
Demonstration Guide

OPTIO

Personal financial planning package

“optio, onis, f. - choice, free choice, liberty to choose.”
C.T.Lewis - Latin Dictionary. Oxford University Press 1996.

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Cartoons by:

A stylized, handwritten signature in black ink, likely belonging to the cartoonist.

Disclaimer

The information, calculations and diagnostics in OPTIO are designed to help you understand your own long-term financial needs. They do not recommend products for purchase to meet those needs. If you decide that you need to buy financial products we recommend that you seek advice from a suitably qualified independent financial adviser, especially if your affairs are of a complicated nature. Optio Development Ltd. will not be held liable for any errors or omissions in the software, nor for any consequential loss arising from its use.

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Welcome to OPTIO

The OPTIO financial planning package has been developed to help you manage your long-term financial plans in an effective, efficient way.

OPTIO helps you **manage your wealth**. It keeps track of the major elements of your financial plans; the dependants you have to provide for, your assets such as your home and property, your savings and pension arrangements, and your key long-term financial commitments such as the mortgage or school fees. OPTIO turns your computer into an **invaluable financial planning tool** which helps you:

- work out when you can afford to retire
- calculate how much extra you need to save if you want to retire early
- check your life insurance to make sure your family are covered
- plan your savings for school and college fees - taking inflation and interest rates into account
- protect your income in case you should fall ill
- identify up to 50 different ways in which you could save tax.

OPTIO **puts you in control** of the process of buying financial products. It makes it much easier for you to identify and buy the products which meet *your* needs, not those of the salesman. OPTIO prints factfind reports which help you shortcut the normal form-filling tedium, giving you the flexibility to explore different alternatives without penalty.

Finally, OPTIO **helps you save tax**, by running a full diagnostic check against your overall financial position, looking at 50 possible ways in which you could save tax. It analyses your individual circumstances and prints out a valuable report as a reminder for next April.

How does this demonstration work ?

This demonstration contains a version of OPTIO which is save-disabled. You can use it to explore the functionality of the package before deciding whether to buy the full version. The demonstration includes a sample database, already populated with financial data.

The full version of OPTIO comes in two parts:

- the OPTIO software itself, and
- an extensive **User Guide** which explains how you should use the software. It also explains in some detail the background to each of the main alternative forms of investment, insurance and pensions schemes, and outlines the factors you should take into account when setting financial goals and developing your long-term plan.

For demonstration purposes you can change figures in the diagnostics and recalculate the results, but you cannot use this version of OPTIO to create your own personal files.

Starting up the Demonstration

After installation is complete you can start up OPTIO by double-clicking on the OPTIO icon in the Start Programs menu. OPTIO then automatically checks your desktop size, and displays a warning message if your desktop size is smaller than 800x600. Please refer to the Technical Notes section at the back of this booklet if you need to change your desktop size.

To enable you to evaluate OPTIO quickly, this package contains a personal file which covers the financial plans of the Parker family. Like all of us, the Parkers have many hopes, ambitions and commitments, and not enough money to fulfill them all. They have to strike a balance between each of their goals so that, in the long run, they achieve as many of them as they can.

The Dilemma of Ernest Parker

Ernest and Eileen met at a party some fifteen years ago. They got along famously, romance blossomed, and they married shortly afterwards.

They now have 2 boys, Matt and Sam, who attend a private school nearby. Eileen also has a grown-up daughter, Helen, from a previous marriage.

Eileen is a teacher at the local primary school, and she also teaches children privately for entrance exams. She is a keen member of the local health club, and also likes to spend time in their garden.



Ernest is Production Director of an engineering company based in Milton Keynes, where he has been working for the last six years. He plays golf in his spare time, and especially enjoys going on regular golfing holidays in Marbella with friends.

Ernest is worried. The total bill for school fees for the two boys is increasing at a faster rate than he had expected, and their savings will not last. He is also worried about his retirement. He wants to know whether he should be trying to save for his pension now, so that they will be able to maintain their living standards when he retires, or whether it would be reasonable to wait until the boys education is finished. He also fears that early retirement might be forced upon him, and wants to know where he would stand financially if that happened.

