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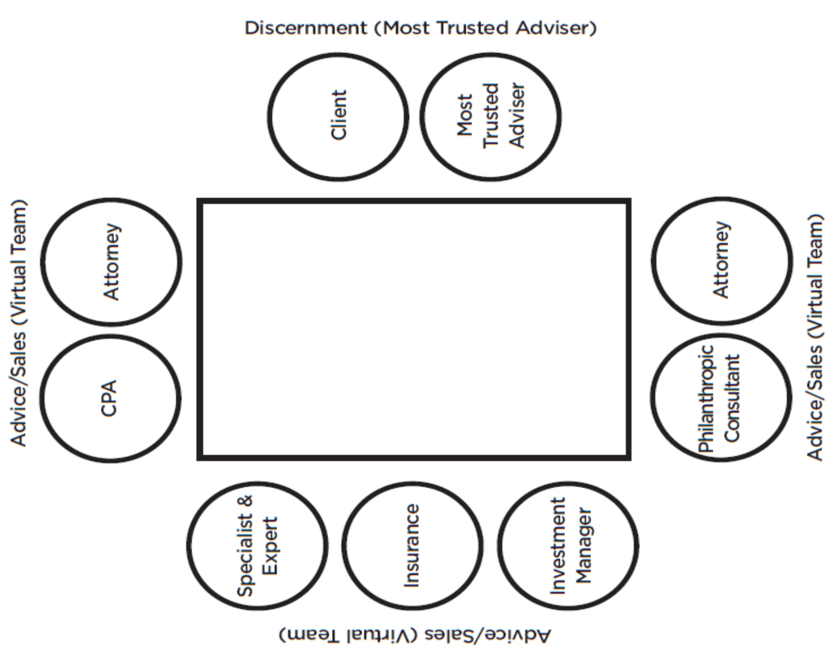
Effective Collaboration: The True Frontier of Estate Planning

By Todd Fithian, Managing Partner, The Legacy Companies, LLC

Setting the Stage

A meeting is set, advisors prepare. The wealth holders arrive. Everyone takes a seat and communication begins. Expectations, reactions, and decisions are all brought forth at the table. The participants surround this flat plane in a ritual of debate and communication. By nature of its' shape, it carries hope of an even playing field. Yet it's a place where thought, ego, and motive can roll endlessly once in motion – little marbles of opportunity in search of their perfect resting points. The edges of the field are lined with players, each with their own marbles. Some marbles are hidden in their pockets, and some are placed right there on the table for all to see. In fact, the wealth holders have a few of their own.

The Table Diagram



This is our field of commerce in the wealth holder's planning life. All of the players are important, yet how can they work as a team, each in their own best seat, so that every wealth holder feels ownership and pride when the game is over? Welcome to the proverbial table. Where would you like to sit?

Your seat at the table is determined by many factors. Like a multi-layered interview process, you must assess yourself in certain arenas and carry certain behavioral traits in order to fill a particular seat. One of the most powerful questions you can ask yourself is what role to you want to play in your clients' lives. As you can imagine, there are lots of seats at the table requiring unique skills, your goal should be to determine which one is right for you and your business.

Now that we understand the lay of the land, let us jump into collaboration from a perspective of identifying what it takes to achieve effective collaboration. Keep in mind along the way and be respectful of the fact that this is hard work and, in order to truly achieve effective collaboration, a number things need to be in place and a specific few need to be left behind. Lots of advisors want to talk about collaboration, but from our two decades of experience working closely in this space, what's actually taking place more closely represents communication, cooperation or coordination than it does effective collaboration.

We define collaboration as a process by which you're transcending your own needs, serving something bigger, and getting everybody what they want along the way. Like I said, easier said than done, but absolutely possible. There are a minefield of challenges working against your collaborative efforts, some of those are as follows:

- *Fear of losing control*	- *Leadership*
- *Compensation*	- *Logistics*
- *Client buy in*	- *Ego*
- *Lack of process*	- *Accountability*
- *Competency*	- *Fear of being exposed*
- *Too expensive*	- *Conflict*
- *Takes too long*	- *Trust*

To me, the greatest of these challenges is ego and that one in itself has stopped collaboration from getting started on far too many occasions. The good news is the advisory community and wealth holders alike are asking for and in search of a more collaborative approach in order to increase the possibility of outcomes that can be reached in an effort to address the age old challenges with generational wealth transfer.

