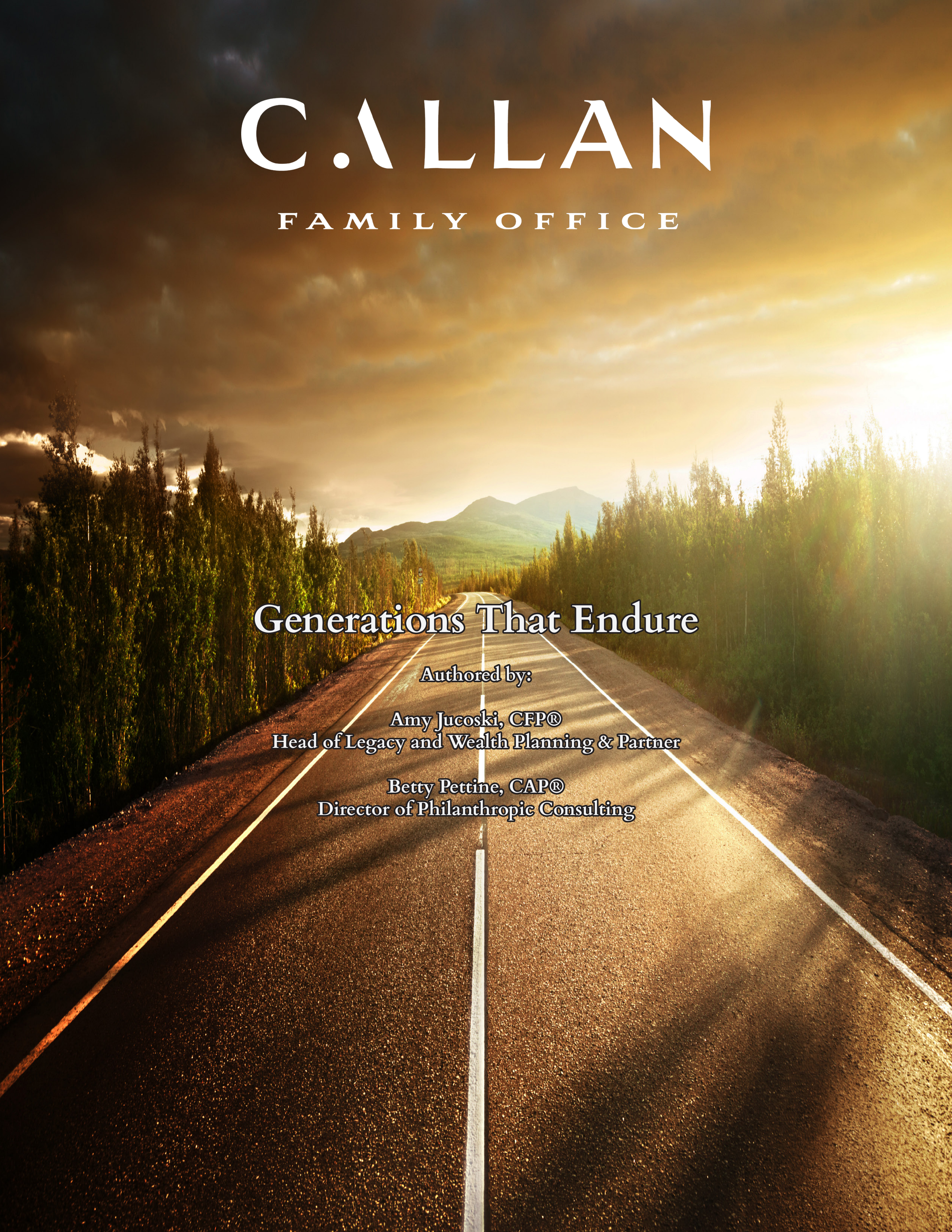

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Generations That Endure

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Generations That Endure

Seven Key Strategies to Solving the Mystery of Effective Family Meetings

Whether you are thinking of selling a business or recently sold one, come into an inheritance, or plan to transfer wealth to the next generation, communication with family members is key to ensuring your assets are properly distributed and organized. Often, family members and loved ones are kept out of the loop following a death, leaving dysfunction and chaos as family members scramble to determine who gets what.