Eileen is also worried. She wants to know whether she will have enough money to live on if something should happen to Ernest. She is not sure how they would manage if he should become ill and was unable to continue working. She would also like to add a new kitchen and a conservatory to their house, to complete an extension they started several years ago

Using OPTIO for the first time

When you run OPTIO the first screen which appears contains an introduction and copyright messages. Click on OK to start up the main OPTIO program. OPTIO then normally asks you whether you are a new or an existing user

Press the “Existing User” button and OPTIO will ask for a username and password. Accept the default username “**Demonstration**” and password “**Password**” by pressing the OK button and OPTIO will then load. You will then see the main OPTIO menu.

At the top of your own screen you will see a white rectangular box which in the full version contains a list of the personal files you have most recently accessed, in date order. Next to this box are two grey buttons:

- **Open another file.** This allows you to open up an existing personal factfind file
- **Create a new file.** In the full version this lets you set up your own personal file.

You will then see six more grey buttons, or options, available from the main menu:

Factfind Interview, allows access to the main set of "interview" screens in which you build up your personal financial file. OPTIO asks a comprehensive range of questions, creating an invaluable database of financial information which you can keep up to date as a financial plan. This file contains all the information needed by a financial adviser, so that you can avoid filling out forms and obtain relevant advice quickly.

Analyse your financial position which provides a range of programs to help you identify the key ways in which your current financial arrangements exceed or fall short of your long term goals. The OPTIO diagnostics cover pensions provision, permanent health cover, life insurance and school fees planning. Each of the diagnostic screens provides "what if" modelling facilities through which you can test a range of options in each area.

Check your tax which produces a tailored report suggesting ways in which, in your current situation, you should be able to save income, capital gains and inheritance tax.

Print Reports through which you can print the Factfind reports, a Net Worth summary, and a Monthly Cashflow report.

Create a disk. In the full version this creates a secure, encrypted copy of your personal data on a 3.5" diskette. If your chosen financial adviser is participating in the OPTIO programme then he or she will be able to read this disk directly into their own system.

Access Help which provides direct access to the OPTIO help facilities.

Finally, the **Exit OPTIO package** closes down the package and returns you to Windows

Reviewing Ernest Parker's personal file

To view the demonstration file you must open it by pressing the "Open another file" button. If you highlight the file **E_Parker.mdb** in the box, and then press the "Open" button, the file will then be loaded into OPTIO.

Using the factfind interview screens you can quickly review Ernest's financial situation and consider what he should do. The Interview Agenda divides his personal file into seven sections, each covering a different aspect of his finances. For example, the Introductions section holds information about his family and dependants, including details of his children. You can move around his file using the "buttons" at the bottom of each screen:

<**Back to Agenda**> takes you back to the Interview Agenda

<**Back One Page**> takes you back to the previous screen

<**Save/Next Page**> takes you forward to the next screen, after saving the data on the current screen to your personal file.

In later screens you will see other buttons:

<**Delete**> deletes the current record in a set, for example of several mortgages

<**Previous**> takes you to the previous record

<**Count**> shows how many records there are in the current set

<**Next/Add**> either takes you to the next record, or adds a record if you are at the end of the set.

Printing Reports

You can obtain a full printout of Ernest and Eileen's finances by halting the interview, going back to the main menu, and selecting the "Print Reports" button. OPTIO provides two detailed Factfind reports, one for pensions and one for mortgage applications, together with a Net Worth and Cashflow reports. Reports are also available from the diagnostics, including a Pension Forecast, a Life Insurance analysis and an Education Fees forecast.

Working out what they should do

If you now go back to the main menu you can select the "Analyse your financial position" button which accesses the diagnostic programs. There are four main diagnostic tools, or programs. Press the "When you retire" button, and OPTIO will analyse Ernest's pension arrangements and show the **Pension Forecast** diagnostic screen.

Retirement Planning

OPTIO brings together all sources of post-retirement income into the calculation. In Ernest's case this includes the pension scheme with his current employer, additional voluntary contributions he has made, a pension scheme from a previous employer and the State schemes. He obtains a complete picture without having to make assumptions or estimates.

