

# The Goodman News

## PLANNING FOR A BETTER QUALITY OF LIFE

**We make a number of significant commitments to our clients. One of those commitments is to help you achieve your most important goals, with the highest level of probability.**

### Understanding risk

It may not be immediately obvious, but this statement highlights one of our significant points of difference – risk management. In the financial services world, people are very good at 'selling the sizzle'. For example, they might promote their investment fund by telling you all about the high returns it may achieve. However, they may not spend much time discussing the risks or the likelihood of their promised return.

At Goodman Private Wealth, we spend a lot of time understanding the risks. There is not much point investing in a product that promises a 20 percent return per annum, if there is only a 10 percent chance of it being achieved.

Behind the scenes, we have a team of best-in-class subject matter experts (SMEs). Our Risk SME is Mark Everingham. When it comes to your financial plan, there is far more to consider than just

investment risk, as you will see from Mark's article in this edition of *The Goodman News*.

We have included this article as a pull-out flyer as we have had a number of conversations with clients recently about risks faced by their family members. Perhaps there is someone you know who might benefit from reading Mark's article?

Why is risk management so important? By managing risk and having a plan B to deal with those risks that do arise, we increase the probability that you will achieve your goals. Achieving your goals and experiencing more of what's important to you, positively impacts your quality of life. Our role is to ensure you don't risk your quality of life by failing to have a well thought through risk management plan.

### Achieving your goals

The other aspect to my opening statement is achieving your goals. When it comes to goals, we are all different. But, taking a helicopter view across the hundreds of Financial Road Maps we have helped people create over the years, reveals some goals are more common than others. For example, successful families seem to set more goals connected with travel and the arts.

In this edition, we chat with Frith Graham from GirlsTrek who has combined her love of travel with a successful business. We hope you enjoy reading about what inspired Frith to take this path. We also celebrate the renowned Brisbane Rotary Art Show and take the opportunity to introduce a new painting which adorns our office walls.

Whatever your goals, our role is to ensure each one has a comprehensive step-by-step plan of action sitting behind it. The successful implementation of those plans of action drives your progress and ultimately the achievement of your goals.

The commitments we make to our clients matter. That is why our approach is so comprehensive. It is also why we have a 30 year track record of helping our clients successfully achieve their goals and enjoy a better quality of life.

Enjoy *The Good News*.

Best regards

*Brad Church*

Chief Executive and Senior Adviser





# Conversation with **FRITH GRAHAM**

Head Trekker, GirlsTrek

Frith Graham, the founder of the all girl getaway and hiking success story, GirlsTrek, chats with James Goodman about her business journey and defining what women want from adventure.



## **How did you transform your passion for the outdoors into a very successful business?**

My GirlsTrek story starts and finishes with my love of hiking, which is integral to my life. My passion is about walking holidays, seeking unique and new experiences, and the adventure that comes from that. For me, it's about taking travel slowly – going to a place and really living and experiencing everything on offer.

I was introduced to hiking at a very young age. My family celebrated my first birthday by hiking the Carnarvon Gorge with me in a backpack my father fashioned from the baby seat in our family car. My adventurous spirit was nurtured by a wild and free childhood on our cattle station and lengthy family holidays exploring Australia and overseas.

After university, my passion for snow skiing lead me to work at Flight Centre where I had hands-on experience of the business of travel, managing a business and a team at just 23 years of age. A stint in HR consulting followed and eventually I found myself working in our family agricultural business after having children.

At age 39 I realised I was way out of step with my passion for adventure and serendipitous travel.

A conversation with myself about what I really wanted found me organising a full pack hike with four friends for my 40th birthday. I soon had friends and family admiring my 'happy fitness', which came from constantly engaging in physical pursuits that made me happy, and became my 'fit for life' mantra.

Over one of our famous Sunday family roast dinners with my neighbour, where we discussed women getting away for walking holidays creating a sense of achievement, a trekking business for women was born. We had a website in 10 days, and began marketing hand-crafted walks at Lamington National Park.

Our clients tell us we're very organised, but nothing is rushed and there's time to explore and enjoy the adventure. I think this comes from my strong desire for things to fit together perfectly with a little surprise for our clients to enjoy around every corner.

However, success doesn't just come – I've sought after and taken other opportunities presented to me. I'm always thinking strategically about what's next for GirlsTrek and striving to ensure every footstep counts for each of our clients.

Over the last 12 months we've worked very hard on our key message: GirlsTrek is an all

girl getaway designed for and by women. We deliver what women want - time together, no distractions, crispy white sheets at the end of the day, beautiful meals, friends to have fun with, a physical experience to gain a sense of achievement, and celebrating with little rewards.

