



**Talk on “Is My Cash Flow Optimized? Why should I Even Care”
on 21 October 2010**

Prepared by: Ir. June Lau Yuk Ma, Chairperson of the Sub-Committee on Women Engineers, IEM

Summary of talk presented by Ms Joyce Lim, Licensed Financial Planner, CIMB Wealth Advisors Bhd.

On 21 Oct 2010, IEM Women Engineer Sub Committee organised an evening talk “Is My Cash Flow Optimised? Why Should I Even Care” . The talk was presented by Ms. Joyce Lim, Licensed Financial Planner, CIMB Wealth Advisors Bhd.

This is was an interesting talk to on focusing and magnifying our savings, which are like seeds we planted in the RIGHT ground and nurtured into healthy trees to provide shades and fruits for us in the future. The talk was presented by Ms Joyce Lim, a licensed financial planner from CIMB Wealth Advisors Bhd.

Areas covered : Cash flow optimization is about balancing life now and the need to prepare for the future. It is about protecting an individual’s lifestyle as cash flow is a reflection of their habits and spending behaviour. This balancing act will always have their ‘big picture’ i.e. what they want to achieve in life as the guiding light. Their life goals are identified through a conscious effort to discover what their life is like and areas to improve compared to current lifestyle.

Various options to work towards making the most of one’s cash are explored from improving income to reducing expenses. An individual would do the best in whatever one does to earn more while building passive income from various types of investments. Mortgage refinancing as a way to improve cash flow was elaborated upon while keeping in mind affordability and market value of property. The effect of abuse of credit card and personal loan was also touched on while managing normal expenses require an individual to cut back on excessive spending without compromising on lifestyle.

Challenges that arises should be faced with persistency persistence and positive frame of mind so that positive new money habits and behaviour are cultivated gradually . Steps to re-design are to understand, adjust and act.ion with aA continous review process built in is required to help ensure that the action plan is being carried out, the result measured and actions re-aligned if the result is off-track for any deviation. A well- implemented cash flow optimization plan would bring an individual closer to their goals.

- Observation : From the questions & answers session, other points highlighted were:
- In the case of substantial credit card debts, an individual needs to consciously save or invest the 'extras' after paying off debts to create a new positive habit. This can be built into their cash flow optimization plan
 - The choice of what to invest is a question for people with cash flow surplus and savings. The decision needs to be made in relation to each individual's current investment assets, objective, available cash, investor profile in terms of what they are good at investing and their risk tolerance as well as the time horizon. investment
 - Choosing a fixed rate loan or fluctuating rate loan is a dilemma which can only be solved by the individual based on their view of the future trend of interest rate and their preference for certainty or tolerance for fluctuation.
- Conclusion : The members who are at different levels of financial well-being require different information and skill sets to improve their financial position. The current talk is about the fundamentals of cash flow management which require one to have a habit and discipline to regularly review and re-align their actions. The effect of mismanagement of cash may not be visible until much later slowly affecting their future lifestyle. After knowing how to optimize and having the resources in terms of savings, the next step is "what to do with the savings" which is the second level of cash flow optimization.

