

Creating True Family Wealth –Beyond Financial Success



FAMILY ENTERPRISE XCHANGE
September 26th, 2018

Empowering Prosperity. Building Legacies.

A True Tale of Two Business Families



Similar Journeys

- ✓ Two parents, 3 adult kids
- ✓ Multiple businesses
- ✓ Strong engagement with and reputation in their communities
- ✓ Father built the businesses while Mom raised the kids (then part time in the businesses)
- ✓ Father controls decisions around business and financial assets, but parents own jointly
- ✓ Father has health issues
- ✓ Strong team of professional advisors from tax and estate planners to business succession advisors
- ✓ Succession journey in process using business & governance practices
- ✓ Some kids work in the businesses and some outside
- ✓ All family members are proud of their name

A True Tale of Two Business Families



Very different outcomes.....

Family 1

- Businesses succeeded to next generation
- Mom and Dad divorced
- Dad died
- Businesses controlled by son, owned by all siblings
- Son has heart health problems, troubled marriage, and dysfunctional & distant relationships with his children
- Siblings all resent and distrust each other and have no communication between shareholder meetings

Family 2

- Businesses sold
- Dad alive and well with his family close
- The family liquid wealth is being managed in a collaborative manner
- Son has mental health problems but is surrounded by loving, supportive family members
- Siblings all understand each other's abilities & unique talents, they communicate well and fully trust & support each other as good friends; some work together and look forward to their next shareholder meeting.

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My Legacy Vision



My Three Wishes for the Ultimate Legacy:

- 1)
- 2)
- 3)

My Legacy Vision Statement:

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What does True Family Wealth Look Like?



Enough Financial Capital to....

- ❖ Meet your sustenance needs
- ❖ Continually education yourself
- ❖ Explore personal development
- ❖ Buy some cool stuff
- ❖ Travel the world
- ❖ Enjoy recreation, arts, culture
- ❖ Generously support/give to others

Enough Human Capital to....

- ❖ Live with passion, clarity of purpose & ceaseless motivation
- ❖ Understand, appreciate and express our unique gifts/talents
- ❖ Give love & compassion both to ourselves & others
- ❖ Honour the individuality & values of ourselves and others
- ❖ Communicate receptively & respectfully
- ❖ Behave with physical, emotional and mental intelligence
- ❖ Resolve conflict with maturity
- ❖ Build and express our leader within
- ❖ Innovate and adapt resourcefully
- ❖ Take self responsibility for everything that happens..always!

Enough Social Capital to.....

- ❖ Maintain & grow a strong network of extended family, friends and associates qualified to assist you & motivated to do so
- ❖ Surround yourself with folks with shared values that you can trust & collaborate with to get results sooner
- ❖ Take the opportunities to reciprocate the favors
- ❖ Build lasting family traditions and memories

Some definitions



"The activity of making, buying, or selling goods or providing services in exchange for money."

OR

"A project or activity that involves many people and that is often difficult."

OR

"A group of individuals under one roof and usually under one head"

The Family Treasury Building Blocks



In Business: Purpose + People = Profits
 These are interdependent. It is the same in your family ...

Business		The Family Treasury
Purpose	→	Individual & Family Mission → Inspiration & Stewardship
+		
People	→	Kick Ass Team of High Esteem → Culture of Personal Development & Leadership
=		
Profits	→	Legacy of Many Achievements → True Family Wealth & Maybe the Family Bank

Family Communication



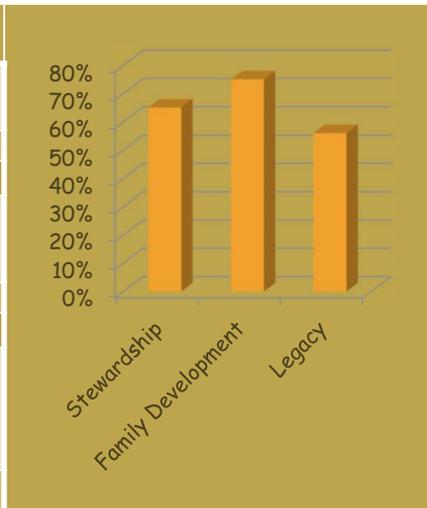
For the following grid, please rate between 1 and 5 (with 1 very low, and 5 superb), how comfortable you think family members are communicating with each other openly and honestly about concerns that may be of a sensitive or difficult nature.