Our goal over the next two years is to grow from 24 to 36 multi-day trips each year and expansion into New South Wales, Victoria and also New Zealand via a territory licencing model.

This little business was waiting for me. I just had to find my way to it after my experience in travel, business, hiking, and a love of seeing women progress and get stronger. All in all, I feel I've hit heaven.

## **What are the key obstacles you've tackled along the GirlsTrek journey?**

The big one for me personally is 'mother guilt'. Just recently, I spoke to my teenage daughters about the challenges of running our home smoothly when I'm away for work. To my great relief and surprise, my girls said they wouldn't change a thing because they love what I do and they get to share the experience.



**"I'm always thinking strategically about what's next for GirlsTrek and striving to ensure every footstep counts for each of our clients."**

Like many small businesses, I've also experienced cash flow challenges during significant periods of growth. Fortunately, I'm a numbers girl, which has helped me safely navigate those challenges.

There was also a time when we explored the corporate market, but after taking a close look we quickly realised it wasn't for us. This was a very good lesson about being clear about who we are.

From time to time we've been challenged on price. However, feedback from our clients shows they understand the incredible value we provide because we never cut corners on our product.

Until recently, much of our business has come organically, but we are now entering a new phase where our clients don't necessarily have a close personal connection with GirlsTrek. So, we're in the midst of a new and different challenge to encourage people to become part of the tribe we're building.

**Researchers around the globe are highlighting the many benefits of spending time outdoors and connecting with nature. What role does GirlsTrek have to play here?**

Walking in nature provides a tranquillity of mind and spirit you cannot find elsewhere. These days, our lives are filled with external interference, from mobile phones, computers and social media to traffic chaos and advertising.

It's almost impossible to find peace in your day.

But, you can walk with nature at no cost, on the trails at Mt Coot-tha for example, where you're free from external clutter. That tranquillity calms your internal thoughts so you can get things into perspective.

I see GirlsTrek as having an important role in raising awareness of mental health issues for women. Our programs provide a release valve where women can walk and talk with like-minded women and find support by sharing their stories. Our Saturday morning HikeFit program seems to have replaced the catch-up for coffee for busy working women.

This focus is important to my personal journey too.

## SPECTACULAR ART—OPENING NIGHT

We are long-time supporters of the Rotary Art Spectacular, Queensland's largest and most prestigious annual art exhibition.

The exhibition showcases hundreds of quality artworks, including pieces from Archibald Prize finalists, and is curated by Brisbane art identity and Courier Mail satirical cartoonist Brett Lethbridge.

Over almost 40 years, the event has raised \$2 million for Rotary projects and a variety of charities. In recent years, the primary beneficiary has been the AIEOU Foundation for children with autism.

From Goodmans, Jane Hillyard and I are involved with Rotary. My club, Brisbane High-Rise, is one of the three clubs organising the event. In 2017 we sponsored the 'Best Oil' painting prize.

We are delighted to hold two pieces from previous shows at our office: one by former city councillor and now artist of considerable note, David Hinchcliffe, and the other a previous 'Best of Show' awardee. You are very welcome to take a look next time you visit our office.

Please let us know if you would like to come along to the Opening Night cocktail party on Monday 14 May, it really is a visual feast.

[www.rotaryartspectacular.com](http://www.rotaryartspectacular.com)



*James Goodman, Senior Adviser, at the Rotary Art Spectacular 2017*

# New artwork at Goodmans

Speaking of spectacular art, if you have visited our office recently, you may have noticed some new artwork in our meeting room. This piece was painted by one of our long-term clients, Nikki Makiol.

As a proud Brisbane-based firm serving successful families who primarily reside in South East Queensland, we thought it fitting to display a piece of art reflecting quintessential Brisbane.

Despite being a new style for Nikki, she certainly delivered on the brief. We are grateful for Nikki's time and effort, and from the positive feedback from our visitors, it won't be the last time Nikki is asked to paint a piece like this. Be sure to take a look at our new painting next time you visit.



*Painting by Nicole Francis aka Nikki Makiol*

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## STAFF NEWS

We are delighted to welcome Ryan Nixon to the team as Private Family Office Administrator. Prior to joining Goodman Private Wealth, Ryan was full-time carer to his newborn son and then a Senior File Accountant at Worrells Solvency & Forensic. He is also a graduate of QUT where he completed a Bachelor of Business (majoring in accounting).