Ernest wants to retire before he reaches 65, but in his personal file he decided to put this as a starting point for his analysis. In the "What if?" section at the bottom of the screen, you will see his retirement age together with a pair of arrowed up/down buttons. If you press either of these, Ernest's planned retirement age will go up or down by one year at a time. Change the retirement age and press the "Recalculate" button. OPTIO will then calculate a revised forecast for Ernest and you will see a change in both the reported figures and the bar chart on the right of the screen.

If you use this facility to reduce Ernest's retirement age you will see that below 59 his position changes, and OPTIO calculates that he would need to set aside additional pension contributions to be sure of meeting his target retirement income. You can experiment by changing the other figures in the "What if" section, and seeing how his position changes.

At any stage you can either view or print out a detailed breakdown of the calculations by pressing the "View Calcs" or "Print Calcs" buttons. This breakdown explains how the figures in the summary panel and bar chart have been calculated.

You can also check **Eileen's** pension position by simply selecting "Your partner" in the drop-down box at the top right of the screen. Her position is different because her target retirement income is lower. If she retires at 60, the combination of the State Basic Pension and her employer's pension scheme will just about meet her needs.

Income Protection

Now go back to the Menu and press the "Protecting your family" button, which will quickly bring up the **Sickness & Disability** diagnostic program. This shows that Ernest has reasonable income protection cover, although he will experience a slight income shortfall in the first six months of any illness. On the other hand Eileen needs to obtain some extra cover, because her income would fall away quickly if she were ill for any length of time.

Life Insurance

The big surprise for Ernest was in the next diagnostic screen which looks at **Life Insurance**. Pressing the "In case you should die.." button in the menu will bring up the Life Insurance Calculator. This program combines the information Ernest gave in the Factfind interview with some estimated figures, to forecast what would be the impact on family finances if either Ernest or Eileen were to die unexpectedly.

The calculator firstly looks at major capital changes, and then examines how monthly income and expenses would change. After accumulating the impact of the monthly movements over a period of years, it then calculates how much additional life insurance cover (if any) would be needed to make sure that the family does not suffer serious hardship. Two features are important:

- You can access the estimated figures by pressing the “Estimates” button at the foot of the screen
- You can get a breakdown of any of the red or green figures by positioning the mouse pointer over the figure and pressing the left mouse button.

If you examine Ernest’s figures you will see that he seems to have adequate life insurance cover. If a fatal accident were to happen to him, Eileen would have sufficient funds from their existing insurance arrangements to be able to raise the two boys and complete their education.

The surprise came when Ernest looked at what would be the situation if a fatal accident were to happen to Eileen. Change the field in the Drop-down box at the top of the screen to “Your partner” and see the figures. In this instance, Ernest and Eileen realised that the situation would be quite different. Because Eileen’s income would be lost, and Ernest would then have to pay for childcare costs, the impact on family finances would be severe. Clearly the family need to take out extra insurance, secured on Eileen’s life alone.

Education Fees

Lastly, take a look at the **Education Fees** planning calculator, which is the fourth button from the Analysis menu. This shows that the total cost of school fees for the two boys will increase faster than normal inflation, and that the burden is going to be highest in six years time. OPTIO calculated how much money needs to be set aside for each child to cover the education costs, and gave Ernest and Eileen a clear picture of what lay ahead. You can print out an analysis for each child by pressing the “Print Calcs” button.

What conclusions did they reach ?

After carefully evaluating the results from OPTIO, Ernest and Eileen decided to visit their financial adviser and confirm their thinking. They believed that the most important priorities were to take out extra life insurance cover for Eileen, and to find some way of smoothing out the burden of education costs. Ernest was going to have to retire later than he would like, but once the children’s education had finished they could set aside enough in savings to ensure that they would be able to enjoy it.

Their financial adviser was only too happy to help them, and was even able to find a way to finance the new kitchen and conservatory for Eileen.

Obtaining a full copy of OPTIO

Thanks for trying out this simple demonstration. If you would like to use the full version of OPTIO to analyse your own needs and put your own mind at rest, then either:

- fill out the coupon at the back of this leaflet and return it with a cheque to us at the address shown, or
- telephone our call centre on 01932 224002 and order your copy over the phone. Have your credit card ready before the call, or
- order a copy of OPTIO from any good bookshop, quoting ISBN 0 953 2042 00.

