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Is your business prepared?

Things Advisors Need to Know to Thrive in Today's Planning World

by

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4 Things Advisors Need to Know to Thrive in Today's Planning World

The planning world is changing at warp speed. Is your business prepared?

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When you pile the kids into the car and head out on the road, it won't be long before the quintessential road trip question of all time come drifting up from the back seats: "Are we there yet?" For years, experts who study trends in the professional planning services arena have been telling us that a fundamental 'shift' in the way we provide planning is on its way. We're rapidly shifting, they tell us, away from a performance perspective to one that prioritizes outcome-driven advice and solutions on behalf of clients.

So, where exactly are we on that trip? To return to the road trip analogy, consider the message that is engraved on the exterior side mirrors of your car: *Objects in the mirror are closer than they appear.* In this case, the object that is bearing down on all of us is the shift. How close is it? Close enough that today we feel confident that we can answer the 'are we there yet' question this way: the shift is here—we have arrived. Here are 4 things you need to know to thrive during—and after—the shift.

#1. What will this shift look like?

The outcome-driven advice and solutions experience for clients will continue to utilize most of the traditional planning tools with which we are familiar. Increasingly, however, advisors are working in collaborative professional teams to 'bundle' traditional financial and estate planning with additional disciplines such as heritage design or legacy planning in order to achieve all of the client's desired outcomes. And, the rate of that increase is becoming exponential.

By and large, clients are familiar with the generic terms financial planning and estate planning. When they engage a professional to provide those services they also understand (and look for!) generally accepted and recognized credentialing and certification standards based on education and training. In the case of heritage design / legacy planning, the process of educating and informing professionals and the public at large about what they represent is an ongoing process. (To get a feel for this process, think back on the introduction and acceptance of Living Trusts in place of / in addition to wills. It took years, but that shift is now complete.)

Psychologist, author, and teacher James Grubman, PhD, explains the shift this way: "Embracing Wealth 3.0 means moving beyond being a cottage industry of professionals who are largely problem-focused and self-trained, with limited consistency in credentialing, systems, or competence. It means doing the hard work necessary to become a

recognized field that is positive and strengths-based, with an accepted body of core knowledge, implemented by skills grounded in consistent concepts, practice, and research design, and which fully integrates with companion disciplines including finance, law, and even psychology."

In short, the shift now taking place in the planning professions is rapidly approaching a tipping point in which heritage design / legacy planning is taking its place on an equal footing alongside traditional financial and estate planning in the eyes of advisors, academia, and the general public.



#2. What does this shift mean for advisors, their clients, and our industry?

The short answer to that question can be summed up in two words: opportunity, and challenge. The challenge for the advisor is to provide planning aimed not only at specific client financial issues, but more

broadly, to go beyond the money to encompass his/her family, business and philanthropic activities. For many professionals, this emerging dynamic is a clarion call about the importance of assembling a team of like-minded professionals who can collaboratively serve a whole range of needs identified by the client during the heritage design process. Advisors looking for the opportunities that flow from providing heritage design services will look far beyond what traditional teamwork has focused on (trusts, charitable giving strategies, etc.).

Instead, heritage design teams come together in a truly collaborative effort to provide a much broader scope of service and expertise that their client families desire. For example, the advisor team may work with the family in such key areas as building and enhancing communication and trust, and providing ongoing training to implement mentoring and leadership programs inside the family. And, while the full range of heritage design services offer tangible value to almost all families at all income levels, for the high net worth individual or family, heritage design services are simply indispensable. How do we know that? Because many studies and surveys (among them the seminal survey done by Williams and Pressier¹) of thousands of affluent families who have struggled to maintain their family unity and wealth from one generation to the next make it clear

that if affluent families do not have access to the tools, services and training afforded by heritage design, there is a 90% probability that their family will fail. Most HNW families know that, in large part because of the increasing visibility and education on heritage design and its multi-generational benefits.

#3. How does an advisor learn about / integrate heritage design into his / her practice?

Advisors can integrate heritage design services into their businesses in one of two ways: they can become trained and certified in the heritage design process by an institution like The Heritage Institute, which has been training and certifying advisors since 2003. These advisors are awarded certification as Heritage Design Professionals™ (HDP). In most cases, HDPs work with teams of professionals to coordinate and deliver a full suite of services on behalf of clients. The work these teams do is fully collaborative; they do not work in isolated ‘silos’ as is the case so often when one advisor turns over some of the work over to another.

The second way that an advisor can offer heritage design services to his/her clients is to engage a certified Heritage Design Professional to assist with team selection, coordination and service provision. This is a cost-effective and time-saving solution for many advisors, as well as a way to almost immediately add heritage design services to their client offerings. And, while there isn’t a one-size-fits-all scenario by which clients ultimately engage in heritage design, here is an example of one family with whom we have worked who followed a fairly typical progression of activities leading to engaging with us:

- A financial planner working with this couple recognized the need for them to do estate planning.
- The financial planner introduced the couple to an estate planning attorney.
- The attorney quickly realized that the husband and wife were not on the same page when it came to planning for the future of their wealth or their family. The practical effect of that situation was that they were having a hard time agreeing to next steps, including signing important documents together.
- At that juncture, the estate planning attorney introduced the couple to both a Heritage Design Professional and a family coach. The HDP conducted a Guided Discovery process with the couple, and, together with the family coach they facilitated the first two Family Milestones (family meetings) that included exercises designed to help the entire family build communication skills and trust.

- The end result of this process was that the matriarch and patriarch of the family came to a clear understanding of how to come together for the purpose of completing their estate planning, and they gained increased confidence in the ability of their children to work together on important issues—including with money. Their children and grandchildren were also introduced to the value of participating as equals in an ongoing series of family and personal development programs. (Here’s an ‘inside baseball’ tip: when working / meeting with a family like this, it is critically important that they come to understand and acknowledge that the business of being a family is not the same as the family business! To focus on one at the expense of the other is a sure recipe for failure.)



#4. Next Steps

There are a number of ways to learn about heritage design and its emergence as a fully equal ‘third’ partner to traditional estate and financial planning. This is important even if you choose not to integrate heritage design services into your business. A growing number of advisors around the world are using heritage design, and so it just makes sense to be informed about one of the most important trends in our industry.

For those who want to explore heritage design more deeply, we have resources on our website (including videos) that can answer many of your questions. We also do live webinars and online training, and, we are available for one-on-one phone calls to talk about your unique professional situation. We also recommend the highly readable book, *Beating the Midas Curse* (2nd Edition) as a good, comprehensive overview of heritage design. Clients really enjoy the book, too. It’s a great, low-cost way for advisors to introduce heritage design to their clients and their colleagues.

However you may choose to learn more, we look forward to assisting you.

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