



The
HERITAGE INSTITUTE

Heritage Planning for Professionals



What are you doing
to help families deal
with the emotional
impact of an
inheritance?

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**Heritage Planning
for Professionals:
Helping professionals
keep the promises they
made to themselves.**

Identifying the
Solution:
The 3rd Element of
Planning™

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**Financial
Planning**

**Estate
Planning**

**Heritage
Planning**

Traditional Planning

(financial wealth):

GOAL: To accumulate and then pass as much financial wealth (money) as possible from one generation to another.

IRONY...

A 2005 Allianz study found that leaving a legacy was far more important than leaving an inheritance.

77% of both “boomers” and their parents rated “legacies and their life’s lessons” as the most important legacy they could receive or leave.

Only 10% of “boomers” said financial assets or real estate were important as an inheritance.

Heritage PlanningTM *(family wealth):*

GOAL: Use the money to pass as much emotional wealth (well-being) on to future generations as possible

Did you know...

1. If you know your clients' 8 core values, you will manage 100% of their investable assets (and get more introductions) *
2. When the first-generation parents die, 99% of the time the inheritors move their inheritance away from the parents' advisors?*
3. 81% of investors with \$1 M+ plan to move their money to another advisor.**

* Prince & Associates 2003

** Wall Street Journal 9-30-08

Heritage Planning:

View “Traditional Estate Planning Isn’t Enough” video.

Heritage Planning:

DYSFUNCTIONAL RELATIONSHIPS WITH WEALTH & OTHER FAMILY MEMBERS

Bill's Story

Grandquist Story

- Navigating the Dark Side of Wealth by Thayer C. Willis
- The Golden Ghetto by Jessie H. O'Neill
- Wealth in Families by Charles W. Collier
- The Seven Faces of Philanthropy by Prince & File

Heritage Planning:

If 9 out of 10 families are doing
planning wrong, that means that
1 out of 10 are doing it right.

What are they doing?



Every affluent parent
wishes they knew how
to give their children
the hardships that made
them rich.

Adapted from Robert Frost

The Six-Step Experience

See Video:

SIGNIFICANT LEGACY

Certified Wealth Consultants™
Execute Heritage Planning:
AKA
The Heritage Process™/
The Six-Step Experience™

KNOWLEDGE

- ART = emotions, dreams
- SCIENCE = technical,
numbers, calculations

From *Zen & the Art of Motorcycle Maintenance* by Robert Persig

The Six-Step Experience



INITIAL CONVERSATION

During the Initial Conversation, you will be introduced to The Six-Step Experience (The Heritage Process).

You will have the opportunity to ask questions, and to determine—for your own reasons—whether it is right for you and your family.

If you proceed, you will do so at your own pace.

The Six-Step Experience

Means of introduction: CANNOT BE SOLD

- Presentations: small to large meetings/seminars.
- Direct Conversations: Prospective clients meet with certified wealth consultant on their own.
- Indirect Introductions: Prospective clients' trusted advisors (third parties) recommend certified wealth consultant. Safety & trust must be the foundation of the relationship between the trusted advisors, their clients, and the consultant.

The Six-Step Experience



GUIDED DISCOVERY

Guided Discovery is a process of learning during which you are guided by another to learn from your own experiences.

This journey through your personal treasure chest of memories and life lessons will help you understand yourself and your family as never before, and it will clearly outline the path ahead.

GUIDED DISCOVERY

GUIDED DISCOVERY IS NOT FACT FINDING:

- Fact finding is for advisor's benefit
- Guided discovery is for the client's benefit

GUIDED DISCOVERY

How Adults Learn:

Actively:

Stories, metaphors, illustrations, examples

Passively:

Didacticism (preachy, sermonizing, moralizing)
lacks motivation, lowers comprehension.

GUIDED DISCOVERY PROTOCOL

- Will not invade your private lives; will avoid unresolved personal issues; has boundaries
- Confidential – personally and professionally
- No financial information discussed
- If question happens to be sensitive, just say, “No”
- No judging intended
- Confidential: Tape recorder is used because it is the best record keeper. Clients control the tape and its transcription. Vision statement is drafted from the transcription. Clients may clarify, modify, or delete any part of transcription
- Conversation will likely require more than one meeting

GUIDED DISCOVERY

View Guided Discovery Video.

GUIDED DISCOVERY

Guided Discovery Demonstration

The Six-Step Experience



The Heritage Statement

Your Heritage Statement is a meaningful and compelling testimony of your story and values combined with the appropriate structure for sharing those values with the future generations.

