

VALUABLES

Ideas, Systems and Strategies for Managing Family Wealth to Fulfill Your Greatest Values.

About VALUABLES

Many financial advisors focus on communicating with clients to provide complex analysis of the investment markets and economies. However, we have learned that most clients are not particularly interested in this complex analysis. Most clients hire an advisor for their knowledge of the markets, not for their ability to explain that knowledge. Most want to know what time it is, not how to build a watch.

Experience has taught us that wealthy families care most about using their wealth as a means to a desirable end, which is to achieve a more satisfying, fulfilled and impactful life, and to fulfill their most important Life Values.

VALUABLES is a periodic article series focused on the concepts, systems, and habits which we have observed among families who have been successful in this quest to use their wealth as a tool to live a life of significance. The most successful families share a set of habits, systems, and insights which enable them to use their wealth as a tool to fulfill their Values and what is most important to them.

We are naming this article series **VALUABLES**, because it will provide an exploration of those habits, systems, and insights. We hope it will help you to consider your assets and possessions which are most valuable to you, and how you can use your financial wealth to enhance and cultivate your true "Valuables".

Family Gatherings

By Erik Strid

Giving Thanks

As the calendar turns to November and the temperature begins to drop, it is hard to believe that Thanksgiving is only a few weeks away. As the holiday season approaches, we wish to use this space to commemorate the Thanksgiving holiday, by remembering to be grateful. We have many blessings to be grateful for this year, but among the most important are our relationships with our valued clients, and the confidence you have shown in us. We wish to sincerely express our thanks and gratitude that you have chosen to place your trust in us, and for the relationship that we enjoy together.

Everyone knows that the holiday season is the time of year when families gather together to eat, drink, and be merry, and enjoy a warm sense of togetherness. In that light, we felt that this would be a wonderful time to explore a key habit that we have observed among successful multi-generational families, as a strategy to bring their families together to perpetuate their values, their Genuine Wealth, and their family legacy...the Family Meeting.

Convening the Family

Family meetings or retreats have helped many successful families preserve and perpetuate a healthy legacy, and groom and educate future generations to be proper stewards of the family's genuine wealth. While this concept sounds like the province of fabulously wealthy, sprawling old clans like the Rockefellers or the Kennedys, we have found that it's also a powerful tool for families with far smaller fortunes. Family ties as well as finances tend to weaken over time, and annual family meetings can shore up both. Indeed, highly successful multi-generational families who've adopted these annual sessions believe they are a necessity to help the family continue to thrive financially.

These gatherings can be an effective way to bring the family together to confirm and strengthen your mission and values, and to share news, concerns, opportunities and challenges openly and candidly. Family leaders can discuss and execute the financial decisions to support the family mission in a truly collaborative way. The meetings foster a sense of teamwork and togetherness when financial decisions are considered, and head off the resentment that comes when family members have no input. They also offer golden opportunities to groom future generations to become mature members of the family and effective stewards of the family's wealth and success.

Family meetings or retreats should take place at least annually, and more often if needed. It can be an intricate and expensive weeklong retreat at a far-flung destination with a team of outside advisors, or a simple gathering once a year at a restaurant or park. Family meeting programs can vary in expense and complexity, but cost and details need not become obstacles, and any family can benefit from the communication opportunities which will

present themselves. It doesn't have to be expensive or complex; what's important is to be proactive and create the opportunity for open communication, education and teamwork in making decisions.

Here are some helpful guidelines.

When to Hold Meetings

Ideally, meetings would be held once a year for most families. Given the busy schedules of today's world, it may be unrealistic to expect to gather together any more frequently. However, your family may wish to begin the process by establishing meetings more frequently at the start (perhaps quarterly or semiannually), until all family members are comfortable with the process, and then shift to annual meetings after a year or so.

You may wish to have the meeting regularly in connection with a special family event, such as an anniversary, holiday or significant date. It should be viewed as a special occasion, one that family members will eventually anticipate as a cherished and fulfilling tradition. Having a predictable date each year also increases the probability that all family members, no matter how far-flung, can attend. If your family is scattered, consider scheduling your meeting at a time when the family may already be gathering for a holiday or other occasion – such as the Thanksgiving holiday.

The meeting length can be flexible -- anything from a few hours over an afternoon, to a full weekend or a retreat over several days, depending on your agenda.

Family meetings may be particularly useful during periods of challenge or transition, such as the death of a key family member, the sale of a business, or some other significant financial or family event. Families who are accustomed to a regular program of meetings may find it easier to manage these moments, because they have a framework for coming together to share their thoughts and make important decisions.

Location

To help your family view the family meeting as a cherished and special tradition, consider having it at a special place. We would discourage you from having your meeting in a place that is routine and familiar to family members. Your home or office are probably poor choices, as they are too filled with distractions. Families should look forward to the meeting; it should feel like an enjoyable event.

Another good strategy is to allow time and space for recreation, shared meals, and play time in addition to the meeting agenda.

By making these meetings about both business and playtime, you have a better chance that family members will look forward to attending each year, and the meetings will become a memorable tradition. Recreation and playtime also build togetherness and teamwork, and are a valuable stress relief from the meeting agenda, especially after tense discussions about important family issues. Play can be a great way for everyone to release the stress and keep relationships intact.

Finally, if your family needs privacy, a hotel, rented house or country club may be the ideal setting. You may wish to work with the location staff to ensure that they have facilities that give the privacy you need.