Truthfully, communicating about money can be difficult because we're taught to feel uncomfortable discussing finances, and views about money can expose our deepest insecurities or parts of our persona. The fear of conflict can cause families to withhold important information about money and, oftentimes, sidestep the conversation altogether.

A family conversation about money and plans for wealth transfer is the key to success. Communication helps build trust, and trust is the basis for enduring generational relationships. Strong relationships, coupled with the right behaviors and actions, can bring families together around shared goals and values.

Today, we can connect globally through social media, email, and mobile. But face-to-face communication is still vital for building relationships. In business we often talk about "relationship capital" — how much value do we get from our relationships? In general, spending quality time together learning and understanding is invaluable to effective communication and decision-making. Breaking through communication barriers takes time. All relationships require caretaking to grow; even if family members don't see each other often, gathering may help keep everyone up to date on important milestones.

As families navigate tougher topics during family meetings, preparing for conversations is important. Here are few things to keep in mind:

Have Purpose	Understand your own concerns beforehand and be purposeful communicating the why behind your views, consider how your approach may impact others' behaviors, determine how you will contribute, be transparent, and listen and respond.
Be aware of assumptions	Check in with your feelings and be mindful that how something makes you feel is not the same as intent.
Know your triggers	Others may not be aware of your "story" or what is causing you to feel emotional, perhaps unnecessarily.

Trust your gut but believe in success	Assume the best outcomes and remember your own fears and needs can impact sound judgment.
Inquire, acknowledge, support, and build solutions	Be curious and ask questions, restate what you heard to demonstrate understanding, be an advocate for others' ideas, clarify your own thinking on topics, and brainstorm to build alignment and solve problems.

You should structure family meetings to ensure they are productive and meaningful. Sometimes family members avoid these meetings because seniors worry about losing control, and/or the next generation worries a meeting is another forum for pushing down rules and boundaries without considering "new thinking." For these reasons, pre-replanning is fundamental. Here are some tips for carrying out successful family meetings:

Start Early

You won't get better at something unless you practice it regularly and this is true for financial planning, as well. The earlier you start having these discussions with family members, the more comfortable everyone will become with them over time. In fact, one of the reasons people make mistakes when it comes to managing their wealth is because they didn't begin planning early enough in life, which means there wasn't enough time for them to develop good habits or make mistakes before accumulating substantial savings or assets.

While traditional planning often occurs with an advisor in private, families should consider meeting first, as early communication about the estate plan is essential to the process – the matriarch and/or patriarch will not be there to implement the plan. Once a plan is in place, sharing the execution strategy gives family members the chance to ask questions and learn the "why" behind certain decisions. When estate plan creators share directly with family members, they use words that bring to life sentiments that otherwise would have been delivered through written documents littered by legalese. To begin the process, consider starting with general terms, important advisor relationships, roles, steps, and/or why decisions were made – over time more specifics can be shared.

Who Should Attend

The first step in planning a meeting is deciding who should attend – siblings, parents, grandparents? Depending on the situation, it may be appropriate for spouses, or even children if they are old enough to understand the topic of conversation. When planning the agenda for your initial meeting, think about what goals you want to achieve – for example, working to transition the family enterprise, deciding what kind of difference you want to make in the world, identifying the stewards of the financial plan, addressing a changing family dynamic, and/or developing the next generation. Once you can determine these answers, you'll have a better idea of who should attend. Be sure to share the meeting goals well in advance with other key stakeholders to help shape the agenda and build trust and confidence early on.

Though not all family members will be included in these meetings, that doesn't mean they should be entirely left out of the process. For younger children, consider offering activities and games, such as money bingo, to help them build financial literacy. Allowing a non-family member or younger advisor to help create ideas and facilitate these activities is common practice.

Prepare an Agenda

Family meetings are an essential tool for managing family relationships and protecting your assets. Coming prepared will allow you to discuss important issues with your family members in a direct but safe environment.

