CAPITAL 5
FAMILY WEALTH

Why families should ask their advisors to collaborate

As we discussed in the previous article, estate and financial affairs for established families are highly complex. Each of the disciplines – tax, legal, investment, insurance – are inextricably linked. And, planning can actually change acer it's executed, even if the family doesn't touch it. This is due to the dynamic nature of the tax code, legal structures and the financial markets. Ongoing compliance and accuracy must include true collaboration among your various advisors.

The difference between coordination and collaboration

Coordination is often referred to as "quarter-backing". It may refer to one party posing a specific question to a colleague or informing the colleague of a decision. In contrast, collaboration requires all advisors to participate simultaneously in conversation. The group designs solutions together using the family's documented vision as a filter for whether an idea is relevant.

The magic of true collaboration

Think of a time when you were involved in a group discussion and everyone in the room had mutual respect, and a commitment to work as a team toward a documented result. The spirit of collaboration causes you to listen more attentively. It quiets your own mind while you're opening up to others' contributions. That space in your thinking inherently increases your creativity. Questions and thoughts raised by others challenge or deepen individual and collective ideas. The result is a body of work that no single person, discipline or vantage point could arrive at independently.

Decreased costs and increased efficiency

Some families feel that bringing advisors together for group meetings may increase fees. Ironically, the opposite occurs. With communication occurring real-time amongst all parties, better ideas are formulated in less time, often reducing taxes or other expenses. The team arrives at more relevant solutions faster and there's less chance of one person's style driving the result. Also, collaboration reduces the likelihood that an idea from one vantage point will cause costly problems – in a neighboring discipline – that have to later be unraveled.

Getting started: an action checklist

▲ Call each of your existing advisors. Explain why you're interested in creating a collaborative effort. Define what collaboration is, and what it's not.

▲ Bring all your advisors together socially. Allow them to become acquainted in a casual unstructured environment.

▲ Schedule your first team meeting. Identify a process or methodology for refining or creating your overall vision for your wealth. The collaborative team will need this documented vision to drive their future idea development.

▲ Together, create communication ground rules for future meetings.

▲ Create a schedule for future meeting and ask everyone at the table to commit completely to the structure. Many of these meetings may be held with the advisors only. Then you'll schedule a group meeting at which advisors share ideas with you – only the short list of ideas they all believe are relevant.

▲ Once you've begun, make sure the process and ground rules are followed. Keep in touch about what's working or not working and commit to achieving true collaboration over time.

As always, please feel free to call with any questions regarding this or other important topics.

Rodger K. Johnson ChFC®, CLU®, MSFS®, CFP®, CAP® | **Tiffany Kirgan** MBA, CLU®, CFP®, CAP®
5041 Kinsey Drive Tyler, TX 75703 | T 903-581-2098 | F 903-581-5381
5005 Lyndon B Johnson Fwy, Suite 1600, Dallas, Texas 75244 | T 972-663-3948