Successful Collaboration in Estate Planning

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Acknowledgements

With Deep Appreciation for the hard work of the members of Multi-Disciplinary Teaming Committee of the National Association of Estate Planners and Councils and the Legacy Companies without whose collaborative efforts this presentation would not be possible
TODAY’S OBJECTIVES

• What is Collaboration?
• What isn’t Collaboration?
• Why Collaborate?
• Benefits to Clients
• Benefits to Advisors
• Your Seat at the Table
• Process of Collaboration
Communication is not Collaboration

- Many advisors communicate with other advisors about a mutual client
  - Sharing documents
  - Exchanging emails
  - Answering phone calls

- Communication is an important component of but does not rise to the level of collaboration
Coordination is not Collaboration

- Many advisors coordinate their work
  - Financial advisor may change title of assets after the lawyer helps a client execute a newly formed trust
  - The insurance advisor may submit beneficiary or ownership changes to the company to reflect trust or trustee information to reflect new documents prepared by the lawyer
  - An accountant may provide minimum distribution calculations to a financial advisor to make the distributions to the client.
- Coordination is an important component of but it is not collaboration
Our Definition of Collaboration

Two or more advisors agree to work together (with authorization from the client) to:

1. Choose, design and recommend strategies to the client.
2. Explain their conclusions and recommendations to the client.
3. Execute their parts to implement their recommendations.
When to Collaborate?

When the estate planning process would be enhanced by:

- the input from other advisors from other disciplines; or
- when the planning will result in the need for services from an advisor from another discipline.

Collaboration is generally not appropriate for day to day issues.
Practicing in Silos

- Practicing in Silos
  - What can go wrong?
    - Failure of plan to reflect what is truly important to the client;
    - Missed opportunities;
    - Drafting wrong documents;
    - Inconsistent beneficiary designations;
    - Lack of tax efficiency;
    - Wrong or no insurance;
    - Inappropriate risk analysis;
    - Unnecessary expense
- What else?
People see the world not as it is, but from their own point of view.
Why Collaborate?

Professional Bias and Compensation

- Lawyers draft wills, trusts and contracts;
- Accountants prepare tax returns, financial statements, audits and sometimes business valuations;
- Insurance Professionals sell insurance;
- Financial Planners manage assets;
- Gift Planners close gifts.
Beneficial to Advisors

- Better Advice
- Client Satisfaction
- Referral Business
- Higher Implementation Rate
- Harmonious Working Relationships
- Avoid Mistakes
- Build Lifetime Trusted Client Relationships
Beneficial to Clients

- Clarification of Estate Planning Goals
- Better advice
- Less expensive
- More confidence to act
- Significantly better outcomes
Why Don’t Advisors Collaborate?

- Not part of my normal process
- Fear of losing control
- Fear of embarrassment
- Seems complicated and time consuming
- Don’t know how to begin
“If I had one hour to save the world I would spend fifty-five minutes defining the problem and only five minutes finding the solution!”

Albert Einstein
(WHY)

Discovery 80%

CLIENT TIME ALLOCATION

20%

Planning 20% (HOW)
Client Discovery

The Planning Horizon

Above

Below

Mission, Vision, Values & Goals

Strategies, Tactics and Tools
Self Actualization
The Planning Horizon

Mission, Vision, Values & Goals

WHY

Above

The Planning Horizon

Below

Strategies, Tactics and Tools

HOW
Mission, Vision, Values & Goals

Client Vision

Why?

The Planning Horizon


Strategies, Tactics and Tools
Clarity
Most Clients don’t know what they don’t know!

So how can you know what they don’t know?
How do you address these challenges?
Clients are often overwhelmed by complexity
Clients are often left in the clouds with technical jargon
Advisors often establish objectives by analyzing strategies.
Advisors often interpret total confusion as the need for more information.
Competence
You’ll need a team.
Beginning the Process for Collaboration

- **Questions for the client collaboration conversation:**
  - Who would you consult before you made a major financial decision?
  - When was the last time your key advisors met together without you present to give their best thinking to promote your best interest?
  - Begs the question: Why?
Client Request of Other Advisors

- The client must be the one who asks the other advisors to collaborate.
- Ask the client to send an email request to each collaborative team member.
- Ask the client to copy you on the message to each other advisor.
Initial Face to Face Advisor Meetings