Experts suggest the best decisions are made when people begin with appreciation and gratitude. Consider an opening activity that highlights positive family achievements, or a fun and/or meaningful activity such as volunteering with a charity. You might also consider reviewing the family history beforehand or during the meeting as a helpful way to connect family members to their culture and values.

While in-person meetings create a deeper, personal connection and are typically most beneficial, they can also be held via videoconferencing. For in-person meetings, consider hosting in a neutral location to "level the playing field" so all attendees feel valued.

Finally, family should carefully consider meeting length based on topics. For example, a review of the family's portfolio of investments may only take a few hours, while establishing family board governance or transitioning the family's philanthropic endeavors may take 2 to 3 days, or even weeks. Bigger agendas may require attendees to meet more frequently in an "off-site" location with multiple touchpoints in between.

Managing Dynamics

The question of how to transfer wealth is both big and complicated, involving a lot of people and sensitive emotions. Here are some tips for managing potential conflict in family meetings:

- Focus on solutions – For example, encourage attendees to provide solutions that are (1) relatable, (2) reasonable, (3) respectful, and (4) helpful.
- Identify a respected leader – Someone within the family or look for an outside, trusted advisor to the family to cover the "rules" (one person speak at a time, no electronics during meeting) and hold attendees accountable to those rules. Having a leader who can carry out this role is one way to keep emotions in check.
- Discussing sensitive topics - Maybe there is someone in the family who needs financial help but doesn't want it known publicly. Perhaps there is an issue that should be kept private from non-family members. Family meetings should provide a safe place for discussing sensitive topics without fear of embarrassment or judgment from others present at the meeting. Offer opportunities to ask questions and talk about feelings; ask before giving advice and allow for space as needed.
- Providing tools for future, young leaders – Consider workshops on how to create "their brand," identify strategies on how to build credibility as leaders, or form support networks for them – all of which can help the next generation in determining the involvement and impact they want to have on the family's financial plan.

Engage Everyone

Engaging all family members does not mean that all members have equal input. Engaging simply means that participation is equitable. For example, identifying each member's talent may set the stage for future roles in the family plan. Encouraging younger generations to go first sends a clear message that their input is valued and allows the next generation of leaders to build their credibility within the family enterprise. Families might consider offering younger members opportunities to serve in some capacity in the family governance, even if that means they observe at first. At the right time, younger generations can be given full decision-making authority regarding certain family interests. To prepare them for future responsibilities, create a family philanthropic board made up of younger-generation family members who are charged with providing an annual budget and deciding what causes to support – in this way they are connecting with the family wealth and history, as well as building the family's legacy by sharing and passing on family values to make the world a better place.

Follow-up

Offer meaningful follow-up opportunities for the next generation of leaders to develop their own version of a a "stewardship mentality." Be sure to offer the next generation access to the family's network of advisors who they can turn to for trusted advice and counsel, allowing them to develop their own support network and build their own personal board of directors.

Develop a plan of action that allows family members to know who will do what and when. Having a formal, agreed-upon plan in writing gives a sense of importance to the process. Holding a follow-up meeting and establishing a cadence for check-ins will help to determine whether family members need to adjust.

Involve a Professional

The benefits of including third parties such as an attorney or fiduciaries in all or part of the family meeting is two-fold – first, they can help explain more technical topics and serve as unbiased interpreters and communicators. Second, they have the chance to hear from family members firsthand, which allows them to make future decisions that align with intent as well as incorporate the family's ideas as part of impending planning discussions.

Closing Thoughts

Regardless of circumstance, transferring wealth to the next generation must be carefully and thoughtfully considered. Start early by having family meetings and regularly communicating, with a focus on transparency.

While it is important to not only share details around family assets and where they are going, you might also consider involving a professional who can help educate younger generations on how to manage their investments and hold true to family values and practices.

If you are looking for more information about how to plan a wealth transfer, reach out to your trusted relationship manager to discuss best practices and steps that are the best fit for you and your family.

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