



MULTI-GENERATIONAL PLANNING FOR THE FAMILY BUSINESS:

Creating Confidence in the
Transitions that WILL Occur



Transitions



Business Transitions

Transitioning the BUSINESS to
Future Generations in the Family

Transitioning the PROCEEDS from
the Sale of the Business

Business Transitions

The receipt of either the
BUSINESS or the PROCEEDS is like
Winning the Lottery

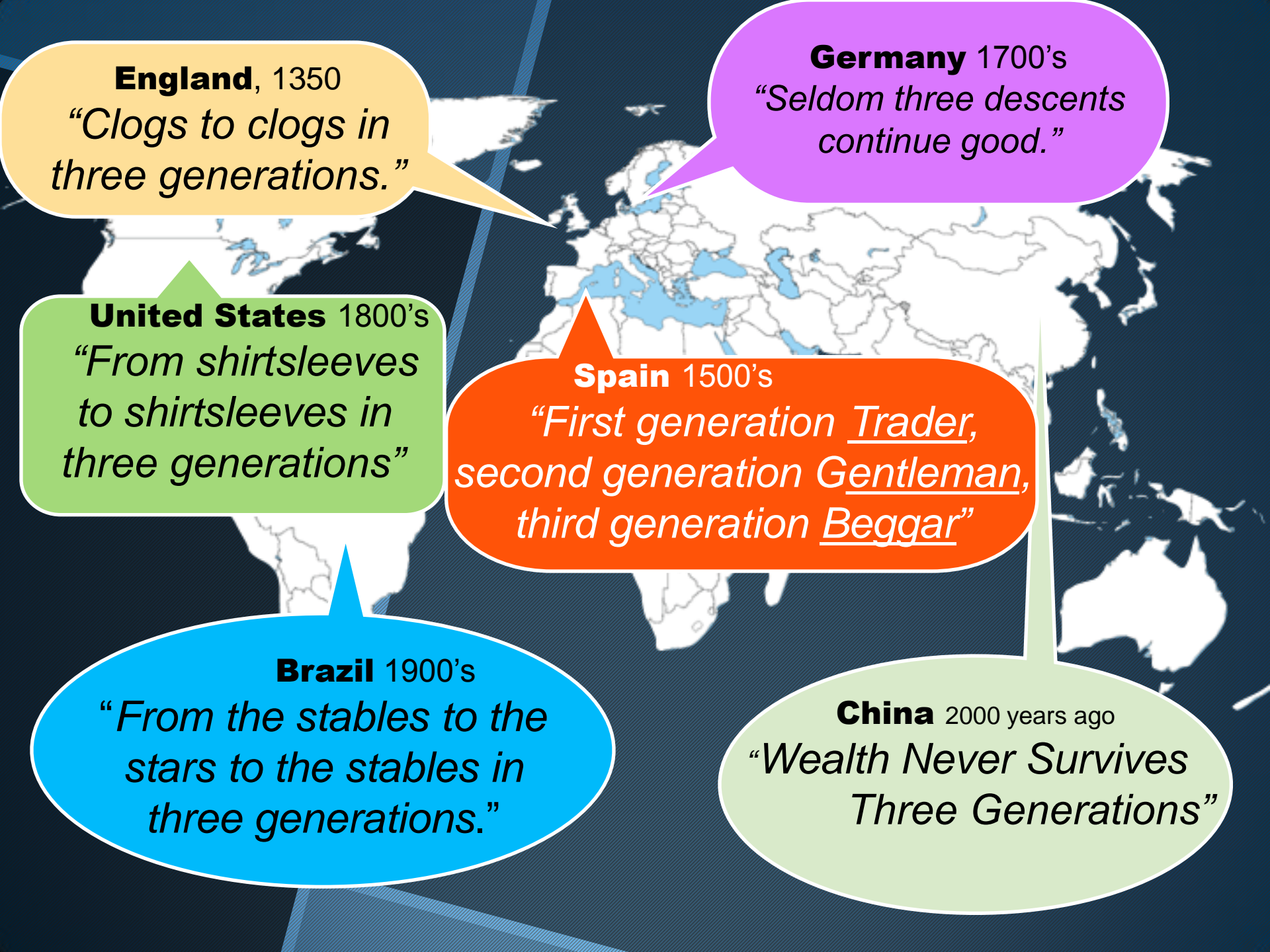


Family Transitions

The Patriarch & Matriarch Are
Going to DIE!

And so are G2, G3, G4 ...





England, 1350
"Clogs to clogs in three generations."

Germany 1700's
"Seldom three descents continue good."

United States 1800's
"From shirtsleeves to shirtsleeves in three generations"

Spain 1500's
"First generation Trader, second generation Gentleman, third generation Beggar"

Brazil 1900's
"From the stables to the stars to the stables in three generations."

China 2000 years ago
"Wealth Never Survives Three Generations"

Lessons from history –

Geography

Cultures - Economies

Governments - Tax Structures

Don't Matter.

**Families *rarely* keep their money
and families together for more
than three generations.**

**90% of families fail to keep
their families and fortunes
together for more than three
generations – and that has
been true for centuries!**

Why?

- It is NOT due to a of lack of traditional financial and estate planning...
- It is due to transferring **MONEY** rather than **WEALTH**, and not having a solid foundation to support the inheritance that is being given and received.

Unfortunately...