What Makes a Great Team

Great teams are fundamentally defined by two criteria, *High Positivity* and *High Productivity*. When we look at collaboration, it's a team activity which means we need these fundamentals of *High Positivity* and *High Productivity* to be handled first if you're going to have peak collaboration. As you can probably imagine, when you are operating at the highest levels of these two important criteria, the challenges outlined earlier have been addressed and no longer exist in the team. The energy is extremely high and consistently producing positive outcomes for all team members, especially the wealth holder. Today, as you think about some of your client relationships and advisor interactions like many others, you are no doubt experiencing other intersections of challenges, for example:

- We define teams that have *<u>High Positivity</u>* but *<u>Low Productivity</u>* as Happy Camp

- We define teams that have *__Low Positivity__* and *__Low Productivity__* as Prison Camp
- We define teams that have *__Low Positivity__* but *__High Productivity__* as Sweat Shops
- We define teams that have *__High Positivity__* and *__High Productivity__* as **Great Teams**

As you think about your current situations, measure them against the level of positivity and productivity that's occurring. Try to do this for yourself, but then put yourself in the shoes of the advisors sitting in the other seats at the table as well as the client. If one member of the team is expressing *low positivity* and/or *low productivity*, it will have an adverse effect on the overall success of the entire team.

What Makes Great Collaboration

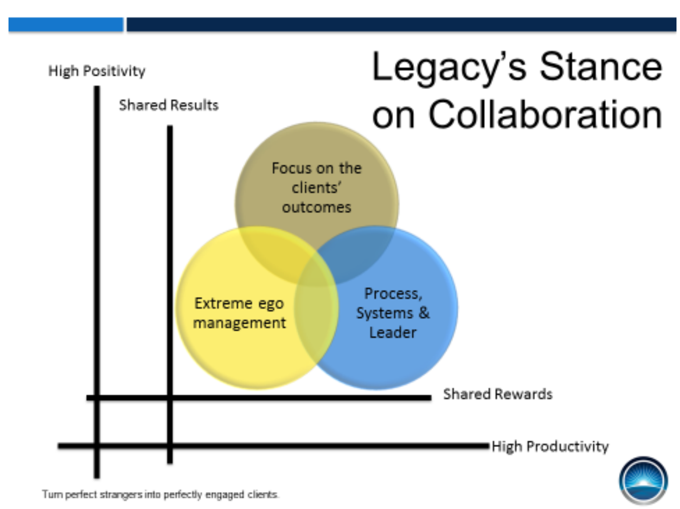
Great collaboration is made up of two main characteristics, shared result and shared reward. Just like we point out the importance of having the required criteria handled before you can operate at the highest level in a team environment, clearly the same goes for the characteristics that make up great collaboration. If all members of the collaboration don't in some way share in the result as well as the rewards, you will run into a continuous series of challenges and fall short of what may have otherwise been achieving a level of excellence.

We talked about some of the misconceptions of collaboration from a standpoint of what is actually taking place. The following will help you recognize where in some relationships you are following short on collaboration, and instead simply being cooperative or helping coordinate aspects of moving things forward, and unfortunately neither of which will obtain optimal results that are achieved through effective collaboration.

- We define collaborations that have *__Shared Results__* but *__No Share Rewards__* as Cooperation
- We define collaborations that have *__No Shared Results__* and *__No Shared Rewards__* as Coordination
- We define collaborations that have *__No Shared Results__* but *__Shared Rewards__* as Consulting
- We define collaborations that have *__Shared Result__* and *__Shared Rewards__* as **Great Collaborations**

The reality however is looking at what it takes to have great teams and great collaborations, in and of itself, is not completely sufficient. There are some other success characteristics that need to be considered to achieve an optimal result.