Who Should Attend

Generally, most family meetings include at least two generations. Senior family members provide wisdom and perspective, and help younger attendees appreciate the family's heritage, values and legacy. Depending upon the family dynamics, spouses are typically invited to attend along with direct family descendants. Finally, teenagers may be welcomed into the process at a certain age to teach them about philanthropy and the family's values. This is especially true in families with multigenerational wealth that expect their teens to take a leadership role in the family stewardship at a young age.

Young children under age 13 may find meetings too long and boring, so it will be important to arrange for their care and entertainment. To make it meaningful for them, schedule some fun activities, charitable projects and educational sessions that teach money skills. Someday the youngest attendees will be the adults running the family meetings themselves.

Depending upon your intentions and agenda, consider inviting your family's advisors to the meeting as well. If the meeting agenda will include any technical planning discussions or detailed financial decisions, it may be wise to invite your lawyer, accountant, investment advisor or wealth manager. You don't need them to conduct a successful meeting, but their perspectives could be valuable when you discuss the family wealth.

Some families engage a professional family meeting consultant to help them set the right tone. These professionals have become more popular as family meetings have become more widespread. They can collaborate with meeting planners, prepare the meeting's agenda and facilitate discussions during the meeting. These advisors

often make the difference between a well-run event and frustrating chaos, and we recommend that families engage them for at least their first few meetings.

Things To Discuss

The most important element of a successful family meeting is preparation. A clear agenda ensures that the meeting does not wander into unintended “dark corners,” leaving family members feeling frustrated or upset because important business was neglected.

The goals for your meeting should match the family’s needs at that time. Often meetings focus on a particular current challenge or event – a proposed sale of a business, or the death of a family member – that requires family input on a course of action. Other meetings might inform the family about an important development or share valuable skills. No matter what the primary agenda, be clear about what the meeting must accomplish and make sure the family members with the right skills and insights are there.

As in all endeavors, preparation is the key to success. Some families, guided by their consultant or advisors, spend weeks or even months getting ready. This investment of considerable time ensures that your meeting will be successful. Important activities before the meeting might include:

- Asking family leaders and stakeholders about what they see as the family’s current “hot topics”
- Identifying challenges to discussing these issues in a family meeting
- Developing strategies for addressing these challenges.
- Identifying the family’s current educational needs
- Creating a clear agenda that addresses the above topics
- Gathering the materials needed to support the agenda, such as financial statements, investment reports and recommended readings.

Ground Rules

Family meetings can play an enormously productive role in helping families perpetuate their values and traditions and have an impact on the world. However, they can also be fraught with land mines. A successful family meeting requires focus and attention, as well as teamwork and a constructive attitude.

One thing every family should remember about ground rules is that, once adopted, they must be upheld.

The right ground rules set the proper tone. Your ground rules should emphasize one guiding principle: respect for one another and the process. Family members should commit to these ground rules ahead of time and be prepared to uphold and defend them during the meetings, especially if the discussion becomes heated. Some mechanism should be in place to continue reminding participants of the rules. When emotions run high it is critical to remind everyone to keep the process respectful and constructive. Some possible ground rules might include:

- Be present, and eliminate distractions. You may wish to ban cell phones or laptops at your meeting
- Be respectful in your words, body language and actions. Speak respectfully, pay attention when someone else is talking, and avoid interrupting others while they are speaking.
- Listen. Be willing to repeat back what someone else has said or otherwise demonstrate that you understand what the other person is saying before you make your own point.
- Own your views. Make “I” statements rather than broad, global statements that imply you know the truth or that something is “obvious to everyone.”
- Be willing to edit what you say. Saying anything and everything you feel under the guise of “honesty” can simply be a license to attack. Deliver your points with tact and respect.
- Avoid indirect communication. Families are notorious for allowing indirect communication and alliances to form. You may temporarily feel better after venting to your sister about a conflict you are having with your cousin, but these “alliances” can fragment the family and challenge its teamwork.

A Loving Tradition

A family meeting need not be huge, expensive and complex. Rather, it is an important way that ANY family can express its love, character and creativity, and cultivate its genuine wealth. It is a critical means for preserving family values for generations to come.

As with any new endeavor, a family meeting may feel very awkward at first, and require a great deal of education “on the fly.” This will take patience, care and the willingness to adapt when circumstances change, but with proper guidance and good faith, family meetings will develop into a great way to care for your legacy. Ultimately they will become a cherished tradition as well as a way to take care of family business.

The Holiday season is an ideal time to start this wonderful tradition with your family, and to gather together to cultivate and affirm your values, traditions, and Genuine Wealth. We hope you will consider adopting this habit with your family this year!

Erik Strid – CFP®, ChFC

Principal

Concentus Wealth Advisors

1000 Continental Drive, Suite 560 | King of Prussia, PA 19406

855-568-1500 | erik.strid@concentuswealth.com

www.concentuswealth.com | twitter: @concentuswealth

Disclosures

This article was originally published by The Strid Wealth Management Group (SWMG). In February 2014, SWMG became Concentus Wealth Advisors, an Independent Registered Investment Advisor.

The material herein reflects the opinion of Concentus Wealth Advisors on the date of production and are subject to change at any time without notice. Due to various factors, including changing market conditions or tax laws, the content may no longer be reflective of current opinions or positions. The information provided herein is for information purposes only and does not constitute financial, investment, tax or legal advice. Investment advice can be provided only after the delivery of Concentus Wealth Advisors' Brochure and Brochure Supplement (Form ADV Part 2A&B) and once a properly executed investment advisory agreement has been entered into by the client and Concentus Wealth Advisors. Concentus Wealth Advisors is not a legal or tax advisor.

This content is not to be reproduced, copied or made available to others without the expressed written consent of Concentus Wealth Advisors. November 2013