- Phone call to each advisor rather than email to request meeting

- Goals for meeting:
  - Build rapport and trust
  - Reach common understanding on collaboration
  - Set expectations for the process
  - Discuss roles and protocols
  - Demonstrate your respect for the other advisor’s role and sensitivity to his or her concerns
  - Reduce fears and increase positive expectations
Talking Points

1. Ice Breaker
2. Purpose of Meeting
3. Your Story
4. Their Story
5. The Collaborative Process
6. Collaboration Protocols
7. Next Actions
Documentation for Initial Group Meeting

- Transmit Summary to Advisory Team of:
  - Client’s Articulated Goals and Planning Gaps
  - Financial, Legal and Tax Information
  - Current net worth
  - Portfolio Details
  - Income sources
  - Business interests
  - Buy sell arrangements
  - Trial estate tax calculation
  - Diagram of existing plan if any
Initial Team Meetings

• **Strategy Sessions**
  - Each advisor should come prepared with ideas.
  - Goal is for facilitating advisor will try to develop consensus within the group and summarize the leading ideas that appear to be best aligned with the client’s stated goals.
  - Develop internal analysis to compare various alternatives and permutations.
  - Meet again as advisors to review analysis and agree on best set of recommendations.
Client Presentations

- Advisor team meets with client to present proposed plan and address client questions and concerns
- Advisor team meets again and agrees on refinements
- Refine plan and prepare the final draft for the next client meeting
- Meet with client again and present the final draft
Effective Follow Up

- Circulating Reports and Information
- Making sure printed reports are printed and bound as needed for client meetings
- Coordinating teleconference calls and client meetings
- Keeping track of commitments made by each team member with respect to getting work done on time
- Give every team member an opportunity to be heard
- Build Consensus
- Get Clarity after every meeting of exactly what everyone has agreed to do and when it will be done
### The Different Advisor Styles

Although all advisors relate to some elements of each style, each is predisposed to one style.

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<tr>
<th>Sales</th>
<th>Advice</th>
<th>Discernment</th>
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<tbody>
<tr>
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<td>Client Quantity</td>
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<td>Solution Superiority</td>
<td>Objective Process</td>
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<td>Give Away Value</td>
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<td>Paid Per Transaction</td>
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<td>Short-Term Focus</td>
<td>Annual Focus</td>
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<td>24</td>
<td>Minimize Liberty</td>
<td>Overcome Liberty</td>
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<td>No Insight</td>
<td>Advisor Insight</td>
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<td>26</td>
<td>Minimize Contact</td>
<td>Maintain Contact</td>
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<td>Strategies, Tactics and Tools</td>
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What’s Your Seat at the Table?

The Table Diagram is referenced from The Right Side of the Table book published 2007, By Scott and Todd Fithian
Your Seat at the Table: Where do you sit in the minds of your clients?

The Most Trusted Advisor Model™

High wealth clients desire a single "most trusted" advisor relationship.

Client

You

Institution

“Gatekeeper”

A = Advisor

T = Advisor Team

Institution

Institution

Institution
Unmanaged Team

CLIENT

- Limited Progress
- No Common Direction
- No Cost Control
- Family Conflict
- Ceiling of Complexity
- Advisor Conflict
- Untapped Knowledge
- One-to-One Communication

Lehmanna & Norman Marcus Inc.
The Most Trusted Advisor Model™

High wealth clients desire a single "most trusted" advisor relationship.

- **Client**: Facilitator
- **Intimacy**: A = Advisor
- **Institution**: "Gatekeeper"

Effective Team Model

A = Advisor
T = Advisor Team

LEHMANN & NORMAN MARCUS IC
transferring values in addition to valuables
Management
The Virtual Planning Team

Strategy Teams

Core Team

Investment

Facilitator

Legal

Tax

Risk

Virtual Team Resources

CPA

Expert or Specialist

Business

Fiduciary

Philanthropy

Real Estate

Insurance

Investment

Legal
### The Client Planning Map

#### Planning Map for William and Deborah Miller

**Prepared by Wealth Coach Inc of Wealth Coach, Inc.**
**Friday, February 29, 2008**

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**Legacy Interview**

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**FPF Drafting**

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**Priority Matrix Refining**

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**Goal Pyramid**

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**Financial Independence**

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**Family Legacy**

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**Social Capital**

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سورسية: Legacy Wealth Coach Inc.

شهادة: Lehmann & Norman Marcus, LLC

Page 1 of 2