**The Odds Are Even
WORSE
For Family Businesses**

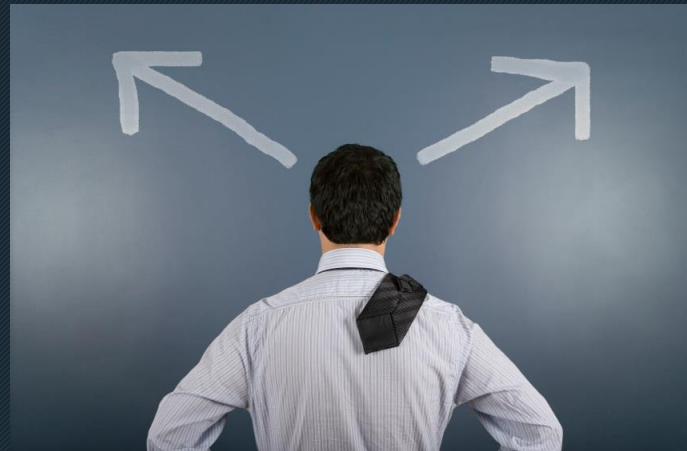


Creating Alignment

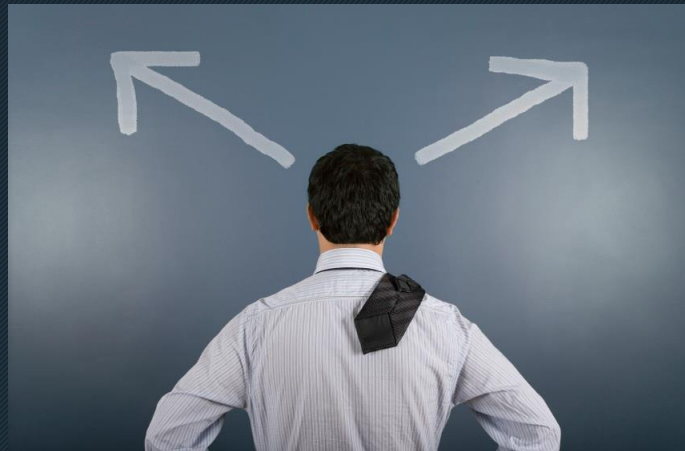
Alignments

- G1's Desired Outcomes for the Business
- G1's Desired Outcomes for the Family
- G2's Desired Outcomes for the Business
- G2's Desired Outcomes for the Family
- Sustaining the Business
- Sustaining the Family

The Fundamental Issue



What is **VITAL** for the Business
Can Be **LETHAL** for the Family
(and Vice Versa)



The Obvious Question...

What do the successful
10% do differently?

The Keys to Success:

1. Building Communication and Trust
2. Identifying Common Vision (Alignment)
3. Mentoring/Preparing Inheritors



The #1 Key to Success:

Going from Monarch to Mentor



#3

Mentoring Through
Pre-Inheritance
Experiences

#2

Identifying and
Promoting Common
Vision

#1

Effective
Inter-Generational
Communication

Remember:

Wealth Is Not Just Financial

What do you value most in life?

- ▶ Family
- ▶ Health
- ▶ Friends/Relationships
- ▶ Money
- ▶ Values
- ▶ Faith or Spiritual Beliefs
- ▶ Skills
- ▶ Experiences
- ▶ Reputation
- ▶ Causes

Balanced View of Wealth

Human
Capital

Intellectual
Capital

Financial
Capital

Social
Capital



What it takes to engage the Rising Generations

(G2, G3, G4, G5, ...)

1. Is it worth it?

2. Can I do it?

From: *Influencer*
by Patterson, Grenny, Maxfield, McMillan & Switzler (2008)

Is it Worth It?

The Importance of “The 3 Ps”

Permission

Protection

Potency

Is it Worth It?

Would you engage in an endeavor if:

No one sought your input?

Your input was ridiculed? And/Or

Your input was ignored?

Is it Worth It?

Question for the Client:

Are you planning *AT* your children?

Or

Are you planning *WITH* your children?

The Heritage Process



Heritage Process

Established to nurture relationships among members of the extended Henry Family through regular communication and discussion.

- Annual Focus on the “business of being family”, not the “family business”
- Created a Heritage Book to record family history and values
- Formed the “Henry Family Fund” for Philanthropy
- Formed the “Henry Bank” to fund family projects

Family Values—Honor God, Respect and Support Family,
Be Good Stewards of Land and Resources,
Seek Continued Growth and Knowledge.

Family Crest





Questions & Next Steps

Johnne Syverson, CFP®, AEP®, CAP®, HDP

4400 Westown Parkway, Suite 405

West Des Moines, IA 50266

515-225-4486

jsyverson@TomorrowIsComing.com

www.TomorrowIsComing.com

TRANSITION POINT

Business Advisors

Because tomorrow is coming

Family Assessment

- Is your family effective at discussing difficult topics?
- Does each member have a voice?
- Is there regular communication amongst generations?
- Do you celebrate and create traditions?
- Do you gather outside of holidays?
- Are “Family Business” discussions different than discussing the “business of being family”?
- Does every member play a meaningful role?
- Is it worth it to be part of the family?
- Are you intentional about developing leadership in each generation?
- Is the next generation prepared to take over the family legacy and both their financial and non-financial inheritance?

Who is Johnne Syverson?



- Originally from Southern Minnesota
- Lives in West Des Moines, IA with his wife, has three adult children and nine grandchildren
- CERTIFIED FINANCIAL PLANNER™ (CFP®) practitioner
- Accredited Estate Planner
- Masters of Science in Financial Services
- 40 years experience in financial services and planning
- Is one 60 Heritage Design Professional (HDP) in the United States
- Interviewed by *Wall Street Journal*, *CCH Practical Estate Planning*, *Iowa Farm Bureau Spokesman*, *Progressive Farmer* and *Farm Journal*

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