	You	Spouse/Partner	Child 1	Child 2	Child 3	Child 4
You						
Spouse/Partner						
Child 1						
Child 2						
Child 3						
Child 4						

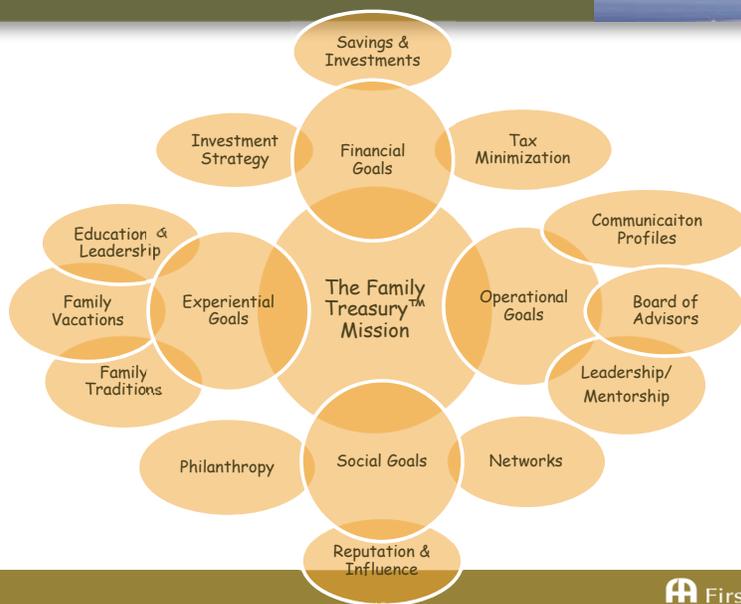
The Family Treasury Systems Balance Sheet



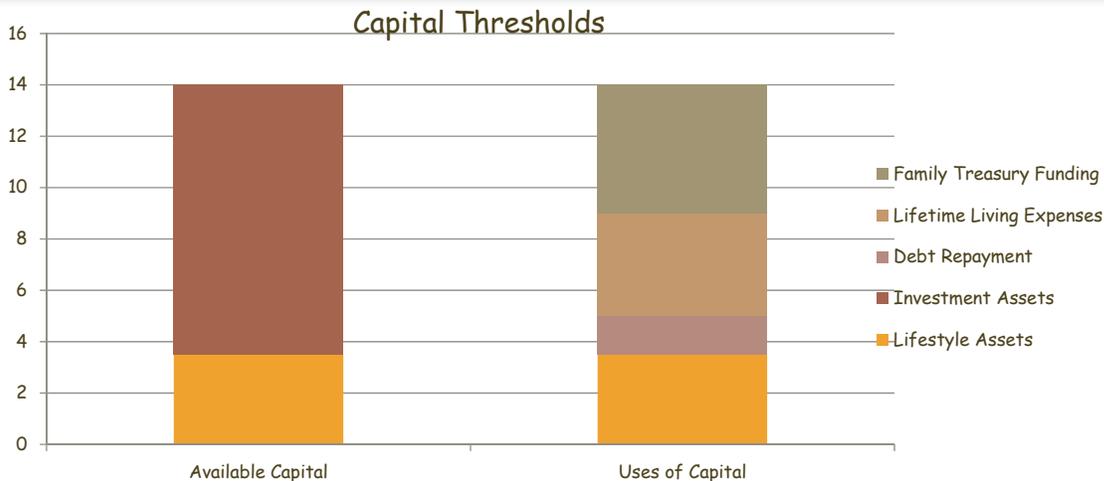
The Family Treasury Balance Sheet Year Ended XXXX	
System I: Wealth Stewardship	
How well we have lived by our values and philosophy	.70
Progress toward the achievement of member mission statements	.65
Process 1 - The Family Treasury Mission Statement	.60
System I Progress to Date	65%
System II: Family Development	
Process 2 - The Family Treasury Documentary	1.00
Process 3 - The Family Treasury Roundtable	.50
Process 4 - Mediation and Facilitation	.75
Process 5 - The Family Foundation	.75
System II Progress to Date	75%
System III: Our Legacy	
Process 6 - The Family Treasury Strategic Plan	.60
Process 7 - The Personal Financial Plan	.80
Process 8 - The Family Treasury Financial Plan	.60
Process 9 - The Tax Effective Structure	.60
Process 10 - The Investment Strategy	.35
Process 11 - The Succession Plan	.40
System III Progress to Date	56%