With this background in accounting and insolvency, Ryan has developed strong skills in company accounting, investigative accounting and bookkeeping. Ryan looks forward to developing these skills further and applying them in a positive context for the benefit of our clients.

When he is not at work, Ryan is a proud Dad and is often found tinkering with electronics or camping with friends and family.

**Please visit our website ([www.goodmanwealth.com.au](http://www.goodmanwealth.com.au)) for more information about our people.**



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A close-up photograph of a hand carefully balancing a stack of wooden blocks. The blocks are stacked in a precarious, staggered fashion, with some blocks resting on the edges of others. The hand is positioned on the left, with fingers extended to support the base of the stack. The background is blurred, focusing attention on the hand and the blocks. The lighting is warm, highlighting the texture of the wood and the skin of the hand.

# MANAGING RISK—

It's more than just insurance...

When planning for your future and achieving your goals and objectives, a robust risk management plan is the safety-net providing the best chance of your plans coming to fruition if unplanned events occur.

When the term 'risk management' is raised, some mistake it to be all about implementing insurance. However, holding appropriate insurance is merely a component of your risk management plan.

When considering the risks to your plan, the process should undertake the following three steps:

- identify the risks
- quantify each risk
- manage each risk.

## Identify the risks

This step is designed for you to think about all the risks that may impact your ability to achieve your goals and objectives. When planning for your financial future, this may include risks such as the following:

- spending more than you plan to spend
- relationship breakdown
- ill-health
- investment market volatility
- legislative change or economic uncertainty
- death or disability
- destruction or theft of property
- cyber security breaches
- litigation risk.

## Quantify each risk

This step of the process is designed to determine the impact each risk would have on your plan. These risks may be financial or non-financial. Using the examples above, the impacts of these risks may be as follows:

- you outlive your asset base causing a reduction in living standards
- a reduction of your asset position and or income, an increase in expenditure and potential impact on your emotional and mental wellbeing
- being unable to enjoy the fruits of your hard work and or increased expenditure to deal with the treatment and convalescing
- your capital base being eroded by negative investment returns or you not meeting your goals due to underperforming investments
- increased costs to your plan resulting from changes outside your control, such as rising interest rates or changes to government benefits like the aged pension, Medicare entitlements or taxation concessions
- future income being lost or significant increase in costs from premature death or unplanned disablement
- your asset position being reduced by the destruction or theft of property
- financial loss or reputational damage caused by data breaches, social media activity or professional incompetence
- the financial, emotional and reputational impact resulting from legal action.

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*Continued from over leaf*

### Manage each risk

Having identified and quantified each risk, it is then a matter of determining how each risk will be managed. This is based on the potential impact of each risk, the likelihood of occurrence, and the level of control you have over the risk.

Each risk is then managed by either accepting the risk, minimising the risk, avoiding the risk, or transferring the risk.

**Accepting the risk** means there is a risk and, if it occurs, it will have an impact, but acknowledging there is nothing you can do about controlling the impact of this risk. This might be events such as the outbreak of a world war, a meteor crashing to earth, or other 'acts of God'. It could also include legislative or government changes which you can only deal with when that risk occurs.

**Minimising the risk** means there is a risk present and, if it occurs, it will have an impact but there are actions within your control to minimise the chance of the risk occurring. This might be eating well and exercising to reduce the risk of premature death or ill-health, having a regular date night with your significant other to focus on your relationship, or investing in appropriate assets so you do not take any more risk than necessary to achieve your plan.

**Avoiding the risk** means there is a risk present and, if it occurs, it will have an impact, but by not participating in that activity means the risk is eliminated. This might be not participating in extreme sports such as sky-diving or bungee jumping, social habits such as smoking, drinking, gambling or taking drugs, or investing in speculative investments.

**Transferring the risk** means there is a risk present and, if it occurs, will have an impact, but you can pass that financial risk off to another party. This is traditionally where insurance fits into the risk management equation. This might be holding adequate and appropriate life or disability insurance protecting against premature death or ill-health; home and contents and motor vehicle insurance protecting against the destruction or theft of property; or professional indemnity, public liability, management liability or cyber security insurance protecting against litigation risk.

When it comes to putting plans in place, a robust risk management plan will provide the safety net for success, but it is much more than just insurance ...

As a client of Goodman Private Wealth, you can be assured our team will look after the risk management details so you are free to get on with the other things in life that are important to you.



Mark Everingham is an authorised representative of Bombora Advice Pty Ltd ABN 40 156 250 565 AFSL 439065. Mark and the team at Personal Risk Professionals provide a specialist life risk advisory service.

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