Allocation Strategies

NaviPlan can evaluate your clients' asset allocation situation and make reallocation recommendations. However, before NaviPlan is able to make recommendations you first need to administer the **Asset Allocation Questionnaire** to your clients in order to determine their investment preferences. (**Plan Management - Asset Allocation - Questionnaire** tab).

Once your clients have completed the questionnaire, you are ready to evaluate your client's current allocation against the optimal allocation for their preferences and situation.

1. From the **Quick Actions** menu, run the **Recommendations for Complete Portfolio** report. (Quick Actions menu – Reports – Asset Allocation)

2. This pie charts and first table in this report display the current and suggested asset mix side-by-side as well as the rate of return and level of risk for each asset mix. The table at the bottom of the report explains the specific reallocations necessary to convert the current asset mix to the suggested one. For convenience, values are expressed both as dollars and as percents.

Tip: You can compare the clients' cash flow in their current plan to your recommended plan. This allows you to demonstrate value to your client.

Planning Assistant

The Planning Assistant tool checks your plan for problems, asks critical questions, and identifies additional planning opportunities you may wish to discuss with your clients.

Think of the Planning Assistant as a virtual proofreader or editor for your plan. You should consult the Planning Assistant prior to completing work on any plan as its suggestions can add significant value.

Overview

The **Overview** page provides a summary of the information the Planning Assistant has collected from your clients' plan. It displays the categories of information within the Planning Assistant.

Tip: When using the Planning Assistant, make sure to select the plan you want to assess from the **Settings** menu.

Problems

Any entries in the **Problems** tab signify a serious issue in the plan that will require corrective action. To correct these issues, the plan must be edited in order to bring values within acceptable ranges for the **Planning Assistant**. In this way, the Planning Assistant is able to provide you with significant value by scanning your entire plan for issues and informing you of them before client presentation.

Questions

Entries on the **Questions** tab do not necessarily require any response. Instead, questions simply ask you to confirm your data in cases where Planning Assistant identifies a data point that may be unrealistic or may have been left as blank/default. Questions are essentially potential problems that Planning Assistant poses to you so you can decide the best course of action for your plan.

Opportunities

The **Opportunities** tab contains suggestions. Entries in this tab are not necessarily problematic for your plan but signify an opportunity to either add new value to your clients' plan or to improve existing planning.

Reports

The **Reports** tab contains several reports which relate to the most common problems, questions, and opportunities that may arise in the **Planning Assistant**. These reports are also available as a stand-alone report but are included within the **Planning Assistant** for your convenience.