The Family Treasury Strategic Plan

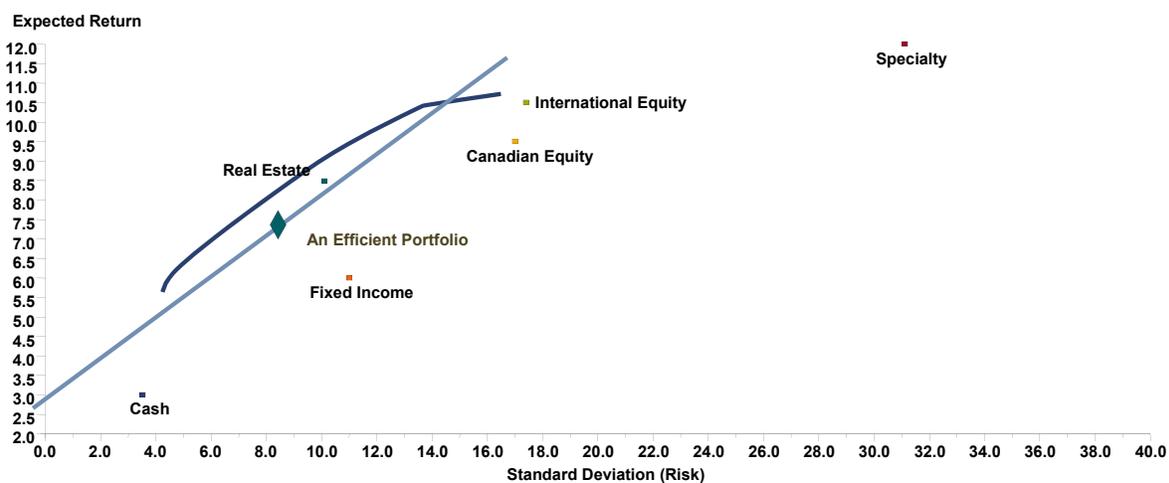


The Family Treasury Financial Plan



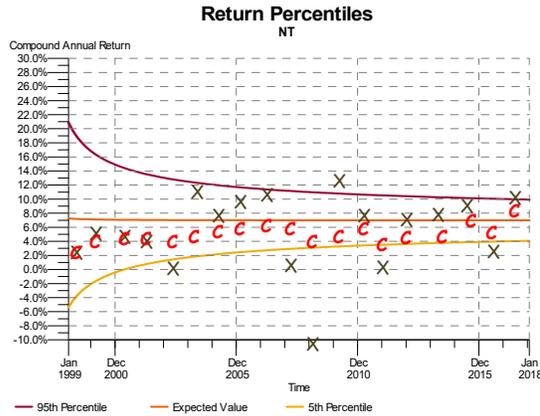
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The Efficient Frontier for liquid assets



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Optimizes & Stabilizes your Results



Compound Return (%) over....

	1 Year	5 Years	10 Years	20 Years
Asset Allocation	2015	2020	2025	2035
95 th Percentile	20.90%	12.99%	11.19%	9.94%
Expected Return	7.26%	7.03%	6.99%	6.98%
5 th Percentile	-5.35%	1.27%	2.90%	4.08%

Your Core Values



1	2	3	4	5	6	7
Authority	Clarity	Accountability	Balance	Accuracy	Loyalty	Collaboration
Challenge	Compassion	Activity	Beauty	Credibility	Devotion	Competency
Competition	Comfort	Adaptability	Co-operation	Expertise	Faithfulness	Conversation
Commitment	Equality	Busy-ness	Compromise	Factuality	Honour	Efficiency
Courage	Fairness	Communication	Creativity	Innovation	Humility	Excellence
Decisiveness	Inclusiveness	Flexibility	Fame	Knowledge	Idealism	Finesse
Detachment	Kindness	Hard Work	Harmony	Objectivity	Inspiration	Orderliness
Independence	Love	Intellect	Honesty	Moderation	Meaning	Perfection
Leadership	Patience	Strategy	Humour	Practicality	Optimism	Planning
Liberation	Peace	Productivity	Imagination	Reliability	Sacrifice	Skillfulness
Vision	Respect	Professionalism	Pleasure	Scientific	Sincerity	Stability
Perseverance	Serenity	Reputation	Spontaneity	Intelligence	Enthusiasm	Timeliness
Power	Service	Risk Taking	Artistic	Methodology	Passion	Tradition
Strength	Volunteering	Status	Expressiveness	Discovery	Determination	Quality
Integrity	Wisdom	Variety	Calmness	Curiosity	Demonstration	Structure

The Seven Categories of Purpose



Purpose	To Lead & Empower	To Love & Illumine	To Think & Communicate	To Mediate & Unify	To Discover	To Inspire	To Design & Organize
Calling	To strengthen & liberate others	To understand & nurture others	To think comprehensibly & communicate simply for others	To bring peace & harmony to others	To experiment, investigate & reveal for others	To aspire to the highest values & inspire others	To organize & manifest for others
Example careers	Politician Executive Military Athlete Explorer	Teacher Scholar Social Worker Psychologist Healer	Entrepreneur Philosopher Writer Salesperson Marketer	Mediator Artist Performer Ambassador Therapist	Scientist Technician Researcher Engineer Analyst	Coach Preacher Activist Orator Trainer	Builder Architect Farmer Administrator Lawyer

My Family Mission / Vision



Purpose	To Lead	To Love & Illumine	To Think	To Mediate	To Discover	To Inspire	To Design
Number of Value Hits	21	22	28	15	11	11	17
Number of Member Profiles	2	1	2				

Our Mission is to.....

....co-invest in entrepreneurial enterprise with leaders who are at the forefront of beneficial change. We will do so strategically, through financial , educational and instructional support with a view to reasonable profit, that profit measured not only in money but also in human evolution.

Thank you for Participating



 First Affiliated

"True success is only achieved when all members of
your family thrive."