In short, it says: *“This is who I am. This is where I came from. This is what I believe. This is what I hope for my family in the future.”*

The Heritage Statement

- **Voices:** essayistic; narrative; dramatic; poetic
- **Heritage Statement: Standard Categories**
- **Sample Heritage Statements**
- **Sample Family Charter**
- **Sample Family By-Laws**

The Heritage Statement Categories

- Statement's Purpose
- Our Story and Values Behind Our Wealth Accumulation
- Our General Financial Objectives
- Our Family Estate Plan including our Children's Role for Using Their Inheritance to Pursue Our Vision and to Create a Vision of Their Own
- Our Definition of Wealth and Our Desired Effects Inheriting such wealth Will Have on Our Children
- Balancing Our Children's Financial Inheritance with Their Charitable Inheritance.

The Six-Step Experience



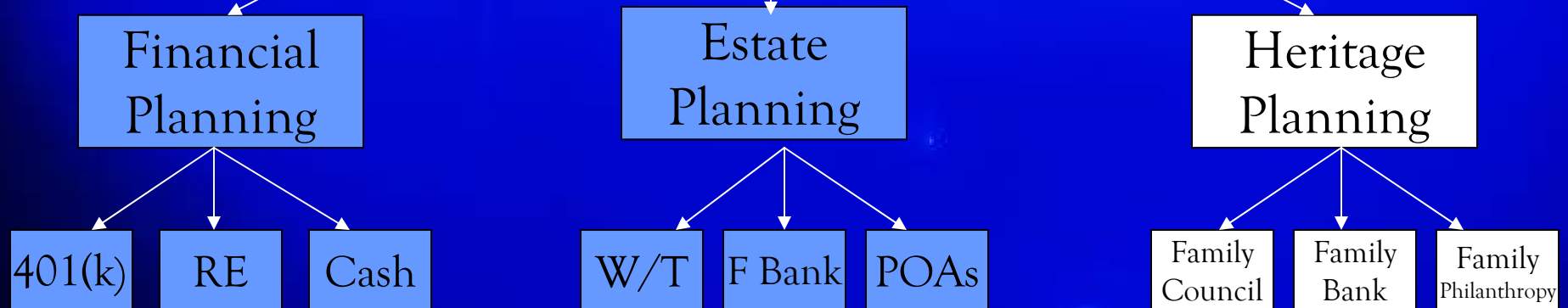
Passing Your Heritage

Your Heritage Statement is provided to all of your advisors, giving them a clear, shared focus for your planning.

This helps them to become a dedicated team, working in harmony to align your planning with your goals and beliefs, which will implement your vision now and into the future.

Guided Discovery

Vision Statement

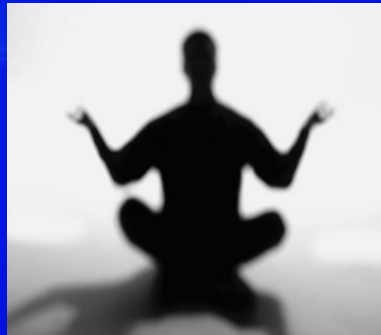


Client Advisory Team Supported by *Certified Wealth Consultant™*

Client



Local Team



National Team

Investment
Advisor



Trust
Officer



Insurance
Advisor



Financial
Advisor



Legal
Advisor



Real Estate
Advisor



Tax
Advisor



Philanthropic
Advisor



Certified Wealth Consultant™



Client Advisory Team Supported by Certified Wealth Consultant™

Based on The Wisdom of Teams by Katzenbach & Smith:

High Performance Teams: The individual members advocate for the other team members ahead of themselves.

participative leadership
aligned on purpose
future focused
creative talents

shared responsibility
high communication
focused on task
rapid response

KEY: GET CLIENTS WHERE THEY WANT TO BE!

The Six-Step Experience



Heritage Day

Your family will celebrate its heritage at this special event, and you will share your values, visions, and Heritage Statement in an open, honest, and comfortable setting.

The day's activities will strengthen communication within the family and help begin the gradual transfer of leadership and responsibility to the next generation(s) by organizing your Family Council – a unique structure that promotes and perpetuates your family's heritage and vision.

Heritage Day

The Purpose of Heritage Day:

1. Introduce family to Guided Discovery exercises with children.
2. Provide story of wealth accumulation's ups and downs.
3. Introduce family to the Heritage Statement.
4. Adopt a Family Charter and By-Laws.
5. Assess the family's human capital (build upon strengths).
6. Formally organize the Family Council.