1. Always focus on the clients' outcomes over your own.
2. You have to have a process, systems, and a leader for carrying it out
3. You must check any and all ego's at the door.



Process, Systems & Leadership

Although handling egos and putting client outcomes first are critical in effective collaboration, we have found the biggest gap to be in the area of process, systems and leadership. Let me share with you what I mean by defining these three areas:

Process: When we talk about a process for collaboration, we are talking about a process that starts with defining a clear vision and direction for the team. A governance process to preserve the past, manage the present, and envision the future over multiple generations. A process for making decisions while maintaining simplicity and convenience. A team management process to ensure you have the right talent, for the right problem, at the right time.

Systems: When we talk about systems for collaboration, we are talking about the specifics for defining roles and responsibilities, protocols for when the team comes together, how the team comes together, and how the team is accountable. Although the client is a member of the team, their role absolutely needs to be clarified and highlighted about how they interact with the team and which meetings require their attendance.

Leadership: When we talk about leadership, we are referring to a role defined by which one member of the team becomes the quarterback to use sports analogy. Staying with this analogy, the client then takes on the role of coach/general manager. At The Legacy Companies, we refer to this quarterback role often as The Most Trusted Advisor (MTA). The core team is typically made up of advisors fulfilling the roles of legal, tax, investment and risk management. In a perfect team, advisors are also highly trusted and competent, where in others teams that is the work goal. In effective collaboration, it's near impossible to have multiple quarterbacks, but not being in the quarterback role doesn't mean an advisor can't have his/her own success in the relationship, in fact, knowing your role and performing as part of the collaboration in your highest capacity often will produce greater opportunity and benefit to all parties. From our vantage point, the quarterback role is something that can still be deployed successfully by one of the core team members serving one of the four competency roles, but in doing so, you must have an ability to separate and demonstrate those competencies separate from one another. We have seen this work very well hundreds of times. Finally, it must be clear that the role of quarterback requires additional relationship and facilitation skills as well as a desire to connect with clients on a deeper playing field. These can be quite different than the skills you've developed professionally to date, but the rewards of achieving this level of relationship far outweighs the time and effort developing them.

Let me leave you with a final note and exercise from **The Right Side of the Table, *Where Do You Sit in the Minds of the Affluent***, FPA Press 2007 that I co-authored with my late brother, Scott.

Exercise: *Conduct an introspective exercise regarding the needs of your largest clients. Take out a blank sheet of paper, write a client's name at the top, and divide the page into three columns. In the left column, list the competencies you currently bring to the wealth holder's planning table. In the center column, list the competencies the wealth holder receives from other advisors. In the right column, list the competencies the wealth holder needs and is not currently receiving, or not receiving adequately in terms of attention or quality. Review each column. In your column, consider which of the competencies you're currently providing that represents your core capabilities. Are you doing the wealth holder a service or a disservice by handling the work? Do you have the adequate skill set, staff, and management process to shine in this area? If not, how can you use the team to help the wealth* *holder get what he or she needs? Use the same thought process to work through the center and right-hand columns. What's missing or inadequately addressed by the current team? How can you come to the table and help the wealth holder achieve greater clarity and results in each competency, either through a frank conversation or the introduction of an alternative or additional team member?*

Consider the exercise as a potential conversation with current or prospective clients. Help them see that you care about the total picture of wealth not just your role and that the quality of the fulfillment of each role is crucial to an effective plan. Help the wealth holder to achieve an intentional and high-quality result instead of a potentially precarious de facto result.

ABOUT THE AUTHOR

Todd Fithian is the Managing Partner of The Legacy Companies, a professional training and consulting organization working directly with financial institutions and advisors to families of wealth throughout North America. Fithian is an author and frequent speaker on topics related to building the skills to serve families of wealth on a multi-generational level and the systems and process to deliver it.

Todd can be reached at 888-649-4591, by email at todd@think-legacy.com or through visiting the web site at www.think-legacy.com.