OPTIO is available in CD-ROM and 3.5" disk format for £49.50 + £2.50 P&P.

You can obtain further information and news updates from our website at www.optio.co.uk

Technical Notes

Changing your screen resolution

If your PC is currently running at the lower resolution of 640x480, you must set it to 800x600 in order to use OPTIO. This means setting the Windows software that controls the desktop (the Device Driver) to 800x600 resolution. If your PC can support this higher resolution you should find that it is easier to work with other programs as well, so the change should be worthwhile.

If your PC has a Super VGA monitor and uses Windows '95 then it should support a desktop size of 800x600 pixels without a problem. You can usually change the desktop size yourself quite easily. In Windows '95 you do this by clicking on "Start", then "Settings", then "Control Panel", then on the "Display" icon. When the "Display Properties" window appears, select the "Settings" tab and adjust the slider bar for "Desktop Area" to 800 x 600 points. Once you confirm this setting Windows resizes the desktop. Check with the Windows Help files or manuals that were delivered with your PC if any other prompts or messages appear.

Running OPTIO with Access

OPTIO uses the Microsoft Jet database engine which is shared with many Microsoft applications, including Access, Excel, Project, Visual Basic and the Microsoft Foundation Classes. Normally only a single shared version of Jet is resident in your system, which is upgraded if necessary whenever you load a new application onto your PC. If the shared Jet programs on your PC are out of date, they are upgraded by new Microsoft programs when a new application such as OPTIO is loaded. The new programs should be entirely compatible with the old.

Jet has been upgraded seven times since it was first released. Microsoft's declared intention with every release has been to maintain backwards compatibility, so that the new programs work with the old applications exactly as before. However, to quote Microsoft Technical Support: "With each new version of Microsoft Jet, enhancements in functionality and changes to the structure of the database file cause problems with backward compatibility. Wherever possible, efforts have been made to ensure an easy migration path among versions. However, incompatibilities do exist ..."

To minimise Jet incompatibility problems OPTIO uses Jet 3.0, a full 32 bit version used by Access 95 which uses all the facilities of Windows '95. Jet 3.0 is file compatible with all earlier versions of Jet, but uses separate programs. This means that OPTIO does not use (so its installation does not affect) any of the program files shared by Access Versions 1.0 up to and including Version 2.0. We have tested OPTIO successfully with these versions of Access, and with Access 95, and have no reports of any problems.

OPTIO and Access 97

Access 97 and all Office 97 products use Jet 3.5, so if this is present on your PC OPTIO will use some of the Jet 3.5 programs in its file handling.

Microsoft have issued several different releases of Jet 3.5, including a patch to fix early incompatibility problems. Normally OPTIO should work with them, and will not affect any of the Jet 3.5 files (this has been tested on many installations). However, some Access 97 users have experienced difficulties in opening old (Access 2.0 or 95) databases after installing OPTIO. You could see this as an error message saying either: "Microsoft Access can't start the data access object (DAO) and so it can't continue." or "A system error has occurred, or there isn't enough free memory to start Microsoft Access. Close unneeded programs and try again".

What is happening in this case is that incompatibilities between Microsoft Jet dynamic link library (.dll) files are causing problems and preventing Access 97 from opening these old databases. This can be cured by updating the Microsoft .dll files to the latest version.

Obtaining technical support

To obtain technical support, please call the OPTIO Helpline on **01932 881575** and we will provide assistance.

One of our objectives in producing this free demonstration is to allow you to check that you can use OPTIO before buying it. If you encounter serious problems, or your PC cannot run at the higher resolution, then unfortunately you will not be able to use OPTIO on that particular PC.

Note:

Both Ernest and Eileen Parker are fictitious characters, based on a real life case study. Any resemblance to any persons, either living or dead, is entirely coincidental.

ORDER FORM

I WOULD LIKE TO ORDER A FULL COPY OF OPTIO TODAY - and receive the complete software, User Guide, and 12 months free technical support and updates.

Please complete this Order Form and return it with payment, in the form of a cheque or postal order for £52.00 (£49.50 plus £2.50 p&p) made payable to Optio Development Ltd. to:

OPTIO Development Ltd, PO BOX 328, Walton on Thames, Surrey KT12 5YS.

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