Heritage Day

Twelve Steps of Initial Heritage Day:

1. Purpose of Heritage Day
2. Retreat agenda
3. Instructions for histories
4. Purpose of family council
5. Execute document adoption
6. Adopt council rules
7. Council net worth exercise
8. Random thoughts exercise
9. Purpose of check to members
10. Officer responsibilities
11. Follow-up conference call
12. Continued follow up

Heritage Day

Purpose of The Family Council

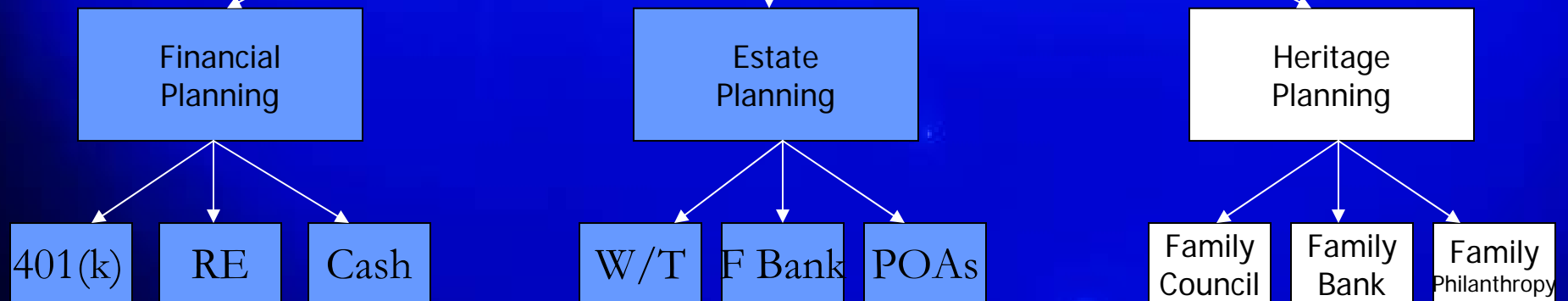
Family Fun

Family Development

Family Business

Guided Discovery

Vision Statement



FAMILY BANK PURPOSES

- Traditional Estate Planning
 - Education
 - Health
 - Family Vacations/Reunions
 - Family Emergency
- Pre-Inheritance Experience (together)
 - Talk about money
 - Invest money
 - Make decisions about money not spent

FAMILY PHILANTHROPY

Family Council members TOGETHER
make philanthropic decisions:

- Which philanthropy(ies)?
- Examine philanthropic values, goals, as well as expense ratios
- Extend knowledge learned about how money works
- Learn about empathy

The Six-Step Experience



Living Your Heritage

Your Heritage Day marks the moment that you and your family begin to live your heritage-for generations.

Families typically organize themselves into a Family Council and then meet at least once a year to have fun and to discuss the family's activities, ideas, strategies, and plans for the future. The sole purpose of these gatherings is to keep your family unified through active communication, team building, leadership, and shared responsibility.

This is the time, year after year, where you witness your family working together, making healthy decisions, and nurturing Family love and harmony.

Living Your Heritage

On-Going Family Council

Business Meeting Guidelines:

1. Set timetables; stick to them
2. Ground rules
3. Create agendas/name leaders
4. Note desired outcomes
5. Time to brainstorm
6. Evaluation at end
7. Action plan for follow-up
8. Confirm roles/officers

Summary and Review:

Where do the things that
the 10% of families that do
planning right fit?

Summary and Review:

What about what you saw
and heard today has value
for your practice and your
family?

How & Why to Attend THI Class

Here's training that will help you *thrive* in 2009:

The Heritage Institute trains professional advisors to master, integrate and apply *The Heritage Process* in their businesses and organizations.

And, we provide our members with ongoing practice support, mentoring and training. This Process has been experienced by thousands of individuals and families, from average income earners to many estates valued at over a billion dollars.

Clients Forever

Portland, OR, February 23-25, 2009

Tuition: \$2000

Clients Forever introduces a six-step process through which you can develop new, deeper and more fulfilling relationships with your clients. It will help you give your best, for the right reasons, to the right people. Plus, you will go back to your office Monday with skills and tools that you can implement immediately!

www.theheritageinstitute.com

(877) 447-1659

What is Next?

SEE BOOK
CHAPTER.

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Heritage Planning: Questions??

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